The Eleventh Farm Credit District Employees’ Retirement Plan

Summary of Plan Provisions

2018
SUMMARY PLAN DESCRIPTION
The Eleventh Farm Credit District Employees’ Retirement Plan

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SUMMARY OF PLAN PROVISIONS
THE ELEVENTH FARM CREDIT DISTRICT EMPLOYEES’ RETIREMENT PLAN

This Summary of Plan Provisions (“SPP”) is intended to highlight and explain some of the more important provisions of The Eleventh Farm Credit District Employees’ Retirement Plan. The SPP, however, is not intended to be a complete summary of every provision of the Plan. If there is a conflict or any inconsistency between a statement in the SPP and the terms and provisions of the Plan, the terms and provisions of the Plan will control. If you have any questions after reading this SPP, or if you would like to review a copy of the Plan document itself, please contact Farm Credit Foundations.

Part I – General Information

1.1 Name of Plan. The formal name of the Plan is The Eleventh Farm Credit District Employees’ Retirement Plan.

1.2 Plan Sponsor. The Plan is sponsored by those employers that are part of the former Eleventh Farm Credit District (either initially or through merger) that have formally adopted the Plan. A list of these employers is attached to this SPP as Appendix A.

1.3 Governmental Plan Status. Because all of the Participating Employers in the Plan are members of the federal Farm Credit System and are federally chartered “instrumentalities of the United States,” the Plan is considered to be a “governmental plan.” As a governmental plan, the Plan is not subject to the provisions of Title I of the Employee Retirement Income Security Act of 1974 (“ERISA”) or the regulations issued by the Department of Labor. Although the Plan is subject to the provisions of the Internal Revenue Code (the “Code”), the application of certain Code provisions to governmental plans may differ from their application to plans maintained by nongovernmental employers.

1.4 Single Employer Plan. In light of the close relationship that exists between the various Participating Employers in the Plan and their status as “instrumentalities of the United States,” the Plan is considered to be a “single-employer” plan. In other words, all of the Participating Employers in the Plan are treated as if they were a single employer – the “Employer” – for purposes of administering the Plan.

1.5 Type of Plan. The Plan is a defined benefit pension plan. Under this type of plan, a participant generally will receive, upon retirement, a fixed and determinable monthly pension benefit for the remainder of his/her life. The benefit a Participant may receive under the Plan is summarized in Part IV of this SPP.

1.6 Plan Administrator. The Plan Administrator is the Farm Credit Foundations Trust Committee (the “Trust Committee”). In carrying out its responsibilities as Plan Administrator, the Trust Committee is assisted by both Farm Credit Foundations and the Plan’s recordkeeper.

The Plan Administrator may be reached for purposes of legal process at the following address:

Farm Credit Foundations Trust Committee
c/o Farm Credit Foundations
Attn: Vice-President, Employee Benefits
30 East 7th Street, Suite 3000
St. Paul, MN  55101
1.7 **Recordkeeper – John Hancock.** The Plan’s recordkeeper is John Hancock Retirement Services (“John Hancock”), which primarily assists with matters related to benefit calculations, distribution requests, and Beneficiary designations. John Hancock can provide you with information about the Plan’s features as well as your benefit under the Plan. This information can be accessed in two separate ways: through the Internet at [www.mylife.jhrps.com](http://www.mylife.jhrps.com) or by calling John Hancock’s toll-free telephone number at 1-800-294-3575.

Most of the telephone services are available 24 hours a day, 7 days a week, through an automated voice response system. Participant Services Representatives are also available from 9:00 a.m. to 10:00 p.m. Eastern time on every business day (i.e., days on which the New York Stock Exchange is open) for help with other services. The Internet features are available 24 hours a day, 7 days a week.

1.8 **Trustee.** The Trust Committee serves as Trustee of the Plan. After receiving annual funding contributions from the Participating Employers under the Plan, the Trustee places the contributions in a Trust account. The contributions and any earnings thereon are then used to provide benefits to Participants and their Beneficiaries and to pay Plan expenses. The Trustee is legally responsible for the administration, management, and investment of the Trust account.

1.9 **Funding of Benefits.** The Participating Employers pay the full cost of pension benefits under the Plan by making contributions to a special Trust established to fund benefits under the Plan. Participating Employers have an obligation to make contributions to the Trust account in an amount that the Plan’s actuary determines is necessary to cover the benefits provided by the Plan.

1.10 **Employee Contributions.** The Plan does not require or permit Employees to contribute to the Plan.

1.11 **No PBGC Coverage.** A governmental agency known as the Pension Benefit Guaranty Corporation (the “PBGC”) insures the benefits payable under defined benefit plans. The PBGC does not, however, provide coverage for governmental plans. Because the Plan is considered to be a governmental plan, it is not eligible for coverage by the PBGC.

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**Part II – Eligibility, Credited Service, and Vesting**

2.1 **Closure of Plan.** The Plan is closed to new participants. Accordingly, you are eligible to participate in the Plan only if (a) you were hired by the Western Farm Credit Bank prior to March 1, 1997, or by an association affiliated with the Western Farm Credit Bank prior to June 2, 1997, and (b) you satisfied the conditions for participating in the Plan that were in effect at that time.

2.2 **Eligibility to Accrue Benefits Under the Plan.** Regardless of when you were hired, you are not eligible to accrue additional benefits under the Plan if:

- You are not a full-time Employee (i.e., regularly scheduled to work at least 32 hours/week) or a part-time Employee (i.e., regularly scheduled to work at least 20 hours/week);
- You are earning benefits under the U.S. Civil Service Retirement System;
- You are covered by a collective bargaining agreement;
- You are classified by a Participating Employer as a temporary employee;
- You are employed by an entity that is acquired by a Participating Employer pursuant to a foreclosure on an obligation; and/or
- You are not classified as being ineligible to participate in the Plan, even if it is later determined that the classification was incorrect.

2.3 Rehired Participants. In general, once you have terminated your employment, you will not be eligible to accrue any additional benefits under the Plan in the event that you are later rehired or again become an Eligible Employee. However, there are a number of exceptions to this rule. In particular, you will be able to accrue additional benefits upon your rehire in the following circumstances:

- **Reemployment Following Military Service.** If you have a break in employment due to military service, and you later become reemployed pursuant to the provisions of the Uniformed Services Employment and Reemployment Rights Act ("USERRA"), you will be eligible to accrue additional benefits under the Plan upon your reemployment as long as you return to full-time or part-time employment with a Participating Employer within the period of time established under USERRA. Upon your reemployment, you also will receive Credited Service for the entire period of your military service.

- **Return to Active Employment Following Approved Leave of Absence.** If you were an Active Participant in the Plan and take an approved leave of absence for more than 30 consecutive days, you will be eligible to accrue additional benefits under the Plan upon your return, provided that you return to full-time or part-time employment immediately upon the conclusion of such approved leave of absence.

- **Reemployment Within One Year.** If you become reemployed within twelve months following the termination of your employment, you will be eligible to accrue additional benefits under the Plan as long as (a) you were eligible to accrue additional benefits under the Plan on the date your employment was terminated, (b) you had not yet commenced the distribution of your pension benefit at the time of your reemployment, and (c) you return to full-time or part-time employment with a Participating Employer upon your reemployment.

- **Former AgBank Participants Who Transferred to CoBank Upon AgBank-CoBank Merger.** If you were employed by U.S. AgBank, FCB ("AgBank") at the time of the merger between AgBank and CoBank, ACB ("CoBank"), you may be eligible to accrue additional benefits in the Plan in the event you terminate employment with CoBank and are later reemployed by a Participating Employer in the Plan. Section 2.4 of this SPP sets forth the conditions that must be satisfied in order for you to be able to accrue additional benefits in the Plan upon being rehired by a Participating Employer.

2.4 Former U.S. AgBank Participants. Upon the merger of AgBank and CoBank, the Plan’s benefit obligations to Participants who were actively employed by AgBank at the time of the merger and certain other individuals who were previously affiliated with AgBank were
transferred to the CoBank, ACB Retirement Plan. These individuals generally include former employees who were Participants in the Plan as of the merger date and whose last employer was AgBank, beneficiaries of a deceased Participant if the Participant’s last employer was AgBank, and alternate payees under a qualified domestic relations order (“QDRO”) if the last employer of the Participant to whom the QDRO relates was AgBank.

If you were participating in the Plan and were actively employed by AgBank at the time of its merger with CoBank, you may be eligible to accrue additional benefits in this Plan if you are subsequently rehired by a Participating Employer in this Plan. The right to accrue additional benefits requires that each of the following conditions be satisfied:

(A) You were actively employed by AgBank immediately prior to the AgBank-CoBank merger;

(B) You were an Active Participant in the Plan immediately prior to the AgBank-CoBank merger;

(C) You became a participant in the CoBank, ACB Retirement Plan immediately following the AgBank-CoBank merger;

(D) You subsequently transferred your employment directly from CoBank to a Participating Employer in this Plan; and

(E) At the time of the transfer, you were eligible to accrue additional benefits under the CoBank, ACB Retirement Plan.

If you satisfy each of the conditions set forth above and are able to accrue additional benefits in this Plan upon transferring back from CoBank to a Participating Employer in the Plan, you will receive Credited Service for any service with CoBank following the AgBank-CoBank merger. Upon commencing your pension benefit under this Plan, however, any benefits to which you are entitled under this Plan will be reduced by the benefits to which you are entitled under the CoBank, ACB Retirement Plan in order to ensure that no duplicate benefits are paid.

2.5 Credited Service. Generally, you will receive Credited Service under the Plan for the following periods of time:

- **Employed as an Eligible Employee.** Periods of time during which you were employed as an Eligible Employee by a Participating Employer;

- **Military Service (USERRA).** Periods of time during which you were absent from work due to service in the uniformed services, provided that you become reemployed pursuant to the provisions of USERRA within the period of time established by USERRA.

- **Unpaid Leaves of Absence of 30 Days or Less.** Periods of time during which you were on an authorized leave of absence without pay for no more than 30 consecutive days;

- **Disability Leave.** Periods of time during which you were receiving disability benefits as part of your Employer’s long-term disability plan, provided that you were actively participating in the Plan at the time your long-term disability benefits commenced; and
• **Unused Sick Leave.** Any unused sick leave that you have accumulated at the
time you retire, provided that (a) you commence your pension benefit within four
(4) weeks after your retirement or (b) you die and leave a surviving Spouse who
is entitled to a death benefit under the Plan. See Sections 6.1 and 6.2.

2.6 **Service with Other Farm Credit System Organizations.** As a general rule, your
prior service with other Farm Credit System employers will be counted as Credited
Service in determining your benefit under the Plan. However, in order to receive
Credited Service based on your employment with another Farm Credit System
employer, each of the following conditions must be satisfied:

• The other Farm Credit System employer maintained a defined benefit plan during
the time you were employed by that employer;

• Your service with the other Farm Credit System employer was counted, or would
count, in determining the amount of your benefit under the defined benefit plan of
the other Farm Credit System employer;

• Your employment with the other Farm Credit System employer took place prior to
your employment with your current Participating Employer;

• From the time you were employed by the other Farm Credit System employer
until the time you became employed by your current Participating Employer, you
were continuously employed by an employer in the Farm Credit System with no
break in between; and

• During the time you were employed by the other Farm Credit System employer,
you would have satisfied the eligibility requirements under the Plan except for the
fact that the other Farm Credit System employer was not a Participating Employer
in this Plan.

For the special rule applicable to former employees of AgBank who transferred to
CoBank upon the merger of AgBank and CoBank, see Section 2.4 above.

Additionally, you will also receive Credited Service for your prior employment with a
Farm Credit System employer within the Sacramento or Eleventh Farm Credit
Districts, but only if that employment was immediately prior to your employment as
an Eligible Employee, you were employed in a position that would have made you an
Eligible Employee if you had been employed during that time by an Employer under
this Plan, and you were not covered under a defined benefit plan during the time you
were employed by the other employer.

Please note that your pension benefit from the Plan will be offset by any pension
benefit or pre-retirement death benefit that you are, or would be, entitled to receive
under the retirement plan of any other employer in the Farm Credit System if the
benefits from the other Farm Credit System employer’s plan are attributable to
service that has also been treated as Credited Service under this Plan.

2.7 **Questions About Service and Benefits.** Due to the Plan’s history and the
relationship between the Participating Employers in the Plan (see Section 1.4) and
other employers in the Farm Credit System, the rules as to when and how service is
properly counted as Credited Service under the Plan and how benefits will be
calculated are complicated. These rules are set forth in detail in the Plan document. You may also obtain additional information on your particular situation by calling John Hancock at 1-800-294-3575 or by accessing John Hancock’s website at www.mylife.jhrps.com.

2.8 **Vesting.** You will be fully vested (i.e., you will be entitled to receive a benefit under the Plan) after you have completed 5 full years of Credited Service. If you terminate employment before you are fully vested, you will have no right to any benefits under the Plan.

**Part III – Commencement of Your Pension Benefit**

3.1 **Normal Retirement Date.** The Normal Retirement Date under the Plan is the last day of the month in which you attain your 65th birthday. However, as described below, you may be able to commence your pension benefit at a full or reduced level prior to attaining your Normal Retirement Date.

3.2 **Normal Retirement Benefit.** You may begin to receive the full amount of your accrued pension benefit following the termination of your employment if you satisfy one of the following conditions:

- You retired on or after your Normal Retirement Date; or
- You retired after satisfying the “Rule of 85,” i.e., your age plus years of Credited Service at the time you terminated your employment equaled at least 85; or
- You terminated your employment before your Normal Retirement Date (but after completing at least five (5) full Years of Credited Service) but waited until your Normal Retirement Date to commence your pension benefit.

If you satisfy one of these three conditions, the distribution of your normal Retirement Benefit will commence on the first day of the month following the month in which you retired or, if you waited until your Normal Retirement Date to commence your pension benefit, on the first day of the month following your Normal Retirement Date.

The amount of your normal Retirement Benefit is determined by the formula discussed in Section 4.1 below.

3.3 **Early Retirement Benefit.** If you terminated your employment before your Normal Retirement Date but after completing at least five (5) full Years of Credited Service (and you did not satisfy the “Rule of 85”), you may choose to begin receiving your accrued pension benefit at any time if you satisfy one of the following conditions:

- You have attained age 62; or
- You have attained age 60 and you have at least 15 Years of Credited Service.

Please note, however, that if you elect to commence the distribution of your pension benefit prior to your Normal Retirement Date (and without satisfying the “Rule of 85”), the amount of your monthly pension benefit will be reduced. The amount of the reduction is discussed in Section 4.3 below. Also please note that, if
you elect to commence your benefit in the form of an annuity and your benefit is commenced on any day other than the first day of the month, the first payment will be pro-rated to reflect the number of days for which it is made.

3.4 **Service Following Normal Retirement Date.** If you choose to work beyond your Normal Retirement Date, you will continue to receive Credited Service, and will continue to accrue additional pension benefits. The calculation of your pension benefit in such circumstances will be determined by the formula discussed in Section 4.1 below.

3.5 **Deferred Vested Retirement Benefit.** If your employment is terminated prior to the time that you are eligible to commence an early Retirement Benefit (see Section 4.3) but you have completed at least five (5) Years of Credited Service, you may (but do not have to) commence your reduced early Retirement Benefit as soon as you satisfy the requirements discussed in Section 4.3.

3.6 **Mandatory Commencement of Retirement Benefit.** If you have retired and have not commenced your pension benefit by the time you reach age 70½, you will generally be required to do so under the “required minimum distribution” provisions in the Internal Revenue Code.

3.7 **No In-Service Distributions.** The Plan is designed to provide you with a Retirement Benefit. Therefore, the Plan does not authorize the distribution of your pension benefits until such time as you have terminated employment with the Employer and are eligible for a normal Retirement Benefit, an early Retirement Benefit, or a deferred vested Retirement Benefit.

3.8 **Suspension of Benefit Payments.** If you begin receiving your pension benefit and then return to work, your benefit payments generally will be suspended during your period of reemployment. However, your pension benefit will not be suspended if you already have commenced the distribution of your pension benefit and, upon your reemployment, you meet either of the following conditions:

- **Reemployed More than One Year After Retiring.** More than one year has elapsed between the date that you terminated employment and the date that you became reemployed; or

- **Reemployed as a Temporary Employee.** You are reemployed as a temporary employee and the duration of your new employment is less than one year.

If your benefits are suspended upon your reemployment, they will recommence after the termination of your reemployment. If you were eligible to accrue additional benefits upon becoming reemployed, your pension benefit will be recalculated once you terminate your employment again following reemployment.

3.9 **Forfeiture of Benefit Due to Criminal Acts Against a Participating Employer.** If you admit to, plead guilty or “no contest” to, or are convicted of, a criminal act against any Participating Employer, you will forfeit all rights and benefits under the Plan, regardless of your age and Years of Credited Service.
Part IV – Calculating Your Pension Benefit

4.1 Normal Retirement Benefit. Your normal Retirement Benefit (i.e., the full amount of your accrued pension benefit) is calculated using the following formula:

\[
1.95\% \text{ of your Highest Average Earnings} \\
\text{multiplied by} \\
\text{Your Years of Credited Service}
\]

**Note 1:** The definition for the term Highest Average Earnings is summarized in Section 4.2. The determination of your Credited Service under the Plan is summarized in Section 2.5 above.

**Note 2:** In calculating your benefit, please remember that, if any part of your Credited Service under the Plan is attributable to your employment by another Farm Credit System Employer, the amount of your benefit under the Plan will be subject to an offset for the amount of any benefit that you have received or may be entitled to receive under the retirement plan or plans of that other Farm Credit System employer. The Plan’s offset provision is summarized in more detail in Section 2.6 above.

4.2 Highest Average Earnings. Your “Highest Average Earnings” under the Plan is the average monthly compensation you received during the 60 consecutive month period of your Service with the Employer in which you had the highest compensation.

For purposes of determining your compensation, all of your wages that are reportable as income for federal income tax purposes (e.g., base salary, bonuses, commissions, overtime, and shift differential) are included, subject to the exceptions listed below. Your compensation also includes any amounts that you have contributed on a pre-tax basis to a cafeteria plan and/or a 401(k) plan.

Your compensation does not include the following:

- Non-cash awards;
- Expense reimbursements;
- Severance pay;
- Hiring bonuses;
- Retention pay (if paid after you terminate employment with the Employer);
- Employer contributions to any defined benefit pension plan (e.g., The Eleventh Farm Credit District Employees’ Retirement Plan);
- Employer contributions (including Employee elective deferrals) to any nonqualified deferred compensation plan;
- Employer contributions to any defined contribution pension plan (e.g., the Farm Credit Foundations Defined Contribution / 401(k) Plan);
- Payments for unused vacation time;
- The value of fringe benefits (e.g., health and welfare benefits, group life insurance benefits, etc.);
- Payments made pursuant to an employer-sponsored employee wellness program;
- Customer recruitment and/or Employee referral bonuses;
- Any amount received as flex dollars;
- Any amount received in payment or settlement of a claim for back wages;
- Distributions from a plan of nonqualified deferred compensation; and/or
- Amounts includible in income based on violations of Section 409A of the Internal Revenue Code, which governs nonqualified deferred compensation plans.

Payments from the Western AgCredit Credit Staff Long-Term Retention Plan are included in your compensation if they are includible in your income for federal income tax purposes and they are paid while you are still employed. Payments received from the Sacramento Valley Farm Credit ACA Employee Retention Plan are not included in your compensation, regardless of when those payments are received.

The total amount of compensation that may be taken account in calculating your Highest Average Earnings is also limited by the Internal Revenue Code. See Section 4.6 for details.

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**Normal Retirement Benefit – Hypothetical Calculation**

In order to illustrate how your normal Retirement Benefit is calculated using the formula described in Section 4.1, consider the following example:

Assume that you retired on December 1, 2009, at age 65 with 32 Years of Credited Service, and your Highest Average Earnings was $5,000 per month. Your normal Retirement Benefit would be calculated as follows:

1.95% of $5,000 (Highest Average Earnings) $97.50
-- multiplied by -- x
Your 32 Years of Credited Service 32

**TOTAL MONTHLY RETIREMENT BENEFIT** $3,120
4.3 **Early Retirement Benefit – Commencement Prior to Normal Retirement Date.**

As noted in Section 3.3 above, you may begin receiving your reduced pension benefit at any time after you have either (a) attained age 60 with at least 15 Years of Credited Service or (b) attained age 62 with at least 5 Years of Credited Service. Your early monthly Retirement Benefit will be calculated using the same formula that is used to calculate a normal retirement monthly benefit (as summarized in Section 4.1), and the formula will be based on your Years of Credited Service and your Highest Average Earnings as of the date that you terminated your employment. However, your monthly benefit will be reduced to reflect that you will be receiving payments over a longer period of time. Specifically, the amount of your early Retirement Benefit will be reduced by 1/6 of 1% for each of the first 60 months by which the date of your commencement of benefits precedes your Normal Retirement Date, and by 1/3 of 1% for each of the next 60 complete months by which the date of your commencement of benefits precedes your Normal Retirement Date.

The reduction that will be made for early commencement is illustrated in the examples below:

<table>
<thead>
<tr>
<th>Months Prior to Normal Retirement Date</th>
<th>Reduction Calculation</th>
<th>Percentage Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 months</td>
<td>1/6 of 1% times 12 months</td>
<td>2%</td>
</tr>
<tr>
<td>24 months</td>
<td>1/6 of 1% times 24 months</td>
<td>4%</td>
</tr>
<tr>
<td>60 months</td>
<td>1/6 of 1% times 60 months</td>
<td>10%</td>
</tr>
<tr>
<td>72 months</td>
<td>1/6 of 1% times 60 months + 1/3 of 1% times 12 months</td>
<td>14%</td>
</tr>
<tr>
<td>120 months</td>
<td>1/6 of 1% times 60 months + 1/3 of 1% times 60 months</td>
<td>30%</td>
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The exact amount of the reduction that will be made if you retire early will depend on how many months before your Normal Retirement Date your benefits are commenced. You may obtain information on the reduction that will apply if you retire early by calling John Hancock at 1-800-294-3575 or by accessing John Hancock’s website at www.mylife.jhrps.com.

Remember that, regardless of whether you have attained your Normal Retirement Date (see Section 3.1) at the time you commence your pension benefit, there will be no reduction in the amount of your monthly benefit if, at the time you commence your benefit, you satisfy the “Rule of 85” (see Section 3.2).
Early Retirement Benefit – Hypothetical Calculation

In order to illustrate how an early Retirement Benefit is calculated, consider the following example:

Assume that you retired on December 1, 2009, at age 60 with 23 Years of Credited Service, and your Highest Average Earnings was $4,500 per month. Your normal Retirement Benefit would be calculated as follows:

\[
\begin{align*}
1.95\% \text{ of } $4,500 \text{ (Highest Average Earnings)} & \quad $87.75 \\
\text{-- multiplied by --} & \quad x \\
\text{Your 23 Years of Credited Service} & \quad 23 \\
\text{-- minus --} & \\
1/6\% \times 60 \text{ months} & \quad 10\% \\
\text{TOTAL MONTHLY RETIREMENT BENEFIT} & \quad $1,816.43
\end{align*}
\]

4.4 Early Retirement Benefit – Commencement On Normal Retirement Date. If you terminate your employment after you have completed at least five (5) Years of Credited Service, but you elect to defer the commencement of your pension benefit until you have attained your Normal Retirement Date (i.e., age 65), your pension benefit will be calculated using the same formula that is used to calculate a normal Retirement Benefit (as summarized in Section 4.1). There will be no reductions of the type discussed in Section 4.3.

4.5 Delayed Retirement Benefit. If you choose to work beyond your Normal Retirement Date, your pension benefit upon your retirement will be calculated using the same formula that is used to calculate a normal Retirement Benefit (as summarized in Section 4.1). The calculations used in that formula will be based on your Years of Credited Service and your Highest Average Earnings as of your actual (i.e., delayed) retirement date. The benefit will be adjusted to reflect the probability that payments will be made over a shorter period of time.

4.6 Benefit Limitations for Highly Paid Employees. The Internal Revenue Code limits the amount of annual compensation that may be taken into account in calculating your final average pay. This limit is often referred to as the “401(a)(17) limit.” Participants who first became a Participant in the Plan on or before December 31, 1995, are subject to a higher limit than other Participants. The Internal Revenue Service periodically adjusts the 401(a)(17) limit to reflect changes in the cost of living. You may obtain information on the latest year’s limit by calling John Hancock at 1-800-294-3575 or by accessing John Hancock’s website at www.mylife.jhrps.com.

The Internal Revenue Code limits the amount of annual benefits payable from a defined benefit plan. This limit is often referred to as the “415 limit.” The Internal Revenue Service periodically adjusts the 415 limit to reflect changes in the cost of living.
You may obtain information on the latest year’s limit by calling John Hancock at 1-800-294-3575 or by accessing John Hancock’s website at www.mylife.jhrps.com. If your pension benefit is affected by either the 401(a)(17) limit or the 415 limit, the Plan will notify you individually of the applicable limitation.

**Part V – Distribution of Your Pension Benefit**

5.1 **Form of Payment of Pension Benefit.** You can choose how your pension benefit will be paid from a variety of options.

(A) **Payment Methods for Married Participants.** If you are married at the time you commence your pension benefit, you may choose any of the following payment methods by completing a distribution election form at the time of your retirement:

1. **Single Life Annuity.** In a Single Life Annuity, you will receive equal monthly payments for the remainder of your lifetime. When you die, the payments will stop. Before you can elect a Single Life Annuity, you must obtain written consent from your Spouse on a form provided by the Plan Administrator.

2. **Joint and Survivor Annuity Options.** You may choose a 50%, 75% or 100% Joint and Survivor Annuity Option. Under these annuity options, you will receive a monthly benefit for the remainder of your lifetime and your Spouse, if he/she survives you, will then receive either 50%, 75%, or 100% of the amount of your monthly benefit for the remainder of his/her life. If your Spouse dies before you, all payments will stop upon your death. The more you elect for your surviving Spouse to receive following your death, the less you will receive during your lifetime.

3. **Lump Sum Payment.** If you terminated employment on or after January 1, 2006, you may also elect to receive your accrued pension benefit in the form of a single lump sum distribution. (The amount of the lump sum payment will be determined by applying interest and mortality assumptions as set forth in the Plan document.) However, if you are married, your election will only be valid if you obtain written consent from your Spouse on a form provided by the Plan Administrator.

(B) **Payment Methods for Unmarried Participants.** If you are not married at the time you commence your pension benefit, you may choose any of the following payment methods by completing a distribution election form at the time of your retirement:

1. **Single Life Annuity.** In a Single Life Annuity, you will receive equal monthly payments for the remainder of your lifetime. When you die, the payments will stop. Before you can elect a Single Life Annuity, you must obtain written consent from your Spouse on a form provided by the Plan Administrator.
(2) **Lump Sum Payment.** If you terminated employment on or after January 1, 2006, you may also elect to receive your accrued pension benefit in the form of a single lump sum distribution. (The amount of the lump sum payment will be determined by applying interest and mortality assumptions as set forth in the Plan document.)

There are no other optional forms of distribution for unmarried Participants.

(C) **Mandatory Lump Sum Distribution for Amounts of $1,000 or Less.** If, at the time your pension benefit becomes payable, the total present value of your accrued vested pension benefit (not merely the amount of your monthly benefit payment itself) is $1,000 or less, your benefit must be paid in a lump sum distribution.

(D) **IRA Rollover Distribution Option.** If you elect, or are required, to receive a lump sum distribution of all or part of your pension benefit, you may (but do not have to) elect to have the lump sum portion of your benefit directly “rolled over” by the Plan into an eligible retirement plan (e.g., an Individual Retirement Account (“IRA”), the Farm Credit Foundations Defined Contribution/401(k) Plan, or another employer’s qualified plan that accepts rollovers). This direct rollover option may not be available if you already are, or will turn, age 70½ in the year of the lump sum distribution. For more information on this rollover option, you may call John Hancock at 1-800-294-3575 or access John Hancock’s website at www.mylife.jhrps.com.

(E) **Issues to Consider in Selecting a Form of Payment.** There are a number of issues that you should bear in mind before you elect the form of payment of your pension benefit. Among the more important considerations are the following:

1. **Death Before Benefits Commence.** If you die before your pension benefit payments commence, your benefit election will be disregarded. Survivor benefits will be payable only to a surviving Spouse, as summarized in Part VI of this SPP. If you are not married, no benefits will be paid following your death.

2. **Adjustment for Optional Form of Payment.** If you receive your pension benefit in any form other than a Single Life Annuity, the amount of your monthly benefit will be reduced to reflect that the payments may be made over two lifetimes and/or for a guaranteed period of time.

3. **Change in Form of Payment.** You may elect (and change) the form of payment of your pension benefit at any time before your benefit begins. Once you start receiving payments, however, your form of payment cannot be changed.

4. **Death of Beneficiary for Joint and Survivor Form of Payment.** If your pension benefit is being distributed as part of a Joint and Survivor Annuity Option, and your Spouse dies before you (but after your monthly annuity has commenced), your annuity amount will remain at the reduced amount you elected. All payments will then cease upon your death. Once benefits have commenced, you cannot reassign the survivor’s share of the Joint and Survivor benefit to another joint annuitant.
(5) **Divorce.** If you elect a Joint and Survivor Annuity Option and you become divorced after you retire and have commenced your pension benefit, you will continue to receive the reduced Joint Survivor benefits for the remainder of your lifetime (subject to the provisions of any applicable Qualified Domestic Relations Order, see Part VIII). If your former Spouse survives you, he/she will receive the monthly survivor benefit.

5.2 **Important Tax Considerations.** You should be aware that the pension benefit you receive from the Plan is considered to be taxable income under federal law. If you receive a lump sum form of distribution from the Plan, unless you elect to have such payment paid directly to an IRA or to another eligible retirement plan, the payment will be subject to a mandatory 20% federal income tax withholding and may also be subject to any applicable state income withholding.

If you receive any other form of distribution, taxes will automatically be withheld from your benefit payments unless you specifically request otherwise in writing. The amount withheld will depend on your filing status and the number of exemptions you claim.

You can change your tax withholding at any time. To do so, you must request the appropriate forms by calling John Hancock at 1-800-294-3575 or by accessing John Hancock’s website at www.mylife.jhrps.com. These forms must then be completed and returned to John Hancock so that your revised withholding instructions may be put into effect.

If you choose not to have taxes withheld from your benefit, you must pay them when you file your tax return. You may be required to pay estimated taxes – and possibly tax penalties – if you decide not to have taxes withheld, or if the amount withheld is not enough to cover the actual taxes due.

Please note that if your pension benefit is distributed to you in a lump sum and you have not attained age 59½ at the time of the distribution, federal tax laws may impose a 10% penalty on the amount of the payment you receive.

In light of the complexity and constantly changing nature of many federal and state tax laws, you may wish to consult with a qualified tax adviser before you begin receiving benefits under the Plan.

**Part VI – Survivor Benefits**

6.1 **Death of a Married Active Participant.** If you are married and you die while you are still employed by a Participating Employer, a death benefit will be paid to your surviving Spouse if you (a) had at least 10 Years of Credited Service at the time of your death and (b) were married to your surviving Spouse for the entire 2-year period prior to your death. If you qualify for this death benefit, the Plan will pay your surviving Spouse a death benefit equal to the actuarial equivalent of the normal Retirement Benefit (see Section 4.1) you would have received had you terminated employment on the last day of the month in which you died and then commenced your benefit at age 65. This death benefit will be paid to your surviving Spouse in the form of a Single Life Annuity (i.e., monthly payments for the remainder of his/her life) unless he/she elects to receive the death benefit in the form of a single lump sum payment.
Although the death benefit will normally be paid to your surviving Spouse as soon as administratively practicable following your death, your surviving Spouse may elect to commence/receive the death benefit at any time prior to the date he/she attains age 65.

6.2 **Death of a Married Inactive Participant.** If you are married and you die after having terminated employment with your Employer, the Plan will pay a death benefit to your surviving Spouse if: (a) you had accrued a vested pension benefit, but had not yet commenced such benefit; and (b) you were eligible at the time of your death to commence an early retirement monthly benefit (see Section 3.3).

If you qualify for this death benefit, the Plan will pay your surviving Spouse a death benefit equal to the greater of the following:

- The survivor’s annuity that your surviving Spouse would have received if you had commenced your early retirement monthly benefit on the day before your death; or

- If you (a) had at least 10 Years of Credited Service at the time of your death and (b) were married to your surviving Spouse for the entire 2-year period preceding your death, the actuarial equivalent of the normal retirement monthly benefit (see Section 4.1) you would have received had you terminated employment on the last day of the month in which you died and then commenced your benefit at age 65.

This death benefit will be paid to your surviving Spouse in the form of a Single Life Annuity (i.e., monthly payments for the remainder of his/her life) unless he/she elects to receive the death benefit in the form of a single lump sum payment. This death benefit will be paid to your surviving Spouse as soon as administratively practicable following your death.

6.3 **Death of an Unmarried or Recently Married Participant.** If you die while you are (a) not married or (b) have not been married to your surviving Spouse for the entire 2-year period preceding your death, no death benefit will be paid to your surviving Spouse or any other Beneficiary.

6.4 **Death of Participant While Performing Qualified Military Service.** If you die while performing qualified military service, and at the time of your death, you (a) were married to your surviving Spouse for the entire 2-year period preceding your death, and (b) would have been entitled to become reemployed with the Employer pursuant to USERRA but for your death, then the Plan will pay a death benefit to your surviving Spouse under the formula summarized in Section 6.1. In calculating the death benefit, you will be treated as if you became reemployed on the day before your death, but you will not receive any Credited Service under the Plan for the period of your military service.

If, at the time of your death while performing qualified military service, you had not been married to your surviving Spouse for the entire 2-year period preceding your death, then any death benefit payable to your surviving Spouse will be under the terms and conditions summarized in Section 6.2.

6.5 **IRA Rollover Distribution Option.** If your surviving Spouse elects to receive his/her death benefit in a lump sum distribution, he/she may elect to have the distribution directly “rolled over” by the Plan into an eligible retirement plan (e.g., an Individual Retirement Account, the Farm Credit Foundations Defined Contribution/401(k) Plan, or another employer’s plan that accepts rollovers). This direct rollover option may not be available if
he/she already is, or will turn, age 70½ in the year of the lump sum distribution. More information on this rollover option is available by calling John Hancock at 1-800-294-3575 or by accessing John Hancock’s website at www.mylife.jhrps.com.

Part VII – Procedures for Applying for Pension Benefit

7.1 Application for Your Pension Benefit. If you are entitled to a pension benefit at the time you terminate your employment, you must complete an election form and submit it to John Hancock before your benefits can begin. If you are retiring, you generally should contact John Hancock within ninety (90) days prior to your retirement date in order to request a retirement application. After receiving your completed application, John Hancock will obtain your final payroll information from Farm Credit Foundations as provided by your Employer. John Hancock will then mail a benefit election package to your address of record. This election package will offer you a choice of payment methods for your pension benefit, the option to have your benefit directly deposited into your bank or other financial institution, and the ability to have federal and/or state income taxes withheld from your benefit payments.

In the event that you did not commence benefits immediately after terminating employment but later decide to do so, you may initiate the process of commencing your pension benefit by calling John Hancock at 1-800-294-3575 or by accessing John Hancock’s website at www.mylife.jhrps.com.

7.2 Valid Address. It is important that you keep your address and other contact information completely up to date at all times with John Hancock. If you do not keep your current address on file, the Plan may have difficulty locating you and your benefit payments may be delayed.

Part VIII – Assignment of Pension Benefit / Qualified Domestic Relations Orders

8.1 Limited Assignment of Benefits. Your pension benefit belongs to you and may not be sold, assigned, transferred, pledged, or garnished except pursuant to a Qualified Domestic Relations Order (“QDRO”), as specified in Section 8.2 below.

8.2 Qualified Domestic Relations Order Procedure. If you and your Spouse become divorced or legally separated, a court may enter a “domestic relations order” requiring the payment of all or part of your pension benefit under the Plan to your Spouse, former Spouse, child(ren), or other dependent(s). If the “domestic relations order” meets certain requirements under the Internal Revenue Code and satisfies the Plan’s rules regarding the time and form of pension benefit payments, the order will be considered a QDRO. Only after the QDRO determination has been made will the Plan be required to give effect to the order.

The Plan Administrator has delegated to John Hancock the responsibility for determining whether a domestic relations order is a QDRO. If you are involved in a divorce or action for a legal separation and it appears that a “domestic relations order” might be entered, you or your attorney should contact John Hancock before the order is submitted to a judge for signature. John Hancock can provide information about the Plan’s QDRO procedures and model language for your attorney to use. This will help to avoid situations in which an order
has to be revised after it has already been approved by a court in order to satisfy the requirements for QDROs that are set forth in the Code. John Hancock can also provide information about the fee that will be charged for reviewing a “domestic relations order,” including when the fee will be charged and the amount of the fee. You may reach a John Hancock representative by calling John Hancock at 1-800-294-3575 or by accessing John Hancock’s website at www.mylife.jhrps.com.

Part IX – Claims Procedures

9.1 **Claims Procedures.** The claims procedures for the Plan are contained in Appendix A, which is attached hereto.

Part X – Plan Amendments / Termination

10.1 **Amendment of Plan.** The Plan may be amended at any time by a majority vote of the participating Employers or, depending on the nature of the amendment, by the Farm Credit Foundations Plan Sponsor Committee. An amendment may not reduce your vested accrued benefits except to the extent that the reduction is required or permitted by law.

10.2 **Termination of Plan.** The Plan is intended to remain in existence for the foreseeable future. However, the participating Employers have the right to terminate the Plan at any time. If the Plan is ever terminated, or if there is a partial termination that affects you, any benefit that you have accrued will become 100% vested as of the termination date. Your pension benefits in such an eventuality will be based on your Credited Service and Highest Average Earnings only to the date of the termination of the Plan.

In the event of a complete termination of the Plan, the benefits that you have earned will be paid from the assets of the Plan.

10.3 **Merger of Plan.** If the Plan is merged with another plan, or if assets from the Plan are transferred to another plan, the benefits that you have already accrued will be protected. Your benefit under the new (merged) plan will be just as great as the amount to which you would have been entitled if the Plan had been terminated immediately prior to the merger.
## APPENDIX A

### THE ELEVENTH DISTRICT EMPLOYEES’ RETIREMENT PLAN

#### PARTICIPATING EMPLOYERS

<table>
<thead>
<tr>
<th>Employer Name</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>American AgCredit, ACA</td>
<td></td>
</tr>
<tr>
<td>Farm Credit Services of Colusa-Glenn, ACA</td>
<td></td>
</tr>
<tr>
<td>Farm Credit Services of Hawaii, ACA</td>
<td></td>
</tr>
<tr>
<td>Farm Credit West, ACA (including its wholly-owned subsidiary, Farm Credit Services Southwest, ACA)</td>
<td></td>
</tr>
<tr>
<td>Fresno-Madera Farm Credit, ACA</td>
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<tr>
<td>Golden State Farm Credit, ACA</td>
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<tr>
<td>Idaho AgCredit, ACA</td>
<td></td>
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<tr>
<td>Western AgCredit, ACA</td>
<td></td>
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<tr>
<td>Yosemite Farm Credit, ACA</td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX B

THE ELEVENTH DISTRICT EMPLOYEES’ RETIREMENT PLAN

PROCEDURE GOVERNING PLAN ADMINISTRATOR’S REVIEW OF CLAIMS FOR ELIGIBILITY AND/OR BENEFITS UNDER THE ELEVENTH FARM CREDIT DISTRICT EMPLOYEES’ RETIREMENT PLAN

BACKGROUND

• The Farm Credit Foundations Trust Committee (the “Trust Committee”) serves as the Plan Administrator of The Eleventh Farm Credit District Employees’ Retirement Plan (the “Plan”).

• The Plan Administrator has full discretionary authority to administer the Plan. Among other things, this authority includes the power to:
  o Determine the eligibility of Employees to participate in the Plan;
  o Resolve any factual questions that might arise in the course of administering the Plan;
  o Adopt any procedures and regulations necessary for the proper and efficient administration of the Plan;
  o Construe and enforce the terms of the Plan; and
  o Adjudicate claims for benefits under the Plan.

PURPOSE OF THIS PROCEDURE

• The purpose of this Procedure is to provide a framework for the handling of claims for eligibility and/or benefits under the Plan, and appeals from the denial of such claims.

• In adopting this Procedure, the Trust Committee has attempted to balance the desire for prompt resolution of eligibility and/or benefit claim requests (and the appeals from the denials thereof) with the need for sufficient time to render thorough and thoughtful claim determinations.

GENERAL FRAMEWORK FOR THE HANDLING OF CLAIMS FOR BENEFITS

• **Eligibility Issues.** In most circumstances where an Employee is or may be eligible to participate in the Plan, such individual will be notified of his/her eligibility to participate. If, for some reason, such notification does not occur and the Employee believes he/she is eligible to participate in the Plan, the Employee should immediately contact his/her Employer. If, following such a request, the Employee is advised that he/she is not eligible to participate in the Plan, the Employee may challenge that decision by filing a claim pursuant to the Procedure set forth below.
• **Benefits Issues.** In most circumstances where a Participant or Beneficiary is, or may be, entitled to commence distribution of benefits under the Plan, he/she will be notified of his/her right to benefits and will be provided with a pension letter detailing benefit options available to him/her and instructions for requesting commencement of benefits. If, following such notification, the Participant or Beneficiary disputes the amount of benefits to be paid, the timing of such payments, or the conditions under which such benefits will be paid, he/she may file a claim pursuant to the Procedure set forth below.

  o In limited circumstances (e.g., death or disability), the Plan may be unaware that a Participant has experienced a distribution event. In those situations, the Participant (or his/her Beneficiary) should promptly notify the Plan of the applicable distribution event, at which time he/she will be provided with relevant distribution information. If, following this notification, the Participant (or his/her Beneficiary) disputes the amount of benefits to be paid, the timing of such payments, or the conditions under which such benefits will be paid, he/she may file a claim pursuant to the Procedure set forth below.

• Responsibility for the initial handling of all claims for eligibility and/or benefits under the Plan, and the initial appeal from the denial of any such claims, is delegated to a “Claims Reviewer.” The Trust Committee then adjudicates any appeals from the Claims Reviewer’s denial of a claim for benefits.

• For purposes of this Procedure, the Trust Committee has appointed the Farm Credit Foundations Benefits Department to serve as “Claims Reviewer.”

**PROCEDURE**

1. **Form of Claims.** Claims under the Plan must be made in writing and must include, at a minimum, the following information:

   a. The nature of the claim (e.g., dispute over amount of pension benefit, individual’s alleged entitlement to benefit, etc.);

   b. The name of the Plan (i.e., The Eleventh Farm Credit District Employees’ Retirement Plan);

   c. The name of the individual(s) claiming benefits and the relationship of such individual(s) to the Participant (or former Participant); and

   d. An explanation of why such individual(s) believes he/she is eligible for benefits under the Plan.

*Note 1:* A claim for benefits will be considered to have been submitted under this Procedure only if it is in writing and contains all the information set forth in this Paragraph 1. Casual inquiries regarding eligibility and/or benefits will **not** be considered a “claim” under this Procedure.

*Note 2:* Claims may be submitted via mail/express delivery or electronically to the relevant street/e-mail address below. If the claim is submitted via e-mail, the claimant should include in the subject line a statement describing the nature of
the claim (e.g., “Claim for Benefits under The Eleventh Farm Credit District Employees’ Retirement Plan”):

The Eleventh Farm Credit District Employees’ Retirement Plan Claims Reviewer
c/o Farm Credit Foundations
Attn: Vice-President, Employee Benefits
30 East 7th Street, Suite 3000
St. Paul, MN 55101

 OR

Benefits@farmcreditfoundations.com

2. Initial Decision by Claims Reviewer. The Claims Reviewer shall issue its decision on any claim that is submitted in accordance with Paragraph 1 above within ninety (90) days after receipt of the claim. If the Claims Reviewer, in its sole discretion, determines that the claim information is incomplete, the Claims Reviewer may request any additional information necessary to finalize the claim. The 90-day time limit shall be tolled – i.e., will temporarily stop running – during the pendency of any information request. If the claim is denied in whole or in part, the Claims Reviewer shall issue its decision in writing, and include specific reasons for the decision and specific references to the Plan provisions on which the decision is based.

3. Appeal from Initial Decision by Claims Reviewer. A claimant whose claim has been denied in whole or in part by the Claims Reviewer may (but is not required to) appeal (i.e., request reconsideration of) that decision to the Claims Reviewer. Any such appeal must be submitted by the claimant (or his/her duly authorized representative) to the Claims Reviewer at the address referenced in Paragraph 1, in writing, no more than sixty (60) days from the date of the initial denial. In pursuing his/her claim, the claimant shall be entitled to review pertinent documents and submit any issues and/or comments in writing.

4. Decision on Review by the Claims Reviewer. A decision shall be made by the Claims Reviewer, in writing, no more than ninety (90) days after receipt of the request for review (i.e., the initial appeal of the denied claim in accordance with Paragraph 3 above). If the Claims Reviewer, in its sole discretion, determines that the claim information is incomplete, the Claims Reviewer may request any additional information necessary to finalize the claim. The 90-day time limit shall be tolled during the pendency of any information request. If the claim is denied in whole or in part, the Claims Reviewer shall issue its decision in writing, and include specific reasons for the decision and specific references to the Plan provisions on which the decision is based.

5. Appeal of Claims Reviewer’s Decision to Trust Committee. Following the initial denial of any claim under the Plan by the Claims Reviewer, or if the claimant has appealed the initial denial of the claim to the Claims Reviewer pursuant to Paragraph 3 above, following an unsuccessful appeal to the Claims Reviewer on a denied claim, a claimant (or his/her duly authorized representative) may appeal to the Trust Committee for a full review of the denied claim. The claimant (or his/her duly authorized representative) must submit to the Trust Committee, in writing, any and all information necessary to evaluate the claim – including references to the
specific terms of the Plan and any applicable provisions of the Internal Revenue Code or Treasury Regulations – relating to the denial of the claim. Such submission must be made within sixty (60) days of the denial of the appeal by the Claims Reviewer. If the claim information is incomplete, the Trust Committee may request any additional information that it deems necessary to finalize the claim. In pursuing this stage of the appeal, the claimant is entitled to review pertinent documents and submit any issues and/or comments in writing.

Appeals to the Trust Committee should be sent via U.S. mail or express delivery. No e-mails. The following address should be used:

Farm Credit Foundations Trust Committee  
c/o Farm Credit Foundations  
Attn: Vice-President, Employee Benefits  
30 East 7th Street, Suite 3000  
St. Paul, MN  55101

6. Decision on Review by the Trust Committee. The Trust Committee shall issue its decision on any denied claim appeal within 180 days after receipt of the request for review. If the Trust Committee, in its sole discretion, determines that the claim information is incomplete, the Trust Committee may request any additional information necessary to finalize the claim. The 180-day time limit shall be tolled during the pendency of any information request. If the claim is denied in whole or in part, the Trust Committee shall issue its decision in writing, and include specific reasons for the decision and specific references to the Plan provisions on which the decision is based.

7. Litigation of Claim. Prior to initiating legal action concerning a claim in any court – state or federal – against the Plan, any trust used in conjunction with the Plan, the Employer, and/or the Plan Administrator, a claimant must first exhaust the administrative remedies set forth in this Procedure. Failure to exhaust the administrative remedies set forth in this Procedure shall serve as a bar to any civil action concerning a claim under the Plan. If the Trust Committee, acting pursuant to the claims Procedure set forth herein, makes a final written determination denying a claim, the claimant, to preserve the claim, must file an action with respect to the denied claim no more than 180 days following the date of the Trust Committee’s final determination.