Your plan is an important legal document. This sample plan has been prepared based on our understanding of the desired provisions. It may not fit your situation. You should consult with your lawyer on the plan's legal and tax implications. Neither Principal Life Insurance Company nor its agents can be responsible for the legal or tax aspects of the plan nor its appropriateness for your situation. If you wish to change the provisions of this sample plan, you may ask us to prepare new sample wording for you and your lawyer to review.

# SOUTH DAKOTA DEPARTMENT OF LABOR, JOB SERVICE, UNEMPLOYMENT DIVISION, AND OFFICE OF ADMINISTRATIVE SERVICES RETIREMENT PLAN A

Defined Benefit Plan CL2007

Restated July 1, 2008

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PLAN EXECUTION

# INTRODUCTION

The Employer previously established a defined benefit retirement plan on August 1, 1961.

The Employer is of the opinion that the plan should be changed. It believes that the best means to accomplish these changes is to completely restate the plan's terms, provisions and conditions. The restatement, effective July 1, 2008, is set forth in this document and is substituted in lieu of the prior document with the exception of any good faith compliance amendment and any model amendment. Such amendment(s) shall continue to apply to this restated plan until such provisions are integrated into the plan or such amendment(s) are superseded by another amendment.

The restated plan continues to be for the exclusive benefit of employees of the Employer. All persons covered under the plan on June 30, 2008, shall continue to be covered under the restated plan with no loss of benefits.

It is intended that the plan, as restated, shall continue to qualify as a governmental defined benefit plan under the Internal Revenue Code of 1986, including any later amendments to the Code.

The plan includes the statutory, regulatory, and guidance changes specified in the 2007 Cumulative List of Changes in Plan Qualification Requirements (2007 Cumulative List) contained in Internal Revenue Service Notice 2007-94 and the qualification requirements and guidance published before the issuance of such list. The provisions of this plan apply as of the effective date of the restatement unless otherwise specified.

# ARTICLE I

# FORMAT AND DEFINITIONS

## SECTION 1.01--FORMAT.

Words and phrases defined in the DEFINITIONS SECTION of Article I shall have that defined meaning when used in this Plan, unless the context clearly indicates otherwise.

These words and phrases will have an initial capital letter to aid in identifying them as defined terms.

## SECTION 1.02--DEFINITIONS.

**Accrued Benefit** means on any date, the amount of monthly retirement benefit under the Normal Form accrued by an Active Participant as of any date and payable at Normal Retirement Date, or such date, if later. See the ACCRUED BENEFIT SECTION of Article IV.

**Acknowledgement Form** means a form executed by an Employee, in which he acknowledges that he has been informed by the Employer that, as a condition of his employment, the Employer will deduct from the Employee's Compensation, by regular payroll deductions, an amount equal to the percentage specified Section 3.01B and pay that amount to the Plan as a contribution by the Employee. These contributions shall be classified as "picked up" by the Employer pursuant to Code Section 414(h) and treated as an Employer Contribution. Any Employee who participates in this Plan shall be deemed to have entered into this Acknowledgement Form.

**Active Participant** means an Eligible Employee who is actively participating in the Plan according to the provisions in the ACTIVE PARTICIPANT SECTION of Article II.

**Actuarial Equivalent** means equality in the value of the aggregate amount expected to be received for benefits payable at different times or under different forms of distributions.

Actuarial Equivalent for benefits shall be determined on the basis of 7.5 percent interest and the mortality table as set forth in Revenue Ruling 95-6, 1995-1 C.B. 80, except as otherwise provided below.

For purposes of determining the amount of a distribution other than an annual benefit that is nondecreasing for the life of the Participant or, in the case of a preretirement survivor annuity, the life of the Participant's spouse; or that decreases during the life of the Participant merely because of the death of the surviving annuitant (but only if the reduction is to a level not below 50% of the annual benefit payable before the death of the surviving annuitant) or merely because of the cessation or reduction of Social Security supplements or qualified disability payments, Actuarial Equivalent shall be determined on the basis of the interest on 30-year Treasury securities and the 1994 Group Annuity Reserve (GAR) Mortality Table. The look-back month applicable to the stability period is the second calendar month preceding the first day of the stability period. The stability period is the successive period of one calendar month that contains the Annuity Starting Date for the distribution and for which the Applicable Interest Rate remains constant.

In any event, the preceding paragraphs shall not apply to the extent they would cause the Plan to fail to satisfy the requirements of the REQUIRED CONTRIBUTION ACCRUED BENEFIT SECTION and the BENEFIT LIMITATION SECTION of Article IV.

**Adjustment Date** means each Yearly Date.

**Adjustment Factor** means, as of any Adjustment Date, the percentage increase which is the smaller of (a) and (b) below:

(a) 4.5%

(b) The CPI-W for the latest April preceding said Adjustment Date, divided by the CPI-W for April of the prior year.

However, Adjustment Factor is modified as follows:

Minimum Adjustment Factor:

As of any Adjustment Date, the percentage increase shall not be less than 3.1%

**Affiliated Service Group** means any group of corporations, partnerships or other organizations of which the Employer is a part and that is affiliated within the meaning of Code Section 414(m) and the regulations thereunder. Such a group includes at least two organizations one of which is either a service organization (that is, an organization the principal business of which is performing services), or an organization the principal business of which is performing management functions on a regular and continuing basis. Such service is of a type historically performed by employees. In the case of a management organization, the Affiliated Service Group shall include organizations related, within the meaning of Code Section 144(a)(3), to either the management organization or the organization for which it performs management functions. The term Controlled Group, as it is used in this Plan, shall include the term Affiliated Service Group.

**Alternate Payee** means any spouse, former spouse, child, or other dependent of a Participant who is recognized by a qualified domestic relations order as having a right to receive all, or a portion of, the benefits payable under the Plan with respect to such Participant.

**Annuitant** means either an Inactive Participant whose Retirement Date has occurred and who is entitled to monthly retirement benefit payments under this Plan or Plan B, or the Beneficiary or Contingent Annuitant of such Participant, if applicable, who is entitled to monthly retirement benefit payments under this Plan as a result of such Participant's death.

**Annuity Contract** means the annuity contract or contracts into which the Employer enters with the Insurer for guaranteed benefits, for the investment of Contributions in separate accounts, and for the payment of benefits under this Plan.

**Annuity Starting Date** means, for a Participant, the first day of the first period for which an amount is payable as an annuity or any other form.

The Annuity Starting Date for disability benefits shall be the date such benefits commence if the disability benefit is not an auxiliary benefit. An auxiliary benefit is a disability benefit that does not reduce the benefit payable at Normal Retirement Date.

**Applicable Interest Rate** means, on any given date, the rate of interest set forth in Code Section 417(e)(3).

A plan amendment that changes the date for determining the Applicable Interest Rate (including an indirect change such as the result of a change in Plan Year when the stability period is the Plan Year), shall not be given effect with respect to any distribution during the period commencing one year after the later of the amendment's effective date or adoption date, if, during such period and as a result of such amendment, the Participant's distribution would be reduced.

**Applicable Mortality Table** means, on any date, the table according to the method set forth in Code Section 417(e)(3).

**Average Compensation** means, on any given date, the average of an Employee's Monthly Compensation for those five consecutive Compensation Dates (all Compensation Dates, if less than five) which give the highest average out of all Compensation Dates. Average Compensation shall include Compensation Dates within the period beginning on his Entry Date and ending on the date of determination.

In computing Average Compensation, the Plan will include only Compensation Dates ending before such given date.

**Beneficiary** means the person or persons named by a Participant to receive any benefits under the Plan when the Participant dies. See the BENEFICIARY SECTION of Article X.

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

**Commissioner** means the Commissioner of the Employment Security Department of South Dakota.

**Compensation** means an Employee's fixed rate of pay from the Employer.

Except as provided herein, Compensation for a specified period is the Compensation actually paid or made available (or if earlier, includible in gross income) during such period.

For Plan Years beginning on or after July 1, 2007, Compensation for a Plan Year shall also include Compensation paid by the later of 2 1/2 months after an Employee's Severance from Employment with the Employer maintaining the Plan or the end of the Plan Year that includes the date of the Employee's Severance from Employment with the Employer maintaining the Plan, if the payment is regular Compensation for services during the Employee's regular working hours, or Compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, and, absent a Severance from Employment, the payments would have been paid to the Employee while the Employee continued in employment with the Employer.

Any payments not described above shall not be considered Compensation if paid after Severance from Employment, even if they are paid by the later of 2 1/2 months after the date of Severance from Employment or the end of the Plan Year that includes the date of Severance from Employment, except, payments to an individual who does not currently perform services for the Employer by reason of qualified military service (within the meaning of Code Section 414(u)(1)) to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service.

Back pay, within the meaning of section 1.415(c)-2(g)(8) of the regulations, shall be treated as Compensation for the Plan Year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included in this definition.

For Plan Years beginning on or after January 1, 2002, the annual Compensation of each Participant taken into account in determining contributions and benefits for any determination period (the period over which Compensation is determined) shall not exceed $200,000, as adjusted for cost-of-living increases in accordance with Code Section 401(a)(17)(B). The cost-of-living adjustment in effect for a calendar year applies to any determination period beginning with or within such calendar year.

Provided, however, with respect to an eligible Participant, the reduced dollar limitation in the preceding paragraph does not apply to the extent that the amount of Compensation allowed to be taken into account under the Plan is reduced below the amount that was allowed to be taken into account under the Plan as in effect on July 1, 1993. For this purpose, "eligible Participant" means an individual who first became a Participant in the Plan during a Plan Year beginning before the first Yearly Date in 1996.

If a determination period consists of fewer than 12 months, the annual compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction. The numerator of the fraction is the number of months in the short determination period, and the denominator of the fraction is 12.

If Compensation for any prior determination period is taken into account in determining a Participant's contributions or benefits for the current Plan Year, the Compensation for such prior determination period is subject to the applicable annual compensation limit in effect for that determination period. For this purpose, in determining contributions and benefits in Plan Years beginning on or after January 1, 2002, the annual compensation limit in effect for determination periods beginning before that date is $150,000 for any determination period beginning in 1996 or earlier; $160,000 for any determination period beginning in 1997, 1998, or 1999; and $170,000 for any determination period beginning in 2000 or 2001, for a Participant who is not an eligible Participant. For this purpose, in determining contributions or benefits in Plan Years beginning on or after January 1, 2002, the annual compensation limit in effect for determination periods beginning before January 1, 1990 is $200,000 for a Participant who is an eligible Participant.

Compensation means, for a Leased Employee, Compensation for the services the Leased Employee performs for the Employer, determined in the same manner as the Compensation of Employees who are not Leased Employees, regardless of whether such Compensation is received directly from the Employer or from the leasing organization.

**Compensation Date** means the July 1 immediately before an Employee's Entry Date and the same date of each following year in which he is an Active Participant.

**Contingent Annuitant** means an individual named by the Participant to receive a lifetime benefit after the Participant's death in accordance with a survivorship life annuity.

**Contributions** means Employer Contributions, Salary Reduction Contributions, and Participant Contributions as set out in Article III, unless the context clearly indicates only specific contributions are meant.

**Controlled Group** means any group of corporations, trades, or businesses of which the Employer is a part that is under common control. A Controlled Group includes any group of corporations, trades, or businesses, whether or not incorporated, that is either a parent-subsidiary group, a brother-sister group, or a combined group within the meaning of Code Section 414(b), Code Section 414(c) and the regulations thereunder and, for purposes of determining benefit limitations under the BENEFIT LIMITATION SECTION of Article IV, as modified by Code Section 415(h). The term Controlled Group, as it is used in this Plan, shall include the term Affiliated Service Group and any other employer required to be aggregated with the Employer under Code Section 414(o) and the regulations thereunder.

**CPI-W** means the Consumer Price Index (U.S. city average for all urban wage earners and clerical workers, all items), as published by the United States Department of Labor.

**Credited Past Service** means the total of an Employee's service before August 1, 1961. This total is expressed in whole years and fractional parts of a year (counting a complete month as a fractional part of a year). This service is credited only to an Employee who became an Active Participant on August 1, 1961 or who, as of such date, had permanent status but was absent from active work and became an Active Participant before August 1, 1962.

However, Credited Past Service is modified as follows:

Service excluded:

(a) Service during a period in which an Employee is receiving or is entitled to receive a Federal Civil Service Retirement Pension, or

(b) Service during a period in which an Employee has made contributions to the Federal Civil Service Retirement System and such contributions have not been withdrawn before August 1, 1961, or application for withdrawal of such contributions is not made by the Employee within thirty days after the Employer receives certification from the United States Civil Service Commission that such Employee currently has contributions in the Federal Civil Service Retirement System.

shall be excluded; unless contributions to fund the Past Service benefit otherwise available to the Employee are made available from funds other than funds granted by Title III of the Federal Social Security Act.

Other service excluded:

Service accrued for a Plan Year in which an Employee was not an Eligible Employee is excluded.

Period of Military Duty included:

A Period of Military Duty shall be included as service with the Employer to the extent it has not already been credited. Such service shall be deemed to be service as an Eligible Employee only if an Employee was an Eligible Employee on the day immediately preceding the Period of Military Duty.

Other Service included:

(a) Indefinite leave of absence granted under Presidential Executive Order 8990, dated December 23, 1941, including any services performed for the United States Employment Service or the War Manpower Commission between January 1, 1942 through November 15, 1946, and including any leave for Military Service granted by either the United States Employment Service or the War Manpower Commission, with or without pay.

(b) All other approved leaves.

**Credited Service** means the sum of (a) and (b) below:

(a) His Credited Past Service before August 1, 1961

(b) The total of his continuous service with the Employer on and after August 1, 1961, expressed in whole years and fractional parts of a year (counting a complete month as a fractional part of a year).

However, Credited Service is modified as follows:

Service excluded:

Service while an Employee was not an Active Participant or an active participant under the Prior Plan is excluded.

Voluntary discontinuance service excluded:

Service while an Employee failed or refused to make a Contribution required under the Plan or Prior Plan is excluded. This provision also applies to an Employee's service while Contributions were not made because he failed or refused to complete a written agreement to make such Contributions.

Period of Military Duty included:

A Period of Military Duty shall be included as service with the Employer to the extent it has not already been credited. Such service shall be deemed to be service as an Eligible Employee only if an Employee was an Eligible Employee on the day immediately preceding the Period of Military Duty.

Other Service included:

(a) Unused accumulated annual leave and unused accumulated sick leave, and

(b) Special Military Service Credit, if any,

shall be included as service with the Employer to the extent it has not already been credited.

**Dependent Child** means any natural born child, legally adopted child, stepchild or foster child of the Participant, which child is unmarried, is not in the Armed Forces of any country, has not attained age 19 or older (age 24 for a child who is attending school on a full-time basis) and, prior to the Participant's death, was dependent upon the Participant for his principal support and maintenance, and, if a stepchild or foster child, resided in the Participant's household. School vacation periods during any calendar year which interrupt but do not terminate what otherwise would have been a continuous course of study in that calendar year will be considered a part of school attendance on a full-time basis. Dependent child may also include any child born after the Participant's death.

**Direct Rollover** means a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

**Distributee** means an Employee or former Employee. In addition, the Employee's (or former Employee's) surviving spouse and the Employee's (or former Employee's) spouse or former spouse who is the Alternate Payee under a qualified domestic relations order, as defined in Code Section 414(p), are Distributees with regard to the interest of the spouse or former spouse.

**Early Retirement Date** means the first day of any month before a Participant's Normal Retirement Date that the Participant selects for the start of his retirement benefit. This day shall be on or after the date he has a Severance from Employment and the date he meets the following requirement(s):

(a) He is within ten years of his Normal Retirement Date.

However, for a Participant who has ceased to be an Employee as a result of his Involuntary Termination of Employment, Early Retirement Date means the first day of the month before his Normal Retirement Date which he selects for the start of his retirement benefit. This day shall be on or after the earlier of the date on which he meets the following requirements:

(a) He has both reached age 50 and completed 20 years of Credited Service.

(b) He has completed 25 years of Credited Service.

**Eligible Employee** means any Employee of the Employer, including an Employee who is on probationary status (providing his employment commenced before July 1, 1980), and excluding the following:

An Employee who is not employed on a full-time permanent status. Full-time permanent status means an Employee works an average of 20 hours per week, or in the opinion of the Employer, can be expected to work an average of twenty hours per week over the next year.

An Employee who has elected to become a member of the state retirement system of the state of South Dakota on or after July 1, 1980 and before July 1, 1981.

An Employee who retired prior to January 1, 1987.

**Eligible Retirement Plan** means an eligible plan under Code Section 457(b) that 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, an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), an annuity contract described in Code Section 403(b), or a qualified plan described in Code Section 401(a), that accepts the Distributee's Eligible Rollover Distribution. 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 relations order, as defined in Code Section 414(p).

**Eligible Rollover Distribution** means any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: (i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of ten years or more; (ii) any distribution to the extent such distribution is required under Code Section 401(a)(9); (iii) the portion of any other distribution(s) that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and (iv) any other distribution(s) that is reasonably expected to total less than $200 during a year.

A portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income. However, such portion may be transferred only to an individual retirement account or individual retirement annuity described in Code Section 408(a) or (b), or to a qualified defined contribution plan described in Code Section 401(a) or 403(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution that is includible in gross income and the portion of such distribution which is not so includible.

**Employee** means an individual who is employed by the Employer or any other employer required to be aggregated with the Employer under Code Sections 414(b), (c), (m), or (o).

The term Employee shall also include any Leased Employee deemed to be an employee of any employer described in the preceding paragraph as provided in Code Section 414(n) or (o).

**Employer** means, except for purposes of the BENEFIT LIMITATION SECTION of Article IV, South Dakota Department of Labor, Job Service, Unemployment Insurance Division, and Office of Administrative Services.

**Employer Contributions** means contributions made by the Employer to fund this Plan. See the EMPLOYER CONTRIBUTIONS SECTION of Article III.

**Entry Date** means the date an Employee first enters the Plan as an Active Participant. See the ACTIVE PARTICIPANT SECTION of Article II.

**Fiscal Year** means the Employer's accounting year. The last day of the Fiscal Year is June 30.

**Inactive Participant** means a former Active Participant who has an Accrued Benefit. See the INACTIVE PARTICIPANT SECTION of Article II.

**Insurer** means Principal Life Insurance Company or the insurance company or companies named by the Employer.

**Investment Manager** means any fiduciary (other than a trustee)

(a) who has the power to manage, acquire, or dispose of any assets of the Plan;

(b) who (i) is registered as an investment adviser under the Investment Advisers Act of 1940; (ii) is not registered as an investment adviser under such Act by reason of paragraph (1) of Section 203A(a) of such Act, is registered as an investment adviser under the laws of the state (referred to in such paragraph (1)) in which it maintains its principal office and place of business, and, at the time it last filed the registration form most recently filed by it with such state in order to maintain its registration under the laws of such state, also filed a copy of such form with the Secretary of Labor; (iii) is a bank, as defined in that Act; or (iv) is an insurance company qualified to perform services described in subparagraph (a) above under the laws of more than one state; and

(c) who has acknowledged in writing being a fiduciary with respect to the Plan.

**Involuntary Termination of Employment** means the date a Participant ceases to be an Employee due to involuntary termination of employment which is against his will or without his consent (except for cause on the charges of misconduct, delinquency, etc., including but not limited to, reduction in force, abolishment of a position or liquidation of an office or agency).

**Late Retirement Date** means the first day of any month that is after a Participant's Normal Retirement Date and on which retirement benefits begin. If a Participant continues to work for the Employer after his Normal Retirement Date, his Late Retirement Date shall be the earliest first day of the month on or after the date he has a Severance from Employment.

**Leased Employee** means any person (other than an employee of the recipient) who, pursuant to an agreement between the recipient and any other person ("leasing organization"), has performed services for the recipient (or for the recipient and related persons determined in accordance with Code Section 414(n)(6)) on a substantially full time basis for a period of at least one year, and such services are performed under primary direction or control by the recipient. Contributions or benefits provided by the leasing organization to a Leased Employee, which are attributable to service 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 (i) a nonintegrated employer contribution rate of at least 10 percent of compensation, as defined in Code Section 415(c)(3), (ii) immediate participation, and (iii) full and immediate vesting, and

(b) Leased Employees do not constitute more than 20 percent of the recipient's nonhighly compensated work force.

**Monthly Compensation** means, for any Compensation Date, an Employee's monthly Compensation on such date.

If an Employee is not an Employee on the Compensation Date, his Compensation on his latest Entry or Reentry Date, whichever applies, shall be treated as his Compensation on the Compensation Date.

**Monthly Date** means each Yearly Date and the same day of each following month during the Plan Year beginning on such Yearly Date.

**Normal Form** means a single life annuity with certain period, where the certain period is ten years.

**Normal Retirement Date** means the earliest first day of the month on or after the earliest of:

(a) The date he attains age 65.

(b) The date he attains age 62 and has completed 10 years of Credited Service.

(c) The date he attains age 60 and has completed 20 years of Credited Service.

(d) The date he attains age 55 and has completed 30 years of Credited Service.

For purposes of this definition, Credited Service shall not be deemed to include unused accumulated annual or sick leave.

His Normal Retirement Date shall be the date his retirement benefit begins if he has ceased to be an Employee on such date and his retirement benefit has not already begun.

Unless otherwise provided in this Plan, a Participant's retirement benefits shall begin on his Normal Retirement Date if he has had a Severance from Employment on such date.

**Participant** means either an Active Participant or an Inactive Participant.

**Participant Contributions** means Required Contributions as set out in Article III.

**Period of Military Duty** means, for an Employee

(a) who served as a member of the armed forces of the United States, and

(b) who was reemployed by the Employer at a time when the Employee had a right to reemployment in accordance with seniority rights as protected under Chapter 43 of Title 38 of the U.S. Code,

the period of time from the date the Employee was first absent from active work for the Employer because of such military duty to the date the Employee was reemployed.

**Plan** means the defined benefit Retirement Plan A of the Employer set forth in this document, including any later amendments to it.

**Plan Administrator** means the person or persons who administer the Plan.

The Plan Administrator is the Employer.

**Plan B** means the Retirement Plan B established March 1, 1987, by the Employer for the purpose of continuing monthly benefits (and for providing death or survivorship benefits attributed to those benefits) which began under this Plan before January 1, 1987. See Section 11.01.

**Plan Year** means a period beginning on a Yearly Date and ending on the day before the next Yearly Date.

**Present Value** means an immediate single sum payment that is the Actuarial Equivalent of another benefit.

**Prior Plan** means the retirement plan of the Employer before December 1, 1984.

**Prior Plan Assets** means the assets accumulated under the Prior Plan which have not been distributed as of December 1, 1984, and which are held under this Plan.

**Reentry Date** means the date a former Active Participant reenters the Plan. See the ACTIVE PARTICIPANT SECTION of Article II.

**Required Contribution Account** means, on any date, the total of a Participant's Required Contributions and, on and after January 1, 1990, his Salary Reduction Contributions, with interest. Contributions previously paid to the Participant or applied for him, and any interest that would have been credited on those contributions, shall be excluded.

Interest shall be credited in each Plan Year at the rate of four percent per annum compounded annually.

Interest shall be credited on each Required Contribution from the end of the Plan Year for which it was made until the Monthly Date on or before the date of determination. Interest shall be credited from December 1, 1984, on contributions made and interest credited under the Prior Plan.

**Required Contribution Accrued Benefit** means the amount of monthly retirement benefit under the Normal Form accrued by an Active Participant as of any date and payable at Normal Retirement Date that is derived from his Required Contributions. See the REQUIRED CONTRIBUTION ACCRUED BENEFIT SECTION of Article IV.

**Required Contributions** means nondeductible contributions required from a Participant in order to participate in this Plan before December 31, 1989. See the REQUIRED CONTRIBUTIONS BY PARTICIPANTS SECTION of Article III.

**Retirement Date** means the date a retirement benefit will begin and is a Participant's Early, Normal, or Late Retirement Date, as the case may be.

**Salary Reduction Contributions** means, on and after January 1, 1990, employee contributions "picked up" by the Employer pursuant to Code Section 414(h) and treated as Employer Contributions. These Contributions are not available to the Participant as current income, and the Participant has no discretion to receive them as such.

**Severance from Employment** means, except for purposes of the BENEFIT LIMITATION SECTION of Article IV, an Employee has ceased to be an Employee. The Plan Administrator shall determine if a Severance from Employment has occurred in accordance with section 1.401(k)-1(d)(2) of the regulations.

**Special Military Service Credit** means, for a Participant who ceased to be an Employee on or after October 1, 1979 due to the occurrence of his Retirement Date, military service in active status which occurred before the Participant became an Employee of the Employer, and which terminated under honorable conditions. Such service includes service in the Army, Navy, Air Force, Marine Corps and Coast Guard, including service academies, and, after June 30, 1960, in the Regular Corps or Reserve Corps of the Public Health Service, and, after June 30, 1961, as a commissioned officer of the Coast and Geodetic Survey. Military service performed on or after January 1, 1957, is included only if and while the Participant is not eligible for social security old age benefits. Military Service for which the Participant is entitled to military retired pay is excluded unless (i) he waives such military retired pay, (ii) such military retired pay is based on a disability incurred in the line of duty during a period of war, or (iii) such military retired pay is granted under Chapter 67, Title 10, U.S. Code (formerly Title III or Public Law 80-810). It is intended that Special Military Service Credit be granted under the same terms as under the Federal Civil Service Retirement System and, when there is dispute or question, the provisions of that system will be referred to in circumstances not covered by the provisions above.

**Totally and Permanently Disabled** means, during the first twenty-four months, a Participant is disabled, as a result of sickness or injury, to the extent that he is completely prevented from performing any and every duty of his occupation and has been continuously disabled for six months; after the first twenty-four months, he is completely prevented from performing any work or engaging in any occupation for wage or profit for which he is reasonably fitted by education, training, or experience, all as determined by the Plan Administrator.

To assist the Plan Administrator in its determination of whether or not a Participant is or continues to be Totally and Permanently Disabled, initial written proof that the disability exists and has continued uninterruptedly for at least six moths must be furnished to the Plan Administrator by the Participant when and as often as may reasonably be required. The Plan Administrator, upon receipt of any notice of

proof of a Participant's total and permanent disability, shall have the right and opportunity to have a physician it designates examine the Participant when and as often as it may reasonably require, but not more than once each year after the disability has continued uninterruptedly for at least two years beyond the date of furnishing the first proof.

**Vested Accrued Benefit** means, on any date, the Participant's Accrued Benefit resulting from Employer Contributions multiplied by his Vesting Percentage on such date, plus his Required Contribution Accrued Benefit.

**Vesting Percentage** means the percentage used to determine that portion of a Participant's Accrued Benefit resulting from Employer Contributions which is nonforfeitable (cannot be lost since it is vested).

A Participant's Vesting Percentage is shown in the following schedule opposite the number of whole years of his Credited Service.

| CREDITED SERVICE (whole years) | VESTING PERCENTAGE |
|---|---|
| Less than 5 | 0 |
| 5 or more | 100 |

The Vesting Percentage for a Participant who is an Employee on or after his Normal Retirement Date shall be 100%. The Vesting Percentage for a Participant who is an Employee on the date he becomes disabled shall be 100% if such disability is subsequently determined to meet the definition of Totally and Permanently Disabled.

If the schedule used to determine a Participant's Vesting Percentage is changed, the new schedule shall not apply to a Participant unless he is credited with an hour of service with the Employer on or after the date of the change.

For purposes of determining a Participant's Vesting Percentage, Credited Service shall include any service as an Employee after his Voluntary Discontinuance Date, if such date occurs on or after July 1, 1980 and before July 1, 1981.

**Voluntary Discontinuance Date** means the date a Participant fails or refuses to make a Required Contribution.

In addition, Voluntary Discontinuance Date means the date, on or after July 1, 1980 and before July 1, 1981, on which an Active Participant elects to become a member of the state retirement system of the state of South Dakota.

**Yearly Date** means August 1, 1961, and each following August 1 through August 1, 1969, and each following July 1.

**Years of Service** means, except for purposes of the BENEFIT LIMITATION SECTION of Article IV, an Employee's Vesting Service disregarding any modifications that exclude service.

# ARTICLE II

# PARTICIPATION

## SECTION 2.01--ACTIVE PARTICIPANT.

(a) An Employee may first become an Active Participant (begin active participation in the Plan) on the earliest first day of the pay period on which he is an Eligible Employee. This date is his Entry Date.

However, in no event may an Employee whose employment begins on or after July 1, 1980, become an Active Participant.

Each Employee who was an Active Participant on June 30, 2008, shall continue to be an Active Participant if he is still an Eligible Employee on July 1, 2008, and his Entry Date shall not change.

(b) An Inactive Participant may again become an Active Participant (resume active participation in the Plan) on the date he again becomes an Eligible Employee. This date is his Reentry Date.

However, for a Participant who became an Inactive Participant before July 1, 1970, he may again become an Active Participant (resume active participation in the Plan) only upon his written agreement and release to cancel any benefits available to him arising from the provisions of the Plan as in effect on the day before he became so inactive.

Upon again becoming an Active Participant, he shall cease to be an Inactive Participant.

(c) A former Participant may again become an Active Participant (resume active participation in the Plan) on the date he again becomes an Eligible Employee. This date is his Reentry Date.

An Eligible Employee shall become an Active Participant on his Entry Date or Reentry Date (whichever applies) if he agrees to make Required Contributions before January 1, 1990; on and after January 1, 1990 Salary Reduction Contributions. On and after January 1, 1990, the agreement will acknowledge that the Salary Reduction Contributions are made from a reduction in salary. This agreement must be in writing and completed no later than 30 days after his Entry or Reentry Date. If he does not complete the agreement within the time allowed, he shall become an Active Participant as of the first following Monthly Date on which he is an Eligible Employee and has completed the written agreement to make these Contributions. This shall be his adjusted Entry Date (or adjusted Reentry Date, if it applies).

There shall be no duplication of benefits for a Participant because of more than one period as an Active Participant.

## SECTION 2.02--INACTIVE PARTICIPANT.

An Active Participant shall become an Inactive Participant (stop accruing benefits) on the earliest of the following:

(a) The date he ceases to be an Eligible Employee.

(b) The effective date of complete termination of the Plan under Article VIII.

(c) His Voluntary Discontinuance Date.

An Employee or former Employee who was an Inactive Participant on June 30, 2008, shall continue to be an Inactive Participant on July 1, 2008. Eligibility for any benefits payable to the Participant or on his behalf and the amount of the benefits shall be determined according to the provisions of the prior documents, unless otherwise stated in this document or any subsequent documents.

Employees retiring prior to January 1, 1987 shall not be Inactive Participants under this Plan. Employees retiring on or after January 1, 1987, are inactive Participants under this Plan.

## SECTION 2.03--CESSATION OF PARTICIPATION.

A Participant, whether active or inactive, shall cease to be a Participant on the earlier of the following:

(a) The date of his death.

(b) The date he receives a single sum distribution that is in lieu of all of his benefits under the Plan if his Vesting Percentage is 100%.

An Inactive Participant shall also cease to be a Participant on the earliest date on which he is not entitled to a deferred monthly income under the VESTED BENEFITS SECTION of Article V.

# ARTICLE III

# CONTRIBUTIONS

## SECTION 3.01--EMPLOYER CONTRIBUTIONS.

The amount and timing of Employer Contributions shall be determined based on actuarial valuations and recommendations as to the amounts required to fund benefits under this Plan. Dividends, if any, declared under the Annuity Contract and forfeitures shall be applied to reduce future Employer Contributions.

A portion of the Plan assets resulting from Employer Contributions (but not more than the original amount of those Contributions) may be returned if the Employer Contributions are made because of a mistake of fact. The amount involved must be returned to the Employer within one year after the date the Employer Contributions are made by mistake of fact. Except as provided under this paragraph and in Article VIII, the assets of the Plan shall never be used for the benefit of the Employer and are held for the exclusive purpose of providing benefits to Participants and their Beneficiaries and for defraying reasonable expenses of administering the Plan.

Prior Plan Assets which result from Employer Contributions shall be treated in the same manner as Employer Contributions made under this Plan.

## SECTION 3.01A--REQUIRED CONTRIBUTIONS BY PARTICIPANTS.

No Required Contributions shall be made on or after January 1, 1990.

The Participant's Required Contribution Account is 100% vested and nonforfeitable at all times.

Prior Plan Assets that result from required contributions made by the Participant shall be treated in the same manner as Required Contributions made under this Plan.

## SECTION 3.01B--SALARY REDUCTION CONTRIBUTIONS.

On and after January 1, 1990, the Employer shall make Salary Reduction Contributions on behalf of each Participant. These Contributions shall be made for each payroll period in which the Participant is an Active Participant.

The amount of each Salary Reduction Contribution for a Participant, as stated in his Acknowledgement Form, shall be equal to 5% of the lesser of (a) or (b) below:

(a) His base pay from the Employer for the bi-weekly pay period which includes the Yearly Date in the current year.

(b) His base pay from the Employer for the current bi-weekly pay period.

Contributions made by the Employer for a Participant under this section will be from a reduction in the Participant's Compensation. These Contributions are not available to the Participant as current income, and no Participant has discretion to receive them as such.

These Contributions will be credited to the Participant's Required Contributions Account as they are made.

Salary Reduction Contributions are 100% vested and nonforfeitable.

## SECTION 3.02--INVESTMENT OF CONTRIBUTIONS.

The handling of Contributions and Plan assets is governed by the provisions of the Annuity Contract and any other relevant document.

The Employer may delegate to the Investment Manager investment direction for Plan assets.

All Contributions are forwarded by the Employer to the Insurer to be deposited under the Annuity Contract.

# ARTICLE IV

# RETIREMENT BENEFITS

## SECTION 4.01--ACCRUED BENEFIT.

An Active Participant's monthly Accrued Benefit as of any date, subject to the modifications below, will be equal to the product of (a) and (b) below:

(a) An amount equal to 2% of his Average Compensation.

(b) His Credited Service on such date.

However, Accrued Benefit is modified as follows:

Minimum Accrued Benefit:

An Active Participant's monthly Accrued Benefit shall not be less than the amount of his monthly retirement benefit accrued under the Prior Plan as of the day before December 12, 1984.

Adjusted Accrued Benefit:

After all other modifications have been applied, an Active Participant's monthly Accrued Benefit shall be reduced by the amount of deferred monthly retirement benefit under the Normal Form beginning on his Normal Retirement Date in lieu of which he has received a single sum payment under the Plan.

The Participant's Accrued Benefit resulting from Employer Contributions is equal to the Participant's total Accrued Benefit reduced by his Required Contribution Accrued Benefit.

## SECTION 4.01A--REQUIRED CONTRIBUTION ACCRUED BENEFIT.

An Active Participant's Required Contribution Accrued Benefit is the accrued monthly benefit derived from his Required Contributions. On any date, his Required Contribution Accrued Benefit shall be determined as follows:

STEP ONE: Determine the amount of the Participant's Required Contribution Account on such date.

STEP TWO: Add to the amount determined in step one, interest compounded annually at the interest rate used to determine Present Value for the period beginning with the determination date and ending on the date on which the Participant reaches his Normal Retirement Date. Convert the amount thus accumulated to a monthly retirement benefit under the Normal Form using the interest rate and mortality table used to determine Present Value.

## SECTION 4.02--BENEFIT LIMITATION.

Benefits under the Plan shall be limited in accordance with Code Section 415 and the regulations thereunder. The limitations of this section shall apply in Limitation Years beginning on or after July 1, 2007, except as otherwise provided herein.

(a) Definitions. For the purpose of determining the benefit limitation set forth in this section, the following terms are defined:

**Annual Benefit** means a benefit that is payable annually in the form of a Straight Life Annuity. Except as provided below, where a benefit is payable in a form other than a Straight Life Annuity, the benefit shall be adjusted to an actuarially equivalent Straight Life Annuity that begins at the same time as such other form of benefit and is payable on the first day of each month, before applying the limitations of this section. For a Participant who has or will have distributions commencing at more than one Annuity Starting Date, the Annual Benefit shall be determined as of each such Annuity Starting Date (and shall satisfy the limitations of this section as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other Annuity Starting Dates. For this purpose, the determination of whether a new starting date has occurred shall be made without regard to section 1.401(a)-20, Q&A 10(d), and with regard to section 1.415(b)-1(b)(1)(iii)(B) and (C) of the regulations.

No actuarial adjustment to the benefit shall be made for (i) survivor benefits payable to a surviving spouse under a qualified joint and survivor annuity to the extent such benefits would not be payable if the Participant's benefit were paid in another form; (ii) benefits that are not directly related to retirement benefits (such as a qualified disability benefit, preretirement incidental death benefits, and post-retirement medical benefits); or (iii) the inclusion in the form of benefit of an automatic benefit increase feature, provided the form of benefit is not subject to Code Section 417(e)(3) and would otherwise satisfy the limitations of this section, and the Plan provides that the amount payable under the form of benefit in any Limitation Year shall not exceed the limits of this section applicable at the Annuity Starting Date, as increased in subsequent years pursuant to Code Section 415(d). For this purpose, an automatic benefit increase feature is included in a form of benefit if the form of benefit provides for automatic periodic increases to the benefits paid in that form.

The determination of the Annual Benefit shall take into account Social Security supplements described in Code Section 411(a)(9) and benefits transferred from another defined benefit plan, other than transfers of distributable benefits pursuant to section 1.411(d)-4, Q&A-3(c), of the regulations, but shall disregard benefits attributable to employee contributions or rollover contributions.

Effective for distributions in Plan Years beginning after December 31, 2003, the determination of actuarial equivalence of forms of benefit other than a Straight Life Annuity shall be made in accordance with (1) or (2) below:

(1) Benefit Forms Not Subject to Code Section 417(e)(3): The Straight Life Annuity that is actuarially equivalent to the Participant's form of benefit shall be determined under this (1) if the form of the Participant's benefit is either (i) a nondecreasing annuity (other than a Straight Life Annuity) payable for a period of not less than the life of the Participant (or, in

the case of a qualified preretirement survivor annuity, the life of the surviving spouse), or (ii) an annuity that decreases during the life of the Participant merely because of (a) the death of the survivor annuitant (but only if the reduction is not below 50% of the benefit payable before the death of the survivor annuitant), or (b) the cessation or reduction of Social Security supplements or qualified disability payments (as defined in Code Section 401(a)(11)).

(i) Limitation Years beginning before July 1, 2007. For Limitation Years beginning before July 1, 2007, the actuarially equivalent Straight Life Annuity is equal to the annual amount of the Straight Life Annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit computed using whichever of the following produces the greater annual amount:

A. the interest rate and the mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form; and

B. a 5 percent interest rate assumption and the Applicable Mortality Table for that Annuity Starting Date.

(ii) Limitation Years beginning on and after July 1, 2007. For Limitation Years beginning on and after July 1, 2007, the actuarially equivalent Straight Life Annuity is equal to the greater of:

A. the annual amount of the Straight Life Annuity (if any) payable to the Participant under the Plan commencing at the same Annuity Starting Date as the Participant's form of benefit; and

B. the annual amount of the Straight Life Annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using a 5 percent interest rate assumption and the Applicable Mortality Table for that Annuity Starting Date.

(2) Benefit Forms Subject to Code Section 417(e)(3): The Straight Life Annuity that is actuarially equivalent to the Participant's form of benefit shall be determined under this (2) if the form of the Participant's benefit is other than a benefit form described in (1) above.

(i) Limitation Years beginning before July 1, 2007. For Limitation Years beginning before July 1, 2007, the actuarially equivalent Straight Life Annuity is equal to the annual amount of the Straight Life Annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit computed using whichever of the following produces the greater annual amount:

A. the interest rate and the mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form; and

B. a 5 percent interest rate assumption and the Applicable Mortality Table for that Annuity Starting Date.

(ii) Limitation Years beginning on and after July 1. 2007. For Limitation Years beginning on and after July 1, 2007, the actuarially equivalent Straight Life Annuity is equal to the annual amount of the Straight Life Annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using whichever of the following produces the greater annual amount:

A. the interest rate and the mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form; and

B. the Applicable Interest Rate and the Applicable Mortality Table.

**Defined Benefit Dollar Limitation** means, effective for Limitation Years ending after December 31, 2001, $160,000, automatically adjusted under Code Section 415(d), effective January 1 of each year, as published in the Internal Revenue Bulletin, and payable in the form of a Straight Life Annuity. The new limitation shall apply to Limitation Years ending with or within the calendar year of the date of the adjustment, but a Participant's benefits shall not reflect the adjusted limit prior to January 1 of that calendar year. The automatic annual adjustment of the Defined Benefit Dollar Limitation under Code Section 415(d) shall not apply to Participants who have had a Severance from Employment.

**Employer** means the employer that adopts this Plan, and all members of a controlled group of corporations (as defined in Code Section 414(b), as modified by Code Section 415(h)), all commonly controlled trades or businesses (as defined in Code Section 414(c), as modified, except in the case of a brother-sister group of trades or businesses under common control, by Code Section 415(h)), or affiliated service groups (as defined in Code Section 414(m)) of which the adopting employer is a part, and any other entity required to be aggregated with the employer pursuant to Code Section 414(o).

**Formerly Affiliated Plan** means a plan that, immediately prior to the cessation of affiliation, was actually maintained by the Employer and immediately after the cessation of affiliation, is not actually maintained by the Employer. For this purpose, cessation of affiliation means the event that causes an entity to no longer be considered the Employer, such as the sale of a member of a controlled group of corporations, as defined in Code Section 414(b), as modified by Code Section 415(h), to an unrelated corporation, or that causes a plan to not actually be maintained by the Employer, such as a transfer of plan sponsorship outside a controlled group.

**Limitation Year** means the consecutive 12-month period ending on the last day of each Plan Year, including corresponding consecutive 12-month periods before August 1, 1961. If the Limitation Year is other than a calendar year, execution of this Plan (or any amendment to this Plan changing the Limitation Year) constitutes the Employer's adoption of a written resolution electing the Limitation Year. If the Limitation Year is amended to a different consecutive 12-month period, the new Limitation Year must begin on a date within the Limitation Year in which the amendment is made.

**Maximum Permissible Benefit** means the Defined Benefit Dollar Limitation (adjusted where required, as provided below).

(1) Adjustment for Less Than Ten Years of Participation If the Participant has less than ten Years of Participation in the Plan, the Defined Benefit Dollar Limitation shall be multiplied by a fraction, (i) the numerator of which is the number of Years of Participation (or part thereof, but not less than one year) in the Plan, and (ii) the denominator of which is ten.

The adjustments of this (1) shall not apply to survivor and disability benefits as provided in Code Section 415(b)(2)(I).

(2) Adjustment of Defined Benefit Dollar Limitation for Benefit Commencement Before Age 62 or After Age 65: Effective for benefits commencing in Limitation Years ending after December 31, 2001, the Defined Benefit Dollar Limitation shall be adjusted if the Annuity Starting Date of the Participant's benefit is before age 62 or after age 65. If the Annuity Starting Date is before age 62, the Defined Benefit Dollar Limitation shall be adjusted under (2)(i) below, as modified by (2)(iii) below. If the Annuity Starting Date is after age 65, the Defined Benefit Dollar Limitation shall be adjusted under (2)(ii) below, as modified by (2)(iii) below.

(i) Adjustment of Defined Benefit Dollar Limitation for Benefit Commencement Before Age 62:

A. Limitation Years Beginning Before July 1, 2007. If the Annuity Starting Date for the Participant's benefit is prior to age 62 and occurs in a Limitation Year beginning before July 1, 2007, the Defined Benefit Dollar Limitation for the Participant's Annuity Starting Date is the annual amount of a benefit payable in the form of a Straight Life Annuity commencing at the Participant's Annuity Starting Date that is the actuarial equivalent of the Defined Benefit Dollar Limitation (adjusted under (1) above for Years of Participation less than ten, if required) with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (i) the interest rate and the mortality table (or other tabular factor) specified in the Plan for purposes of determining actuarial equivalence for early retirement benefits; or (ii) a 5 percent interest rate assumption and the Applicable Mortality Table. To the extent the Plan does not specify an interest rate and mortality table (or other tabular factor) or for ages for which no tabular factor is specified, a 5 percent interest rate and the Applicable Mortality Table shall be used to determine actuarial equivalence.

B. Limitation Years Beginning On or After July 1, 2007.

I. Plan Does Not Have Immediately Commencing Straight Life Annuity Payable at Both Age 62 and the Age of Benefit Commencement If the Annuity Starting Date for the Participant's benefit is prior to age 62 and occurs in a Limitation Year beginning on or after July 1, 2007, and the Plan does not have an immediately commencing Straight Life Annuity payable at both age 62 and the age of benefit commencement, the

Defined Benefit Dollar Limitation for the Participant's Annuity Starting Date is the annual amount of a benefit payable in the form of a Straight Life Annuity commencing at the Participant's Annuity Starting Date that is the actuarial equivalent of the Defined Benefit Dollar Limitation (adjusted under (1) above for Years of Participation less than ten, if required) with actuarial equivalence computed using a 5 percent interest rate assumption and the Applicable Mortality Table for the Annuity Starting Date (and expressing the Participant's age based on completed calendar months as of the Annuity Starting Date).

II. Plan Has Immediately Commencing Straight Life Annuity Payable at Both Age 62 and the Age of Benefit Commencement. If the Annuity Starting Date for the Participant's benefit is prior to age 62 and occurs in a Limitation Year beginning on or after July 1, 2007, and the Plan has an immediately commencing Straight Life Annuity payable at both age 62 and the age of benefit commencement, the Defined Benefit Dollar Limitation for the Participant's Annuity Starting Date is the lesser of the limitation determined under (2)(i)B.I. above and the Defined Benefit Dollar Limitation (adjusted under (1) above for Years of Participation less than ten, if required) multiplied by the ratio of the annual amount of the immediately commencing Straight Life Annuity under the Plan at the Participant's Annuity Starting Date to the annual amount of the immediately commencing Straight Life Annuity under the Plan at age 62, both determined without applying the limitations of this section.

C. The adjustments in this (i) do not apply in the case of a Participant who is a qualified participant (as defined in Code Section 415(b)(H)). The adjustments in this (i) do not apply to survivor and disability benefits as provided in Code Section 415(b)(2)(I).

D. Notwithstanding any other provision of this (i), the age adjusted Defined Benefit Dollar Limitation applicable to a Participant does not decrease on account of an increase in age or the performance of additional service.

(ii) Adjustment of Defined Benefit Dollar Limitation for Benefit Commencement After Age 65:

A. Limitation Years Beginning Before July 1, 2007. If the Annuity Starting Date for the Participant's benefit is after age 65 and occurs in a Limitation Year beginning before July 1, 2007, the Defined Benefit Dollar Limitation for the Participant's Annuity Starting Date is the annual amount of a benefit payable in the form of a Straight Life Annuity commencing at the Participant's Annuity Starting Date that is the actuarial equivalent of the Defined Benefit Dollar Limitation (adjusted under (1) above for Years of Participation less than ten, if required) with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (i) the interest rate and the mortality table (or other tabular factor) specified in the Plan for purposes of

determining actuarial equivalence for late retirement benefits; or (ii) a 5 percent interest rate assumption and the Applicable Mortality Table.

B. Limitation Years Beginning On or After July 1, 2007.

I. Plan Does Not Have Immediately Commencing Straight Life Annuity Payable at Both Age 65 and the Age of Benefit Commencement. If the Annuity Starting Date for the Participant's benefit is after age 65 and occurs in a Limitation Year beginning on or after July 1, 2007, and the Plan does not have an immediately commencing Straight Life Annuity payable at both age 65 and the age of benefit commencement, the Defined Benefit Dollar Limitation at the Participant's Annuity Starting Date is the annual amount of a benefit payable in the form of a Straight Life Annuity commencing at the Participant's Annuity Starting Date that is the actuarial equivalent of the Defined Benefit Dollar Limitation (adjusted under (1) above for Years of Participation less than ten, if required) with actuarial equivalence computed using a 5 percent interest rate assumption and the Applicable Mortality Table for that Annuity Starting Date (and expressing the Participant's age based on completed calendar months as of the Annuity Starting Date).

II. Plan Has Immediately Commencing Straight Life Annuity Payable at Both Age 65 and the Age of Benefit Commencement. If the Annuity Starting Date for the Participant's benefit is after age 65 and occurs in a Limitation Year beginning on or after July 1, 2007, and the Plan has an immediately commencing Straight Life Annuity payable at both age 65 and the age of benefit commencement, the Defined Benefit Dollar Limitation at the Participant's Annuity Starting Date is the lesser of the limitation determined under (2)(ii)B.I. above and the Defined Benefit Dollar Limitation (adjusted under (1) above for Years of Participation less than ten, if required) multiplied by the ratio of the annual amount of the adjusted immediately commencing Straight Life Annuity under the Plan at the Participant's Annuity Starting Date to the annual amount of the adjusted immediately commencing Straight Life Annuity under the Plan at age 65, both determined without applying the limitations of this section. For this purpose, the adjusted immediately commencing Straight Life Annuity under the Plan at the Participant's Annuity Starting Date is the annual amount of such annuity payable to the Participant, computed disregarding the Participant's accruals after age 65 but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing Straight Life Annuity under the Plan at age 65 is the annual amount of such annuity that would be payable under the Plan to a hypothetical Participant who is age 65 and has the same accrued benefit as the Participant.

(iii) Notwithstanding the other requirements of this (2), no adjustment shall be made to the Defined Benefit Dollar Limitation to reflect the probability of a Participant's death between the Annuity Starting Date and age 62, or between age 65 and the Annuity Starting Date, as applicable, if benefits are not forfeited upon the death of the Participant prior to the Annuity Starting Date. To the extent benefits are forfeited upon death before the Annuity Starting Date, such an adjustment shall be made. For this purpose, no forfeiture shall be treated as occurring upon the Participant's death if the Plan does not charge Participants for providing a qualified joint and survivor annuity, as defined in Code Section 417(c), upon the Participant's death.

(3) Minimum benefits permitted: Notwithstanding anything else in this definition to the contrary, the benefit otherwise accrued or payable to a Participant under this Plan shall be deemed not to exceed the Maximum Permissible Benefit if:

(i) the retirement benefits payable for a Limitation Year under any form of benefit with respect to such Participant under this Plan and under all other defined benefit plans (without regard to whether a plan has been terminated) ever maintained by the Employer do not exceed $10,000 multiplied by a fraction, (1) the numerator of which is the Participant's number of Years of Service (or part thereof, but not less than one year) with the Employer (not to exceed ten), and (2) the denominator of which is 10; and

(ii) the Employer (or a Predecessor Employer) has not at any time maintained a defined contribution plan in which the Participant participated (for this purpose, mandatory employee contributions under a defined benefit plan are not considered a separate defined contribution plan).

The amount in (i) above shall be equal to $10,000 when determining the minimum benefit for survivor and disability benefits as provided in Code Section 415(b)(2)(I).

**Predecessor Employer** means, with respect to a Participant, a former employer if the Employer maintains a plan that provides a benefit which the Participant accrued while performing services for the former employer. Predecessor Employer also means, with respect to a Participant, a former entity that antedates the Employer if, under the facts and circumstances, the Employer constitutes a continuation of all or a portion of the trade or business of the former entity.

**Severance from Employment** means an employee has ceased to be an employee of the Employer maintaining the plan. An employee does not have a Severance from Employment if, in connection with a change of employment, the employee's new employer maintains the plan with respect to the employee.

**Straight Life Annuity** means an annuity payable in equal installments for the life of the Participant that terminates upon the Participant's death.

**Year of Participation** means one year (computed to fractional parts of a year) for each Plan Year for which the following conditions are met:

(1) the Participant is credited with Continuous Service for benefit accrual purposes, and

(2) the Participant is included as a Participant under the eligibility provisions of the Plan for at least one day of the Plan Year.

If these two conditions are met, the portion of a Year of Participation credited to the Participant shall equal the amount of Credited Service credited to the Participant for such Plan Year. A Participant who is totally and permanently disabled within the meaning of Code Section 415(c)(3)(C)(i) for a Plan Year shall receive a Year of Participation with respect to that period. In addition, for a Participant to receive a Year of Participation (or part thereof) for a Plan Year, the Plan must be established no later than the last day of such Plan Year. In no event will more than one Year of Participation be credited for any 12-month period.

**Year of Service** means, for purposes of the definition of Maximum Permissible Benefit, one year (computed to fractional parts of a year) for each Plan Year for which the Participant is credited with Continuous Service for benefit accrual purposes, taking into account only service with the Employer or a Predecessor Employer.

(b) The Annual Benefit otherwise payable to a Participant at any time will not exceed the Maximum Permissible Benefit.

(c) If the Participant is, or has ever been, a participant in another qualified defined benefit plan (without regard to whether the plan has been terminated) maintained by the Employer or a Predecessor Employer, the sum of the Participant's Annual Benefits from all such plans may not exceed the Maximum Permissible Benefit. Where the Participant's employer-provided benefits under all such defined benefit plans (determined as of the same age) would exceed the Maximum Permissible Benefit applicable at that age, the benefit shall be limited (or the rate of accrual reduced) in the plan most recently established to the extent necessary so that the sum of the Participant's Annual Benefits from all such plan(s) does not exceed the Maximum Permissible Benefit.

(d) The application of the provisions of this section shall not cause the Maximum Permissible Benefit for any Participant to be less than the Participant's accrued benefit under all the defined benefit plans of the Employer or a Predecessor Employer as of the end of the last Limitation Year beginning before July 1, 2007 under the provisions of the plans that were both adopted and in effect before April 5, 2007. The preceding sentence applies only if the provisions of such defined benefit plans that were both adopted and in effect before April 5, 2007 satisfied the applicable requirements of statutory provisions, regulations, and other published guidance relating to Code Section 415 in effect as of the end of the last Limitation Year beginning before July 1, 2007, as described in section 1.415(a)-1(g)(4) of the regulations.

(e) The limitations of this section shall be determined and applied taking into account the rules in (f) below.

(f) Other Rules.

(1) Benefits under Terminated Plans. If a defined benefit plan maintained by the Employer has terminated with sufficient assets for the payment of benefit liabilities of all plan participants and a participant in the plan has not yet commenced benefits under the plan, the benefits

provided pursuant to the annuities purchased to provide the participant's benefits under the terminated plan at each possible annuity starting date shall be taken into account in applying the limitations of this section. If there are not sufficient assets for the payment of all participants' benefit liabilities, the benefits taken into account shall be the benefits that are actually provided to the participant under the terminated plan.

(2) Benefits Transferred From the Plan. If a participant's benefits under a defined benefit plan maintained by the Employer are transferred to another defined benefit plan maintained by the Employer and the transfer is not a transfer of distributable benefits pursuant to section 1.411(d)-4, Q&A-3(c) of the regulations, the transferred benefits are not treated as being provided under the transferor plan (but are taken into account as benefits provided under the transferee plan). If a participant's benefits under a defined benefit plan maintained by the Employer are transferred to another defined benefit plan that is not maintained by the Employer and the transfer is not a transfer of distributable benefits pursuant to section 1.411(d)-4, Q&A-3(c), of the regulations, the transferred benefits are treated by the Employer's plan as if such benefits were provided under annuities purchased to provide benefits under a plan maintained by the Employer that terminated immediately prior to the transfer with sufficient assets to pay all participants' benefit liabilities under the plan. If a participant's benefits under a defined benefit plan maintained by the Employer are transferred to another defined benefit plan in a transfer of distributable benefits pursuant to section 1.411(d)-4, Q&A-3(c), of the regulations, the amount transferred is treated as a benefit paid from the transferor plan.

(3) Formerly Affiliated Plans of the Employer. A Formerly Affiliated Plan of the Employer shall be treated as a plan maintained by the Employer, but the Formerly Affiliated Plan shall be treated as if it had terminated immediately prior to the cessation of affiliation with sufficient assets to pay participants' benefit liabilities under the plan and had purchased annuities to provide benefits.

(4) Plans of a Predecessor Employer. If the Employer maintains a defined benefit plan that provides benefits accrued by a participant while performing services for a Predecessor Employer, the participant's benefits under a plan maintained by a Predecessor Employer shall be treated as provided under a plan maintained by the Employer. However, for this purpose, the plan of the Predecessor Employer shall be treated as if it had terminated immediately prior to the event giving rise to the Predecessor Employer relationship with sufficient assets to pay participants' benefit liabilities under the plan, and had purchased annuities to provide benefits; the Employer and the Predecessor Employer shall be treated as if they were a single employer immediately prior to such event and as unrelated employers immediately after the event; and if the event giving rise to the predecessor relationship is a benefit transfer, the transferred benefits shall be excluded in determining the benefits provided under the plan of the Predecessor Employer.

(5) Special Rules. The limitations of this section shall be determined and applied taking into account the rules in section 1.415(f)-1(d), (e), and (h) of the regulations.

(6) Aggregation with Multiemployer Plans.

(i) If the Employer maintains a multiemployer plan, as defined in Code Section 414(f), and the multiemployer plan so provides, only the benefits under the multiemployer plan that are provided by the Employer shall be treated as benefits provided under a plan maintained by the Employer for purposes of this section.

(ii) Effective for Limitation Years ending after December 31, 2001, a multiemployer plan shall be disregarded for purposes of item (1) of the Maximum Permissible Benefit definition in subparagraph (a) above to a plan which is not a multiemployer plan.

## SECTION 4.03--AMOUNT OF BENEFIT AT RETIREMENT.

The amount of retirement benefit to be provided under the Normal Form for an Active Participant on his Retirement Date shall be determined according to the provisions of this section.

Normal Retirement Date. An Active Participant's retirement benefit on his Normal Retirement Date shall be equal to his Accrued Benefit on such date.

Early Retirement Date. An Active Participant's retirement benefit on his Early Retirement Date shall be equal to his Accrued Benefit on such date, reduced by 1/6 of 1% for each month his Early Retirement Date precedes his Normal Retirement Date (the date he would reach age 55, if his Early Retirement Date is the result of his Involuntary Termination of Employment).

Late Retirement Date. An Active Participant's retirement benefit on his Late Retirement Date shall be equal to his Accrued Benefit on his Late Retirement Date.

In any event, an Active Participant's retirement benefit under the Normal Form on his Retirement Date will not be less than the greater of his Required Contribution Accrued Benefit on his Retirement Date, or the monthly benefit under the Normal Form that is the Actuarial Equivalent of his Required Contribution Account on such date.

The Participant's retirement benefits shall be distributed to the Participant according to the distribution of benefits provisions of Article VI and the small amounts provisions of the SMALL AMOUNTS SECTION of Article X. The amount of payment under any form (other than the Normal Form) shall be determined as provided under the OPTIONAL FORMS OF DISTRIBUTION SECTION of Article VI.

## SECTION 4.04--BENEFITS UPON REEMPLOYMENT AFTER RETIREMENT DATE.

If the Employer rehires a Participant after his Retirement Date, the monthly retirement benefit payments he would otherwise receive shall be withheld as they become payable. However, if the Plan had terminated, monthly benefit payments shall continue unchanged.

If the Employer rehires a Participant after January 1, 1987, and after his Retirement Date in an emergency, temporary, or seasonal non-benefited position, the monthly retirement benefit payments shall not be withheld.

The withheld payments shall be accumulated and credited with interest at the rate of four percent, compounded annually from the end of the Plan Year in which they are withheld. Payments to the Participant shall resume as of the earliest first day of the month on or after he again ceases to be an Employee. The

accumulated amount of withheld payments and interest shall provide that Participant with an additional retirement benefit. The amount of the additional retirement benefit shall be determined according to the Annuity Contract. The form of the retirement benefit shall be determined according to the provisions of Article VI as if such date were his Retirement Date.

The period of emergency, temporary, or seasonal re-employment will not affect the Participant's ongoing retirement benefit or count as additional credited service.

If the Participant dies before payments resume, the accumulated amount of withheld payments shall be applied according to the provisions of the DEATH BENEFITS SECTION of Article V. Any death benefit from the remaining monthly retirement benefit, which he had not received before he was reemployed by Employer and which had not been withheld during his period of reemployment, shall be determined by the form of benefit in effect for him on his earlier Retirement Date, and shall be payable according to the provisions of Article VI.

If the reemployed Participant also becomes an Active Participant, his benefits under this Plan shall not be duplicated. Any death benefit from the Accrued Benefit accrued during his latest period of membership shall be determined as provided in the DEATH BENEFITS SECTION of Article V. The retirement benefit from such Accrued Benefit shall be payable according to the provisions of Article IV and Article VI.

# ARTICLE IVA

# COST OF LIVING ADJUSTMENT

## SECTION 4A.01--CHANGE IN MONTHLY BENEFIT FOR ANNUITANTS OF THIS PLAN.

In the case of an Annuitant who is receiving monthly benefit payments under this Plan (other than the COLA benefit), as of each Adjustment Date, the amount of monthly benefit payments payable to such Annuitant will be changed to the amount determined by multiplying said amount received under this Plan prior to the adjustment to be made by this section 4A.01 by the Adjustment Factor as of such Adjustment Date, subject to the following provisions:

(a) If such change results in an increase in the amount of monthly retirement benefit payments to an Annuitant, an amount of monthly retirement benefit will be provided for him under the Annuity Contract in the amount of such increase with payments consistent with the payments being made as to the monthly retirement annuity provided under the Annuity Contract on the Participant's Retirement Date.

(b) If such change results in a decrease in the amount of the monthly retirement benefit payments to an Annuitant, an amount or amounts of monthly retirement benefit previously provided for him under the Annuity Contract will be canceled as of such Adjustment Date so that the total amount of monthly retirement benefit remaining will be only the reduced amount to which he is then entitled.

In no event will any decrease become effective which would reduce the monthly retirement benefit payments for an Annuitant to an amount which would be less than the amount he would have received had the provisions of this Article IVA (or any comparable predecessor provision) not been in effect.

(c) On and after the effective date of termination of this Plan according to Article VIII, no further changes in monthly retirement benefit payments will be made in accordance with this Article IVA.

## SECTION 4A.02--COLA BENEFIT FOR ANNUITANTS OF PLAN B.

In the case of an Annuitant who is receiving monthly benefit payments pursuant to Plan B, as of each Adjustment Date, the amount of the monthly benefit payment payable to such Annuitant will be changed in the same manner and by the same percentage as provided in Section 4A.01, except the amount payable under this Plan shall be reduced by the amount payable under Plan B.

## SECTION 4A.03--EMPLOYER RIGHTS.

The Employer reserves the right to terminate or reduce the COLA Benefit or other benefits provided under this Article IVA at any time.

# ARTICLE V

# OTHER BENEFITS

## SECTION 5.01--DEATH BENEFITS.

If a Participant dies before his Annuity Starting Date, death benefits shall be determined under subsections (a), (b), and (c) below. The distribution of death benefits shall be subject to the distribution of benefits provisions of Article VI and the provisions of the SMALL AMOUNTS SECTION of Article X.

(a) Preretirement Spouse and Dependent Child Death Benefit:

A Preretirement Spouse and Dependent Child Death Benefit shall be payable if the following requirements are met:

(i) The Participant is survived by a spouse to whom he was continuously married throughout the one-year period ending on the date he dies.

(ii) The Participant's is survived by a Dependent Child on the date he dies.

(iii) The Participant had not ceased to be an Employee.

If the above requirements are met on the date the Participant dies, monthly payments shall be made to the surviving spouse or, if there is not surviving spouse, to the person, who in the Plan Administrator's opinion, has assumed the principal support of the Dependent Child, as follows:

The amount of payments to the surviving spouse are equal to

(1) for a Participant whose latest date of employment occurred before he attained age 47, the greater of

(i) 55% of his Accrued Benefit on the date of his death.

(ii) 22% of his Average Compensation on the date of his death.

(2) for a Participant whose latest date of employment occurred after he attained age 47, 55% of the amount of monthly retirement benefit expected to become payable to him on the date he attains age 60, assuming his employment continues and his Monthly Compensation remains unchanged.

The amount of payments to the Dependent Child are equal to

(1) for each Dependent Child of a Participant who has a spouse on the date of his death, the least of

(i) 60% of his Average Compensation on the date of his death, divided by the number of Dependent Children.

(ii) $75.

(iii) $225, divided by the number of Dependent Children.

The above payments to a Dependent Child are in addition to the payments made to the surviving spouse.

(2) for each Dependent Child of a Participant who does not have a spouse on the date of his death, the least of

(i) 75% of his Average Compensation on the date of his death, divided by the number of Dependent Children.

(ii) $90.

(iii) $270, divided by the number of Dependent Children.

The above death benefits shall begin on the first day of the month after the Participant dies and shall continue until the later of

(a) the date the surviving spouse dies, or

(b) the date there no longer is a Dependent Child.

In any event, if the surviving spouse remarries prior to the attainment of age 60, no further monthly payments shall be made after the first day of the month immediately preceding the date of the spouse's remarriage.

Benefits payable to the Dependent Children of a Participant who did not have a spouse on the date of his death shall be assumed to continue until the date the youngest Dependent Child attains age 22.

(b) Single-sum death benefit:

A single-sum death benefit equal to the Participant's Required Contribution Account on the date he died shall be payable to the Participant's Beneficiary. Such payment is in addition to subsection (a) above.

(c) Certain Period death benefit:

If the Participant does not have a spouse nor a Dependent Child on the date he dies, and he had completed ten years of Credited Service before July 1, 1976, these shall be paid to his Beneficiary a certain period death benefit payable monthly for a period of ten years. The amount of such certain period death benefit shall be equal to the Participant's Accrued Benefit on June 30, 1976, determined using his Average Compensation on July 1, 1976. This benefit shall be in addition to the single sum death benefit described in (b) above.

If a Participant dies on or after his Normal Retirement Date and before his Annuity Starting Date and such Participant is survived by a spouse to whom he was continuously married throughout the one-year period ending on the date of his death, Dependent Child, or Beneficiary (if he had completed ten years of Credited Service before July 1, 1976) the death benefit shall be payable in like manner as provided under (a), (b) and (c) above.

If a Participant dies on or after his Normal Retirement Date and before his Annuity Starting Date and such Participant is not survived by a spouse to whom he was continuously married throughout the one-year period ending on the date of his death, Dependent Child, or Beneficiary (if he had not completed ten years of Credited Service before July 1, 1976), the provisions of (a), (b), and (c) above shall not apply. Instead, the death benefit shall be the preservation of retirement option death benefit. This death benefit is the death benefit that would have been payable to the Participant's Beneficiary or Contingent Annuitant if the Participant's Retirement Date had occurred on the date he died. The optional form of distribution elected according to the provisions of the ELECTION PROCEDURES SECTION of Article VI before the Participant's death is the form in effect for determining the death benefit. The automatic form of distribution for retirement benefits under the AUTOMATIC FORMS OF DISTRIBUTION SECTION of Article VI shall be in effect if an election has not been made or an election is revoked without a subsequent election according to the provisions of the ELECTION PROCEDURES SECTION of Article VI. Any death benefit payable shall be subject to the distribution limitations of the REQUIRED MINIMUM DISTRIBUTIONS SECTION of Article VII.

Any death benefit after a Participant's Annuity Starting Date will be determined by the form of retirement benefit in effect on such date. However, if the Participant has a Dependent Child on the date of his death, after Retirement Date, payments shall be made in like manner as to the Dependent Child death benefits described in subsection (a) above.

## SECTION 5.02--VESTED BENEFITS.

A Participant who becomes an Inactive Participant before retirement or death will be entitled to one of the following vested benefits whichever is applicable. Any distribution of vested benefits shall be a retirement benefit and shall be subject to the distribution of benefits provisions of Article VI and the provisions of the SMALL AMOUNTS SECTION of Article X.

(a) A deferred monthly retirement benefit under the Normal Form to begin on his Normal Retirement Date. The deferred retirement benefit will be equal to the sum of (1) and (2):

(1) On and after June 30, 1999, the amount of monthly benefit which could be provided on his Normal Retirement Date on the Normal Form by his Required Contribution Account, based on the rates described in the definition of Actuarial Equivalent.

(2) The product of (i) and (ii):

(i) The excess of the Participant's Accrued Benefit on the day before he became an Inactive Participant over the amount determined under (1) above.

(ii) The Participant's Vesting Percentage on the date he has a Severance from Employment.

(b) A deferred monthly retirement benefit under the Normal Form to begin on his Early Retirement Date. The deferred retirement benefit shall be equal to the amount under (a) above reduced by the applicable early retirement percentage in the AMOUNT OF BENEFIT AT RETIREMENT SECTION of Article IV.

(c) A deferred monthly retirement benefit under the Normal Form to begin on his Late Retirement Date. The deferred retirement benefit shall be determined as follows:

(1) For a Participant who became an Inactive Participant on or before his Normal Retirement Date, an amount equal to the amount under (a) above.

(2) For a Participant who became an Inactive Participant after his Normal Retirement Date, an amount equal to the Participant's Accrued Benefit on the day before the date he became an Inactive Participant.

The deferred retirement benefit for the Participant on his Retirement Date shall not be less than the monthly benefit that is the Actuarial Equivalent of his Required Contribution Account on such date.

The amount of payment under any form (other than the Normal Form) shall be determined as provided under the OPTIONAL FORMS OF DISTRIBUTION SECTION of Article VI.

The Participant may receive his Required Contribution Account in a single sum payment at any time after he has a Severance from Employment and before his Retirement Date, provided he has not again become an Employee. If such amount is not payable under the provisions of the SMALL AMOUNTS SECTION of Article X, it will be distributed only if the Participant so elects. The Participant's election shall be subject to the requirements in the ELECTION PROCEDURES SECTION of Article VI. Such payment shall be in lieu of his Required Contribution Accrued Benefit

If the Participant dies before his Annuity Starting Date, death benefits shall be distributed according to the provisions of the DEATH BENEFITS SECTION of this article.

## SECTION 5.03--DISABILITY BENEFITS.

If an Active Participant becomes Totally and Permanently Disabled before his Retirement Date (Normal Retirement Date, if earlier), and the Employer is making his Participant Contributions under Article III, Credited Service shall continue for such Participant until the earliest of

(a) the date of his death.

(b) his Normal Retirement Date.

(c) the effective date of termination of the Plan.

(d) the date he is no longer Totally and Permanently Disabled.

# ARTICLE VI

# WHEN BENEFITS START AND DISTRIBUTION OF BENEFITS

## SECTION 6.01--WHEN BENEFITS START.

Benefits shall begin as provided in the Plan. For example, the Participant's Retirement Date or Required Beginning Date, as defined in the DEFINITIONS SECTION of Article VII.

## SECTION 6.02--AUTOMATIC FORMS OF DISTRIBUTION.

Unless an optional form of benefit is selected pursuant to an election within the election period (see the ELECTION PROCEDURES SECTION of this article), the automatic form of benefit payable to or on behalf of a Participant is determined as follows:

(a) Retirement Benefits. The automatic form of retirement benefit for a Participant who does not die before his Annuity Starting Date shall be the Normal Form.

(b) Death Benefits. The automatic form of death benefit for a Participant who dies before his Annuity Starting Date is determined according to the provisions of the DEATH BENEFITS SECTION of Article V.

## SECTION 6.03--OPTIONAL FORMS OF DISTRIBUTION.

(a) Retirement Benefits. The optional forms of retirement benefit shall be the following: (i) a straight life annuity; (ii) single life annuities with certain periods of 10, 15, or 20 years; (iii) a single life annuity with modified cash refund of the Participant's Required Contribution Account; (iv) a survivorship life annuity (equal to the Participant's monthly retirement benefit, reduced by 2 1/2% of the amount of such benefit not exceeding $300 plus 10% of the amount by which such benefit exceeds $300) with survivorship percentages of 50%, or 75%; and (v) a Social Security adjustment option based on the Normal Form and adjusted in a manner so that when added to the Primary Insurance Benefits under Title II of the Federal Social Security Act in effect on the Participant's Retirement Date will provide, as nearly as practicable, a uniform series of payments before and after he attains the age he is eligible for full Social Security benefits. This option is effective only for a Participant whose Retirement Date occurs before he attains the age he is eligible for full Social Security Retirement benefits.

Social Security Retirement Age means, on any date, the age at which full Social Security benefits become payable as determined by the Social Security table in effect on such date.

The benefit payable under any optional form available above (other than the Normal Form) shall be the Actuarial Equivalent of the benefit that would otherwise be payable to the Participant under the Normal Form on his Retirement Date. If the Participant's Retirement Date is before his Normal Retirement Date, the benefit payable under any optional form other than (i) a nondecreasing

annuity payable for a period of not less than the life of the Participant or (ii) an annuity that decreases during the life of the Participant merely because of (a) the death of the survivor annuitant (but only if the reduction is not below 50% of the benefit payable before the death of the survivor annuitant), or (b) the cessation or reduction of Social Security supplements or qualified disability payments (as defined in Code Section 401(a)(11)), shall not be less than the Actuarial Equivalent of the benefit that would otherwise be payable to the Participant under the Normal Form on his Normal Retirement Date.

Election of an optional form is subject to the election provisions of the ELECTION PROCEDURES SECTION of this article and the distribution requirements of Article VII.

Any annuity contract distributed shall be nontransferable.

(b) Death Benefits. The optional forms of death benefit are any annuity that is an optional form of retirement benefit.

Election of an optional form is subject to the election provisions of the ELECTION PROCEDURES SECTION of this article and the distribution requirements of Article VII.

## SECTION 6.04--ELECTION PROCEDURES.

The Participant, Beneficiary, or spouse shall make any election under this section in writing. The Plan Administrator may require such individual to complete and sign any necessary documents as to the provisions to be made. Any election permitted under (a) and (b) below shall be subject to the election provisions of (c) below.

(a) Retirement Benefits. A Participant may elect his Beneficiary or Contingent Annuitant and may elect to have retirement benefits distributed under any of the optional forms of retirement benefit available in the OPTIONAL FORMS OF DISTRIBUTION SECTION of this article.

(b) Death Benefits. A Participant may elect his Beneficiary for any single sum death benefits and may elect to have such death benefits distributed under any of the optional forms of death benefit available in the OPTIONAL FORMS OF DISTRIBUTION SECTION of this article.

If the Participant has not elected an optional form of distribution for the death benefit payable to his Beneficiary, the Beneficiary may, for his own benefit, elect the form of distribution, in like manner as a Participant.

(c) Election. The Participant, Beneficiary, or spouse may make an election at any time during the election period. The Participant, Beneficiary, or spouse may revoke the election made (or make a new election) at any time and any number of times during the election period.

(1) Election Period for Retirement Benefits. A Participant may make an election as to retirement benefits at any time before the Annuity Starting Date.

(2) Election Period for Death Benefits. A Participant may make an election as to death benefits at any time before he dies. The spouse's election period begins on the date the Participant

dies and ends on the date benefits begin. The Beneficiary's election period begins on the date the Participant dies and ends on the date benefits begin.

# ARTICLE VII

# REQUIRED MINIMUM DISTRIBUTIONS

## SECTION 7.01--APPLICATION.

The optional forms of distribution are only those provided in Article VI. An optional form of distribution shall not be permitted unless it meets the requirements of this article. The timing of any distribution must meet the requirements of this article.

## SECTION 7.02--DEFINITIONS.

For purposes of this article, the following terms are defined:

**Actuarial Gain** means the difference between an amount determined using the actuarial assumptions (i.e., investment return, mortality, expense, and other similar assumptions) used to calculate the initial payments before adjustment for any increases and the amount determined under the actual experience with respect to those factors. Actuarial Gain also includes differences between the amount determined using actuarial assumptions when an annuity was purchased or commenced and such amount determined using actuarial assumptions used in calculating payments at the time the Actuarial Gain is determined.

**Designated Beneficiary** means the individual who is designated by the Participant (or the Participant's surviving spouse) as the Beneficiary of the Participant's interest under the Plan and who is the designated beneficiary under Code Section 401(a)(9) and section 1.401(a)(9)-4 of the regulations.

**Distribution Calendar Year** means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year that 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 under (b)(2) of the REQUIRED MINIMUM DISTRIBUTIONS SECTION of this article.

**Eligible Cost-of-living Index** means an index described in paragraph (b)(2), (b)(3), or (b)(4) in Q&A-14 in section 1.401(a)(9)-6 of the regulations.

**Life Expectancy** means life expectancy as computed by use of the Single Life Table in Q&A-1 in section 1.401(a)(9)-9 of the regulations.

**Required Beginning Date** means, for a Participant, April 1 of the calendar year following the later of the calendar year in which he attains age 70 1/2 or the calendar year in which he retires.

## SECTION 7.03--REQUIRED MINIMUM DISTRIBUTIONS.

(a) General Rules.

(1) Precedence and Effective Date. The requirements of this article shall apply to any distribution of a Participant's interest and will take precedence over any inconsistent provisions of this Plan. Unless otherwise specified, the provisions of this article apply to calendar years beginning after December 31, 2002.

(2) Requirements of Regulations Incorporated. All distributions required under this article shall be determined and made in accordance with Code Section 401(a)(9), including the incidental death benefit requirement in Code Section 401(a)(9)(G), and the regulations thereunder. Any annuity distribution option provided under the terms of the plan as in effect on April 17, 2002 will not fail to satisfy Code Section 401(a)(9), provided the distribution option satisfies Code Section 401(a)(9) based on a reasonable and good faith interpretation of the provisions of Code Section 401(a)(9).

(b) Time and Manner of Distribution.

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

(2) 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:

(i) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary, then 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 70 1/2, if later, except to the extent that an election is made to receive distributions in accordance with the 5-year rule under (f) below. Under the 5-year rule, the Participant's entire interest will be distributed to the Designated Beneficiary by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(ii) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, then distributions to the Designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, except to the extent that an election is made to receive distributions in accordance with the 5-year rule under (f) below. Under the 5-year rule, the Participant's entire interest will be distributed to the Designated Beneficiary by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(iii) 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.

(iv) 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 are required to begin, this (b)(2), other than (b)(2)(i), will apply as if the surviving spouse were the Participant.

For purposes of this (b)(2) and (e) below, unless (b)(2)(iv) above applies, distributions are considered to begin on the Participant's Required Beginning Date. If (b)(2)(iv) above applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under (b)(2)(i) above. If distributions under an annuity meeting the requirements of this article 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 (b)(2)(i) above), the date distributions are considered to begin is the date distributions actually commence.

(3) Forms of Distribution. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year distributions will be made in accordance with (c), (d), and (e) below. 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 Section 401(a)(9) and section 1.401(a)(9) of the regulations. Any part of the Participant's interest that is in the form of an individual account described in Code Section 414(k) will be distributed in a manner satisfying the requirements of Code Section 401(a)(9) and section 1.401(a)(9) of the regulations that apply to individual accounts.

(c) Determination of Amount to be Distributed Each Year

(1) General Annuity Requirements. If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity shall satisfy the following requirements:

(i) the annuity distributions will be paid in periodic payments made at uniform intervals not longer than one year;

(ii) the distribution period will be over the life (or lives) or over a period certain not longer than the period described in (d) or (e) below;

(iii) once payments have begun over a period, the period may only be changed in accordance with (g) below;

(iv) payments will either be nonincreasing or increase only as follows:

A. by an annual percentage increase that does not exceed the percentage increase in an Eligible Cost-of-living Index for a 12-month period ending in the year during which the increase occurs or a prior year;

B. by a percentage increase that occurs at specified times and does not exceed the cumulative total of annual percentage increases in an Eligible Cost-of-living Index since the Annuity Starting Date, or if later, the date of the most recent percentage increase;

C. by a constant percentage of less than 5 percent per year, applied not less frequently than annual;

D. as a result of dividend or other payments that result from Actuarial Gains provided:

   I. Actuarial Gain is measured not less frequently than annually,

   II. the resulting dividend or other payments are either paid no later than the year following the year for which the actuarial experience is measured or paid in the same form as the payment of the annuity over the remaining period of the annuity (beginning no later than the year following the year for which the actuarial experience is measured),

   III. the Actuarial Gain taken into account is limited to Actuarial Gain from investment experience,

   IV. the assumed interest rate used to calculate such Actuarial Gains is not less than 3 percent, and

   V. the annuity payments are not increased by a constant percentage as described in C. above;

E. to the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit, but only if there is no longer a survivor benefit because the Beneficiary whose life was being used to determine the distribution period described in (d) below dies or is no longer the Participant's Beneficiary pursuant to a qualified domestic relations order within the meaning of Code Section 414(p);

F. to provide a final payment upon the Participant's death not greater than the excess of the actuarial present value of the Participant's accrued benefit (within the meaning of Code Section 411(a)(7)) calculated as of the Annuity Starting Date using the Applicable Interest Rate and the Applicable Mortality Table (or if greater, the total amount of employee contributions) over the total payments before the Participant's death;

G. to allow a Beneficiary to convert the survivor portion of a joint and survivor annuity into a single sum distribution upon the Participant's death; or

H. to pay increased benefits that result from a plan amendment.

(2) Amount Required to be Distributed by Required Beginning Date and Later Payment Intervals. 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 (b)(2)(i) or (ii) above) 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. 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.

(3) 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.

(d) Requirements For Annuity Distributions That Commence During Participant's Lifetime

(1) Joint Life Annuities Where the Beneficiary Is Not the Participant's Spouse If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a nonspouse Beneficiary, annuity payments to be made on or after the Participant's Required Beginning Date to the Designated Beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant, using the table set forth in Q&A-2(c)(2), in the manner described in Q&A-2(c)(1), in section 1.401(a)(9)-6 of the regulations, to determine the applicable percentage. If the form of distribution combines a joint and survivior annuity for the joint lives of the Participant and a nonspouse Beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the Designated Beneficiary after the expiration of the period certain.

(2) 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 Q&A-2 in section 1.401(a)(9)-9 of the regulations for the calendar year that contains the Annuity Starting Date. If the Annuity Starting Date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Q&A-2 in section 1.401(a)(9)-9 of the regulations plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the Annuity Starting Date. If the Participant's spouse is the Participant's sole Designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this (d)(2), 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

Q&A-3 in section 1.401(a)(9)-9 of the 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.

(e) Requirements For Minimum Distributions After the Participant's Death

(1) Death After Distributions Begin. If the Participant dies after distribution of his interest begins in the form of an annuity meeting the requirements of this article, the remaining portion of the Participant's interest will continue to be distributed over the remaining period over which distributions commenced.

(2) Death Before Distributions Begin.

(i) Participant Survived by Designated Beneficiary. Except to the extent that an election is made to receive distributions in accordance with the 5-year rule under (f) below, if the Participant dies before the date distribution of his interest begins and there is a Designated Beneficiary, the Participant's entire interest will be distributed, beginning no later than the time described in (b)(2)(i) or (ii) above, over the life of the Designated Beneficiary or over a period certain not exceeding:

A. 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

B. 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.

Under the 5-year rule, the Participant's entire interest will be distributed to the Designated Beneficiary by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(ii) 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.

(iii) Death of Surviving Spouse Before Distributions to Suviving Spouse Begin If the Participant dies before the date distribution of his 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 (e) 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 (b)(2)(i) above.

(f) Election of 5-year Rule. Participants or Beneficiaries may elect on an individual basis whether the 5-year rule in (b)(2) and (e) above applies to distributions after the death of a Participant who has a Designated Beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which the distribution would be required to begin under (b)(2) above if no such election is made, or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, surviving spouse's) death.

(g) Changes to Annuity Payment Period

(1) Permitted Changes. An annuity payment period may be changed only in association with an annuity payment increase described in (c)(1)(iv) above or in accordance with (2) below.

(2) Reannuitization. An annuity payment may be changed and the annuity payments modified in accordance with that change if the conditions in (3) below are satisfied and:

(i) the modification occurs when the Participant retires or in connection with a plan termination;

(ii) the payment period prior to modification is a period certain without life contingencies; or

(iii) the annuity payments after modification are paid under a qualified joint and survivor annuity over the joint lives of the Participant and a Designated Beneficiary, the Participant's spouse is the sole Designated Beneficiary, and the modification occurs in connection with the Participant's becoming married to such spouse.

(3) Conditions. The conditions in this (3) are satisfied if:

(i) the future payments after the modification satisfy the requirements of Code Section 401(a)(9), section 1.401(a)(9) of the regulations, and this article (determined by treating the date of the change as a new Annuity Starting Date and the actuarial present value of the remaining payments prior to modification as the entire interest of the Participant);

(ii) for purposes of Code Sections 415 and 417, the modification is treated as a new Annuity Starting Date;

(iii) after taking into account the modification, the annuity (including all past and future payments) satisfies Code Section 415 (determined at the original Annuity Starting Date, using the interest rates and mortalilty tables applicable to such date); and

(iv) the end point of the period certain, if any, for any modified payment period is not later than the end point available to the Participant at the original Annuity Starting Date under Code Section 401(a)(9) and this article.

(h) Payments to a Surviving Child.

(1) Special Rule. For purposes of this article, payments made to a Participant's surviving child until the child reaches the age of majority (or dies, if earlier) shall be treated as if such payments were made to the surviving spouse to the extent the payments become payable to the surviving spouse upon cessation of the payments to the child.

(2) Age of Majority. For purposes of this (h), a child shall be treated as having not reached the age of majoirty if the child has not completed a specified course of education and is under the age of 26. In addition, a child who is disabled within the meaning of Code Section 72(m)(7) when the child reaches the age of majority shall be treated as having not reached the age of majority so long as the child continues to be disabled.

## SECTION 7.04--TEFRA SECTION 242(b)(2) ELECTIONS.

(a) Notwithstanding the other requirements of this article, distribution on behalf of any Participant who has made a designation under section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (a section 242(b)(2) election) may be made in accordance with all of the following requirements (regardless of when such distribution commences):

(1) The distribution by the Plan is one that would not have disqualified such Plan under Code Section 401(a)(9) as in effect prior to amendment by the Deficit Reduction Act of 1984.

(2) The distribution is in accordance with a method of distribution designated by the Participant whose interest in the Plan is being distributed or, if the Participant is deceased, by a Beneficiary of such Participant.

(3) Such designation was in writing, was signed by the Participant or the Beneficiary, and was made before January 1, 1984.

(4) The Participant had accrued a benefit under the Plan as of December 31, 1983.

(5) The method of distribution designated by the Participant or the Beneficiary specifies the time at which distribution will commence, the period over which distributions will be made, and in the case of any distribution upon the Participant's death, the Beneficiaries of the Participant listed in order of priority.

(b) A distribution upon death will not be covered by this transitional rule unless the information in the designation contains the required information described above with respect to the distributions to be made upon the death of the Participant.

(c) For any distribution that commences before January 1, 1984, but continues after December 31, 1983, the Participant, or the Beneficiary, to whom such distribution is being made, will be presumed to have designated the method of distribution under which the distribution is being made if the method of distribution was specified in writing and the distribution satisfies the requirements in (a)(1) and (5) above.

(d) If a designation is revoked, any subsequent distribution must satisfy the requirements of Code Section 401(a)(9) and the regulations thereunder. If a designation is revoked subsequent to the date distributions are required to begin, the Plan must distribute by the end of the calendar year following the calendar year in which the revocation occurs the total amount not yet distributed that would have been required to have been distributed to satisfy Code Section 401(a)(9) and the regulations thereunder, but for the section 242(b)(2) election. For calendar years beginning after December 31, 1988, such distributions must meet the minimum distribution incidental benefit requirements. Any changes in the designation will be considered to be a revocation of the designation. However, the mere substitution or addition of another Beneficiary (one not named in the designation) under the designation will not be considered to be a revocation of the designation, so long as such substitution or addition does not alter the period over which distributions are to be made under the designation, directly or indirectly (for example, by altering the relevant measuring life).

(e) In the case in which an amount is transferred or rolled over from one plan to another plan, the rules in Q&A-14 and Q&A-15 in section 1.401(a)(9)-8 of the regulations shall apply.

## SECTION 7.05--TRANSITION RULES.

To the extent the Plan was effective before 2006, required minimum distributions were made pursuant to the TEFRA SECTION 242(b)(2) ELECTIONS SECTION of this article and (a), (b), and (c) below:

(a) 2000 and Before. Required minimum distributions for calendar years after 1984 and before 2001 were made in accordance with Code Section 401(a)(9) and the proposed regulations thereunder published in the Federal Register on July 27, 1987 (the 1987 Proposed Regulations).

(b) 2001 and 2002. Required minimum distributions for calendar years 2001 and 2002 were made pursuant to the proposed regulations under Code Section 401(a)(9) published in the Federal Register on January 17, 2001 (the 2001 Proposed Regulations). Distributions were made in 2001 under the 1987 Proposed Regulations prior to June 14, 2001, and the special transition rule in Announcement 2001-82, 2001-2 C.B. 123, applied.

(c) 2003, 2004, and 2005. Required minimum distributions for calendar years 2003, 2004, and 2005 were made pursuant to the final and the temporary and proposed regulations under Code Section 401(a)(9) published in the Federal Register on April 17, 2002 (the 2002 Regulations).

# ARTICLE VIII

# TERMINATION OF THE PLAN

The Employer expects to continue the Plan indefinitely but reserves the right to terminate the Plan in whole or in part at any time upon giving written notice to all parties concerned.

An Employee who is included in the group of Employees deemed to be affected by complete or partial termination of the Plan shall be 100% vested in his Accrued Benefit as of the date of such complete or partial termination. Upon complete termination of the Plan, no further Employees shall become Participants, and no further Contributions shall be made except as required by any governmental agency to which the Plan's termination is subject.

This Plan is not subject to Title IV of the Employee Retirement Income Security Act of 1974 (ERISA), benefits shall not be insured by the Pension Benefit Guaranty Corporation and the Participant's recourse towards satisfaction of his right to his nonforfeitable Accrued Benefit will be limited to the Plan assets. However, the assets of the Plan that are available to provide benefits shall be allocated and applied as of the effective date of termination of the Plan according to the classifications and order of precedence provided under Title IV of ERISA and under any rules, regulations, interpretations or opinions implementing said Title IV or any other equitable method as determined by the Plan Administrator and agreed upon by the Insurer.

No part of the Plan assets shall be paid to the Employer at any time, except that, after the satisfaction of all liabilities under the Plan, any assets remaining shall be paid to the Employer. No payment shall be made to the Employer if it would contravene any provision of law.

# ARTICLE IX

# ADMINISTRATION OF THE PLAN

## SECTION 9.01--ADMINISTRATION.

Subject to the provisions of this article, the Plan Administrator has complete control of the administration of the Plan. The Plan Administrator has all the powers necessary for it to properly carry out its administrative duties. Not in limitation, but in amplification of the foregoing, the Plan Administrator has complete discretion to construe or interpret the provisions of the Plan, including ambiguous provisions, if any, and to determine all questions that may arise under the Plan, including all questions relating to the eligibility of Employees to participate in the Plan and the amount of benefit to which any Participant, Beneficiary, spouse, or Contingent Annuitant may become entitled. The Plan Administrator's decisions upon all matters within the scope of its authority shall be final.

Unless otherwise set out in the Plan or Annuity Contract, the Plan Administrator may delegate recordkeeping and other duties that are necessary to assist it with the administration of the Plan to any person or firm which agrees to accept such duties. The Plan Administrator shall be entitled to rely upon all tables, valuations, certificates and reports furnished by the consultant or actuary appointed by the Plan Administrator and upon all opinions given by any counsel selected or approved by the Plan Administrator.

The Plan Administrator shall receive all claims for benefits by Participants, former Participants, Beneficiaries, spouses, and Contingent Annuitants. The Plan Administrator shall determine all facts necessary to establish the right of any claimant to benefits and the amount of those benefits under the provisions of the Plan. The Plan Administrator may establish rules and procedures to be followed by claimants in filing claims for benefits, in furnishing and verifying proofs necessary to determine age, and in any other matters required to administer the Plan.

## SECTION 9.02--EXPENSES.

Expenses of the Plan, to the extent that the Employer does not pay such expenses, may be paid out of the assets of the Plan provided that such payment is consistent with any law to which the Plan is subject. Such expenses include, but are not limited to, expenses for recordkeeping and other administrative services; fees and expenses of the Annuity Contract; expenses for investment education service; and direct costs that the Employer incurs with respect to the Plan.

## SECTION 9.03--RECORDS.

All acts and determinations of the Plan Administrator shall be duly recorded. All these records, together with other documents necessary for the administration of the Plan, shall be preserved in the Plan Administrator's custody.

Writing (handwriting, typing, printing), photostating, photographing, microfilming, magnetic impulse, mechanical or electrical recording, or other forms of data compilation shall be acceptable means of keeping records.

## SECTION 9.04--DELEGATION OF AUTHORITY.

All or any part of the administrative duties and responsibilities under this article may be delegated by the Plan Administrator to a retirement committee. The duties and responsibilities of the retirement committee shall be set out in a separate written agreement.

## SECTION 9.05--EXERCISE OF DISCRETIONARY AUTHORITY.

The Employer, Plan Administrator, and any other person or entity who has authority with respect to the management, administration, or investment of the Plan may exercise that authority in its/his full discretion, subject only to the duties imposed under any laws to which the Plan is subject. This discretionary authority includes, but is not limited to, the authority to make any and all factual determinations and interpret all terms and provisions of the Plan documents relevant to the issue under consideration. The exercise of authority will be binding upon all persons; will be given deference in all courts of law to the greatest extent allowed under law; and will not be overturned or set aside by any court of law unless found to be arbitrary and capricious or made in bad faith.

# ARTICLE X

# GENERAL PROVISIONS

## SECTION 10.01--AMENDMENTS.

The Employer may amend this Plan at any time, including any remedial retroactive changes (within the time specified by Internal Revenue Service regulations), to comply with any law or regulation issued by any governmental agency to which the Plan is subject. The Employer may correct obvious and unambiguous typographical errors and cross references that merely correct a reference but that do not in any way change the original intended meaning of the provisions.

An amendment may not allow reversion or diversion of Plan assets to the Employer at any time, except as may be required to comply with any law or regulation issued by any governmental agency to which the Plan is subject.

## SECTION 10.02--DIRECT ROLLOVERS.

Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this section, a Distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

In the event of a mandatory distribution of an Eligible Rollover Distribution greater than $1,000 in accordance with the SMALL AMOUNTS SECTION of this article, if the Participant does not elect to have such distribution paid directly to an Eligible Retirement Plan specified by the Participant in a Direct Rollover or to receive the distribution directly, the Plan Administrator will pay the distribution in a Direct Rollover to an individual retirement plan designated by the Plan Administrator.

In the event of any other Eligible Rollover Distribution to a Distributee in accordance with the SMALL AMOUNTS SECTION of this article, if the Distributee does not elect to have such distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover or to receive the distribution directly, the Plan Administrator will pay the distribution to the Distributee.

A mandatory distribution is a distribution to a Participant that is made without the Participant's consent and is made to the Participant before he attains the older of age 62 or his age on the date he meets the requirement(s) for a Normal Retirement Date.

## SECTION 10.03--PROVISIONS RELATING TO THE INSURER.

The obligations of an Insurer shall be governed solely by the provisions of the Annuity Contract. The Insurer shall not be required to perform any act not provided in or contrary to the provisions of the Annuity Contract. Each Annuity Contract when purchased shall comply with the Plan. See the CONSTRUCTION SECTION of this article.

The Insurer is not a party to the Plan, nor bound in any way by the Plan provisions. It shall not be required to look to the terms of this Plan, nor to determine whether the Employer or the Plan Administrator have the authority to act in any particular manner or to make any contract or agreement.

Until notice of any amendment or termination of this Plan has been received by the Insurer at its home office, the Insurer is and shall be fully protected in assuming that the Plan has not been amended or terminated according to the latest information which it has received at its home office.

## SECTION 10.04--EMPLOYMENT STATUS.

Nothing contained in this Plan gives an Employee the right to be retained in the Employer's employ or to interfere with the Employer's right to discharge any Employee.

## SECTION 10.05--RIGHTS TO PLAN ASSETS.

An Employee shall not have any right to or interest in any assets of the Plan upon termination of employment or otherwise except as specifically provided under this Plan, and then only to the extent of the benefits payable to such Employee according to the Plan provisions.

Any final payment or distribution to a Participant or his legal representative or to any Beneficiaries, spouse, or Contingent Annuitant of such Participant under the Plan provisions shall be in full satisfaction of all claims against the Plan, the Plan Administrator, the Insurer, and the Employer arising under or by virtue of the Plan.

## SECTION 10.06--BENEFICIARY.

Each Participant may name a Beneficiary to receive any death benefit (other than any income payable to a Contingent Annuitant) that may arise out of his participation in the Plan. The Participant may change his Beneficiary from time to time. The Participant's Beneficiary designation and any change of Beneficiary shall be subject to the provisions of the ELECTION PROCEDURES SECTION of Article VI.

It is the responsibility of the Participant to give written notice to the Plan Administrator of the name of the Beneficiary on a form furnished for that purpose. The Plan Administrator shall maintain records of Beneficiary designations for Participants before their Retirement Dates. However, the Plan Administrator may delegate to another party the responsibility of maintaining records of Beneficiary designations. In that event, the written designations made by Participants shall be filed with such other party. If a party other than the Insurer maintains the records of Beneficiary designations and a Participant dies before his Retirement Date, such other party shall certify to the Insurer the Beneficiary designation on its records for the Participant.

If there is no Beneficiary named or surviving when a Participant dies, the Participant's Beneficiary shall be the Participant's surviving spouse, or where there is no surviving spouse, the executor or administrator of the Participant's estate.

## SECTION 10.07--CONSTRUCTION.

The validity of the Plan or any of its provisions is determined under and construed according to Federal law and, to the extent permissible, according to the laws of the state in which the Employer has its principal office. In case any provision of this Plan is held illegal or invalid for any reason, such determination shall not affect the remaining provisions of this Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had never been included.

In the event of any conflict between the provisions of the Plan and the terms of any Annuity Contract issued hereunder, the provisions of the Plan control.

## SECTION 10.08--LEGAL ACTIONS.

No person employed by the Employer; no Participant, former Participant, or their Beneficiaries; nor any other person having or claiming to have an interest in the Plan is entitled to any notice of process. A final judgment entered in any such action or proceeding shall be binding and conclusive on all persons having or claiming to have an interest in the Plan.

## SECTION 10.09--SMALL AMOUNTS.

If the Present Value of the Participant's Vested Accrued Benefit does not exceed $5,000, and the Participant has not had an Annuity Starting Date with respect to any portion of such Vested Accrued Benefit, the Present Value of the Participant's entire Vested Accrued Benefit shall be paid in a single sum as of the earliest of his Retirement Date or the date he has a Severance from Employment for any reason other than death (the date the Employer provides notice to the record keeper of the Plan of such event, if later). If a Participant would have received a distribution under the first sentence of this paragraph but for the fact that the Present Value of the Participant's Vested Accrued Benefit exceeded $5,000, and if at a later time the Present Value of the Participant's Vested Accrued Benefit does not exceed $5,000, and the Participant has not had an Annuity Starting Date with respect to any portion of such Vested Accrued Benefit and such Participant has not again become an Employee or died, the Present Value of the Participant's entire Vested Accrued Benefit shall be paid in a single sum. This is a small amounts payment. Such small amounts payment is in full settlement of all benefits otherwise payable.

If the Present Value of the Preretirement Spouse and Dependent Child Death Benefit or the Certain Period death benefit in the DEATH BENEFITS SECTION of Article V does not exceed $5,000, on the date of the Participant's death, the Present Value of the Preretirement Spouse and Dependent Child Death Benefit or Certain Period death benefit shall be paid in a single sum as of the date the Participant dies. If the single sum death benefit payable to a Beneficiary does not exceed $5,000, on the date of the Participant's death, such death benefit shall be paid in a single sum as of the date the Participant dies. This is a small amounts payment. Such small amounts payment shall be made to the Participant's Beneficiary (spouse or Dependent Child if the death benefit is payable to the spouse or Dependent Child). Such small amounts payment is in full settlement of the death benefit otherwise payable.

No other small amounts payments shall be made.

## SECTION 10.10--WORD USAGE.

The masculine gender, where used in this Plan, shall include the feminine gender and the singular words, where used in this Plan, shall include the plural, unless the context indicates otherwise.

The words "in writing" and "written," where used in this Plan, shall include any other forms, such as voice response or other electronic system, as permitted by any governmental agency to which the Plan is subject.

## SECTION 10.11--MILITARY SERVICE.

Notwithstanding any provision of this Plan to the contrary, the Plan shall provide contributions, benefits, and service credit with respect to qualified military service in accordance with Code Section 414(u).

# ARTICLE XI

# SPINOFF

## SECTION 11.01--SPINOFF.

As of March 1, 1987, the monthly benefits that began before January 1, 1987 (as well as benefits payable after death attributable to those payments), shall not be provided under Plan A, but shall be provided under Plan B. However, for the purpose of determining entitlement to and the amount of the COLA Benefit under Article IVA, on or after January 1, 1987 (and only for that purpose), the term "Annuitant" shall be defined as in Section 1.01 of Article I.

By executing this Plan, the Employer acknowledges having counseled to the extent necessary with selected legal and tax advisors regarding the Plan's legal and tax implications.

Executed this 20 day of November, 2008.

SOUTH DAKOTA DEPARTMENT OF LABOR, JOB SERVICE, UNEMPLOYMENT INSURANCE DIVISION, AND OFFICE OF ADMINISTRATIVE SERVICES

By: [signature]

Administrative Services Director
Title