

**THE SEVENTH-DAY ADVENTIST
HOSPITAL RETIREMENT PLAN**

As Amended and Restated Effective January 1, 2012

(Working Copy incorporating Amendment Numbers 1-9)

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THE SEVENTH-DAY ADVENTIST HOSPITAL RETIREMENT PLAN

The Seventh-day Adventist Hospital Retirement Plan was adopted by the General Conference of Seventh-day Adventists effective September 25, 1980. It has been amended from time to time since its establishment. The Plan was amended and restated as of January 1, 2008.

The Plan was further amended in November 2009, to reflect changes to qualified church plan requirements made by the Pension Protection Act of 2006, the Heroes Earnings Assistance and Relief Tax Act of 2008, and the Worker, Retiree and Employer Recovery Act of 2008.

The Plan was further amended in November 2009, effective for retirement benefits scheduled to begin on or after January 1, 2010, to (i) provide that a participant may receive an optional lump sum distribution, subject to the approval of the North American Division Treasurer (on behalf of NADCOM in its settlor capacity with respect to the Plan), (ii) provide that the North American Division Treasurer (on behalf of NADCOM in its settlor capacity with respect to the Plan) has the discretion to determine the amount of a mandatory lump sum distribution, but that such amount shall not exceed \$50,000; and (iii) change the interest rate used to calculate a lump sum distribution from a floating rate to a fixed rate of 7.5%.

The Plan was further amended and restated to (i) change the Plan administrator from the Retirement Plan Committee appointed by the General Conference of Seventh day Adventists ("General Conference") to the Adventist Retirement Board appointed by NADCOM, (ii) transfer sponsorship of the Plan from the General Conference to NAD, (iii) reflect the change in Trustee of the Plan from the General Conference Corporation of Seventh-day Adventists to the North American Division of the General Conference of Seventh-day Adventists Corporation, (iv) provide that the Board, on behalf of NADCOM in its settlor capacity with respect to the Plan, shall have the power to amend the Plan; (v) increase the time by which the Board has to process an application for benefits under the Plan and start benefit payments from 60 to 90 days after receipt of the application for benefits; (vi) provide generally that with respect to a participant who files an application for retirement benefits after his or her Retirement Benefit Starting Date the participant's retirement benefits will commence retroactively as of his or her Retirement Benefit Starting Date, regardless of whether the Participant still was employed by any Employer as of such date and when such application for benefits was filed, and (vii) make certain technical and clarifying changes to the Plan. This amendment and restatement was effective January 1, 2011, unless otherwise provided herein.

This document amends and restated the Plan to eliminate the Shared Service requirement for, and make other changes to, the Surviving Spouse Benefit under the Plan and to make certain conforming and clarifying changes to the Plan. This amendment and restatement is effective January 1, 2012, unless otherwise provided herein.

ARTICLE 1 DEFINITIONS

The following words and terms, as used in the Plan, shall have the meanings set forth below, unless a different meaning is clearly required by the context.

Section 1.1 “Administrative Committee” shall mean the Retirement Administrative Committee.

Section 1.2 “Benefit Rate Factor” shall mean, in the case of a particular Participant, the average of his Rate Factors for the ten (10) calendar years in which he accrued Years of Service and was an Employee at the close of the year, and during which he had the highest Rate Factors (or, if he has less than ten (10) Years of Service, the average of his Rate Factors for all the calendar years in which he accrued Years of Service and was an Employee at the close of the year). A Participant’s Rate Factor for a particular calendar year shall be:

- (a) For a calendar year at any time during the last full payroll period ending in which he was an Employee of a Participating Employer or, in the case of a calendar year ended prior to the Effective Date, of an Employer contributing to the Hospital Retirement Fund of the Church Plan:
 - (1) In the case of a Participant whose hourly rate of remuneration paid by such an Employer for the last full payroll period ending in such calendar year is equal to or less than fifty percent (50%) of the hourly rate of remuneration paid for the last full payroll period ending in such calendar year to the health care system president in the applicable geographic region, the sum (rounded to the nearest one-hundredth of one percent) of seven-tenths of one percent (0.70%), plus the product of one-half of one percent (0.50%) multiplied by a fraction:
 - (A) Whose numerator is the excess, if any, of the Participant’s hourly rate of remuneration paid by such an Employer for the last full payroll period ending in such calendar year, over (i) three dollars and thirty-five (\$3.35); or (ii) if such calendar year ended prior to the Effective Date, the minimum hourly rate of remuneration paid for the last full payroll period ending in such calendar year by Employers contributing to the Hospital Retirement Fund of the Church Plan; or (iii) if such calendar year ended prior to January 1, 1990, but on or after the Effective Date, the minimum hourly rate of remuneration paid for the last full payroll period ending in such calendar year by Participating Employers in the applicable geographic region; and
 - (B) Whose denominator is the excess of fifty percent (50%) of the hourly rate of remuneration paid for the last full payroll period ending in such calendar year to the health care system president in the applicable geographic region, over (i) three dollars and thirty-five cents (\$3.35); or (ii) if such calendar year ended prior to the Effective Date, the minimum hourly rate of remuneration paid for the last full payroll period ending in such calendar year by Employers contributing to the Hospital Retirement Fund of the Church Plan; or (iii) if such calendar year ended prior to January 1, 1990, but on or after the Effective Date, the minimum hourly rate of remuneration paid for the last full payroll period ending in such calendar year by Participating Employers in the applicable geographic region; or
 - (2) In the case of a Participant whose hourly rate of remuneration paid by such an Employer for the last full payroll period ending in such calendar year is greater than fifty percent (50%) of the hourly rate of remuneration paid for the last full payroll period ending in such calendar year to the health care system president in the applicable geographic region, the sum (rounded to the nearest one-hundredth of one percent) of one and two-tenths percent (1.20%) plus the product of thirty-four one-hundredths of one percent (0.34%) multiplied by a fraction:
 - (A) Whose numerator is the excess of the Participant’s hourly rate of remuneration paid by such an Employer for the last full payroll period ending in such calendar year, over fifty

percent (50%) of the hourly rate of remuneration paid for the last full payroll period ending in such calendar year to the health care system president in the applicable geographic region; and

- (B) Whose denominator is the excess of the hourly rate of remuneration paid for the last full payroll period ending in such calendar year to the health care system resident in the applicable geographic region, over fifty percent (50%) of the hourly rate of remuneration paid for the last full payroll period ending in such calendar year to the health care system president in the applicable geographic region.
- (b) For each other calendar year at any time during the last full payroll period ending in which he was an Employee, his "yearly rate factor" for such year as determined under the Church Plan.
- (c) For the purposes of this Section 1.2 and of Section 1.10 hereof, the Board shall designate the applicable geographic regions.
- (d) For purposes of this Section 1.2, for calendar years after 1986, a Participant's hourly rate of remuneration shall include an amount (rounded to the nearest cent) equal to the amount of any lump sum payment for performance paid to such Participant by a Participating Employer during the calendar year divided by the lesser of: (1) the number of such Participant's Hours of Service for such calendar year; or (2) two thousand eighty (2,080). In no case, however, may a Participant's hourly rate of remuneration be more than the hourly rate of remuneration, computed without regard to any lump sum payment for performance, paid for the last full payroll period in the calendar year to the health care system president in the applicable geographic region. For purposes of this Section 1.2(d), a lump sum payment for performance means a discretionary lump sum payment made to an Employee who performs at or above a level that the Participating Employer determines makes such payment appropriate.
- (e) For purposes of this Section 1.2 and to the extent required by the Code, a Participant's hourly rate of remuneration for any calendar year shall not exceed the amount permitted under Section 401(a)(17) of the Code for that year (*i.e.*, for calendar years (1) after 1988 and before 1994, \$200,000, (2) after 1993 and before 2002, \$150,000, or (3) after 2001, \$200,000, (or such larger amount as determined by the Secretary of the Treasury pursuant to Section 401(a)(17)(B) of the Code)), divided by two thousand eighty (2080).
- (f) For purposes of this Section 1.2, a Participant's Rate Factors for calendar years prior to 1988 and during or prior to which the Participant reaches age sixty-eight (68) shall be disregarded, unless such Participant has at least one (1) Hour of Service on or after January 1, 1988.
- (g) For purposes of this Section 1.2, the hourly rate of remuneration paid to the health care system president in each geographic region for the last full payroll period ending in each calendar year after 1988 shall be deemed to be thirty-nine dollars and twenty-eight cents (\$39.28).
- (h) A Participant's Rate Factor for a particular calendar year shall not exceed a maximum of one and fifty-four one-hundredths of one percent (1.54%).
- (i) Notwithstanding any other provision of this Section 1.2 or of this Plan, a Participant's Benefit Rate Factor shall be determined without regard to calendar years after 1991.

Section 1.3 "Board" shall mean the Adventist Retirement Board, the members of which are appointed by NADCOM.

Section 1.4 "Church Plan" shall mean the Seventh-day Adventist Retirement Plan for North America.

Section 1.5 "Code" shall mean the Internal Revenue Code of 1986, as it may from time to time be amended. All references herein to the Code shall be deemed to refer to the Internal Revenue Code of 1986, and the regulations established pursuant thereto, as they now exist or as they may hereafter be amended. Any reference herein to a specific section of the Code shall be deemed to refer to such section and the regulations established pursuant

thereto, as they now exist or as they may hereafter be amended; and to any corresponding provision of any future United States internal revenue law and any regulations established pursuant thereto.

Section 1.6 "Conference Corporation" shall mean the North American Division of the General Conference of Seventh-day Adventists Corporation, a Maryland nonprofit corporation.

Section 1.7 "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers -- All Items (1967=100), as compiled by the Bureau of Labor Statistics of the United States Department of Labor, or any successor index thereto.

Section 1.8 "Disabled." An individual shall be considered Disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of a substantial or indefinite duration. An individual shall not be considered Disabled unless he furnishes proof thereof in such form and manner as the Board may require. An individual shall not be considered Disabled if he is employed for an average of at least twenty (20) hours per week.

Section 1.9 "Effective Date" shall mean January 1, 1981, or, with respect to a particular Participating Employer whose participation in the Plan begins at a later date, such later date.

Section 1.10 "Employee" shall mean an individual who is employed by an Employer and, for periods prior to January 1, 1989, whose compensation is not in excess of the hourly rate of remuneration paid to the health care system president in the applicable geographic region. A leased employee as defined in Section 414(n) of the Code shall not be an Employee solely because he is such a leased employee. Notwithstanding any other provision of this Section, an individual who is employed by Adventist Health Systems/Sunbelt, Inc., dba Florida Hospital, on January 1, 1991, and who is covered on that date by the Orlando General Hospital Defined Contribution Plan shall not be an "Employee," unless, as of that date, such individual had been participating in this Plan longer than he had been participating in the Orlando General Hospital Defined Contribution Plan.

Section 1.11 "Employer" shall mean:

- (a) A Participating Employer; and
- (b) An organization participating in the Church Plan.

Section 1.12 "Employment" shall mean that period of time during which an individual is credited with Hours of Service.

Section 1.13 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

Section 1.14 "Hour of Service" shall mean:

- (a) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for an Employer
- (b) Each hour, computed in accordance with Department of Labor Regulations Section 2530.200b-2(b) and (c), for which an Employee is paid, or entitled to payment by an Employer, due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, or leave of absence, on account of a period of time during which no duties are performed and which occurs prior to the date as of which the employment relationship is terminated; provided, however, that:

- (1) There shall be excluded any period for which a payment is made or due to be made under this Plan or a plan maintained solely for the purpose of complying with applicable unemployment compensation laws; and
- (2) A payment shall be deemed to be made by or due from an Employer regardless of whether such payment is made by or due from an Employer directly, or indirectly through, among others, a trust fund, or insurer, to which an Employer contributes or pays premiums.
- (c) Each hour, computed in accordance with Department of Labor Regulations Section 2530.200b-2(b) and (c) for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by an Employer, without duplication of hours provided above; and
- (d) Each hour of military service to the extent required by law, and, in any event, in the case of a full-time Employee who enters military service directly from Employment, who serves in the military for the minimum period required, and who, within one year after discharge reenters full-time Employment (or engages in training for full-time Employment and reenters full-time Employment upon completion of such training), each hour of such Employee's actual period of military service.
- (e) Each hour for which an Employee is scheduled for duty, but, due to low census, is not required to work.
- (f) Hours an employee is on call. Hours during which an employee is paid or entitled to be paid to be on call during periods during which he is not actually working shall not be counted as Hours of Service.
- (g) Resident and Intern Physicians. Hours of service completed by a physician during residency or internship shall not be counted as Hours of Service. The preceding sentence shall not apply to a Participant who, without regard to the preceding sentence, completed at least ten (10) Years of Service prior to January 1, 1989.

Section 1.15 "Joint and Survivor Annuity" shall mean an annuity under which the Retirement Benefit payable during the lifetime of the Participant is reduced as described below and under which there shall be continued after his death a payment of one-half of such reduced Retirement Benefit to, and for the lifetime of, the Spouse to whom he was married throughout the period of one (1) year immediately preceding the Participant's Retirement Benefit Starting Date, if such Spouse survives him and regardless of whether he was still married to such Spouse at the date of his death. The Retirement Benefit payable to the Participant during his lifetime shall be reduced by a percentage equal to, as the case may be, either:

- (a) Ten percent (10%) plus one percent (1%) for each full year in excess of five (5) by which the Participant's birth date precedes that of his Spouse; or
- (b) The greater of:
 - (1) Ten percent (10%) less one percent (1%) for each full year in excess of five (5) by which the Participant's Spouse's birth date precedes that of the Participant; or
 - (2) Two percent (2%) provided, however, that, in the case of a Participant receiving a Retirement Benefit payable under Section 3.4 hereof, the foregoing reduction shall not apply until the earlier of the Participant's Normal Retirement Date or the first date on which he would qualify for an Early Retirement Benefit under Section 3.3(a) hereof, and the earlier of such dates shall be considered as the Participant's Retirement Benefit Starting Date for purposes of this Section 1.15. Payments to the Participant shall continue in a reduced amount, and shall not be increased, regardless of whether his Spouse predeceases him. Payment to a surviving Spouse shall begin on the first day of the month following the month in which the Participant dies. The first two (2) monthly payments to the surviving Spouse shall each be in the same amount as the monthly payment the Participant was receiving at his death; beginning with the third (3rd) monthly payment, the monthly payment to the surviving Spouse shall be reduced to one-half of the monthly payment the Participant was receiving at his death. The monthly payment, so reduced, to the surviving Spouse shall be referred to herein as a "Survivor Annuity."

Section 1.16 “NAD” shall mean the North American Division of the General Conference of Seventh-day Adventists.

Section 1.17 “NADCOM” shall mean the Committee for the North American Division of the General Conference of Seventh-day Adventists.

Section 1.18 “Normal Retirement Date” shall mean the first day of the month in which a Participant attains age sixty-five (65). A Participant who became a Participant in the Plan prior to January 1, 1988 and who reaches age sixty-five (65) shall have a nonforfeitable right to his Normal Retirement Benefit.

Section 1.19 “Participant” shall mean an Employee of a Participating Employer who becomes a Participant in this Plan as provided in Section 2.1 hereof.

Section 1.20 “Participating Employer” shall mean each hospital or other organization which, with the approval and consent of the Board (the Retirement Plan Committee, for periods before January 1, 2011), and NAD (the General Conference of Seventh-day Adventists, for periods prior to January 1, 2011), has adopted this Plan for the benefit of its employees.

Section 1.21 “Pension Factor” shall mean, for the first six (6) months of the calendar year 1981, \$1,030.00; for the period July 1, 1981, through December 31, 1982, \$1,130.00; for the period January 1, 1983, through December 31, 1983, \$1,200.00; for the period January 1, 1984, through December 31, 1985, \$1,230.00; for the period January 1, 1985, through December 31, 1985, \$1,263.00; for the period January 1, 1986, through December 31, 1986, \$1,295.00; for the period January 1, 1987, through December 31, 1987, \$1,326.00; for the period January 1, 1988, through December 31, 1988, \$1,360.00; for the period January 1, 1989, through December 31, 1989, \$1,409.00; for the period January 1, 1990 through December 31, 1990, \$1,461.00; for the period, January 1, 1991, through December 31, 1991, \$1,510.00; and for the period January 1, 1992, through December 31, 1992, \$1,548.00. As of January 1 of each calendar year beginning with 1993 and ending with 2001, the Pension Factor shall be increased or decreased by the annual percentage increase or decrease in the Consumer Price Index between the June of the immediately preceding calendar year and the June of the second preceding calendar year; provided, however, that the increase, if any, in the Pension Factor for any calendar year shall not exceed two and one-half percent (2½%). As of January 1 of each calendar year beginning with 2002, the Pension Factor shall be the 1993 Pension Factor compounded annually for each year at two and one half percent (2½%) increase per year.

Section 1.22 “Plan” shall mean this Seventh-day Adventist Hospital Retirement Plan.

Section 1.23 “Plan Year” shall mean the calendar year.

Section 1.24 “Retirement Benefit” shall mean an amount payable under Article 3 hereof.

Section 1.25 “Retirement Benefit Starting Date” shall mean the date specified as such under the applicable Section hereof for each Retirement Benefit payable as an annuity or in any other form. Each Retirement Benefit payable as an annuity or in any other form shall become payable as of the applicable Retirement Benefit Starting Date; provided however that no Retirement Benefit shall be payable until an application for Retirement Benefits is filed with the Board.

Section 1.26 “Service Credit” is a measure of time, expressed in years and fractions of years, and (except for purposes of Sections 3.13, 3.14, and 11.4 hereof) not to exceed forty (40) years, used in determining the amount of an individual’s Retirement Benefit.

- (a) Periods prior to the Effective Date. One year of Service credit shall be credited on behalf of an individual for each Year of Service credited under Section 1.34 (a) hereof.
- (b) Periods from and after the Effective Date. One year of Service Credit shall be credited on behalf of an individuals for each Year of Service credited under Section 1.34(b) hereof in which the individual completed at least 1,950 Hours of Service, provided, however, that:
 - (1) If during a Year of Service credited under Section 1.34(b) hereof an individual completes less than 1,950 but at least 1,000 Hours of Service, he shall be credited with fifty percent (50%) of a year of Service Credit plus 1/1900 of a year of Service Credit for each Hour of Service in excess of 1,000;
 - (2) If during the Plan Year after the Effective Date in which he becomes a Participant (or a participant in the Church Plan, whichever occurs first) or in which he retires on or after his Normal Retirement Date (or, if earlier, and if prior to 1988, attains age sixty-eight (68), in the case of a Participant who does not have at least one (1) Hour of Service during 1988), an individual completes at least one hundred (100), but less than one thousand (1,000), Hours of Service, he shall be credited with five percent (5%) of a year of Service Credit plus five one-hundredths of one percent (0.05%) of a year of Service Credit for each Hour of Service in excess of one hundred (100); and
 - (3) No Service Credit shall be credited for periods before an individual becomes a Participant (or a participant in the Church Plan, whichever occurs first) or, in the cast of a Participant who does not have at least one (1) Hour of Service on or after January 1, 1988, for periods beginning with the first day of the month in which an individual attains age sixty-eight (68).
 - (4) Benefit increases that result from Service Credit earned for periods beginning with the first day of the first Plan Year beginning after the Plan Year in which a Participant attains age seventh and one-half (70 ½) shall be reduced in accordance with Treasury Regulations by the actuarial equivalent of any in-service distributions of Retirement Benefits.
- (c) Pre-Employment Military Service. In the case of an individual who becomes Disabled or who retires on or after the first day of the month in which he attains age sixty-five (65), there shall be added to his years of Service Credit that period of time (not to exceed two (2) years) of his military service, if any, prior to his becoming an Employee if:
 - (1) Within one (1) year of his discharge from such military service, he either:
 - (A) Became a full-time Employee, or
 - (B) Began further training for the purpose of becoming a full-time Employee, and became a full-time Employee within one (1) year of completion of such further training; and
 - (2) After becoming an Employee, he remained a full-time Employee continuously until the date of his retirement
- (d) Study for Advanced Degree. In the case of an individual who, within one (1) year of obtaining, at his own expense, a degree above the level of a master's degree, enters or returns to Employment, there shall be added to his years of Service Credit that period of time (not to exceed the lesser of two (2) years or the minimum time for completing such degree by a full-time student) spent in obtaining such degree.
- (e) Service Credit under (c) or (d) above shall be deemed Service Credit for the Employer with whom the Participant first begins Employment after the period described in (c) or (d) above)
- (f) Determination of years of Service Credit earned during marriage.
 - (1) Subject to (2) and (3) below, the number of a Participant's years of Service Credit during which he was married to his Spouse (referred to herein as the Spouse's years of "Shared Service" with the Participant) shall consist of:
 - (A) Service Credit earned by the Participant during each Plan Year throughout the whole of which he was married to his Spouse;
 - (B) Service Credit earned by the Participant during the Plan Year in which he died while married to his Spouse and

- (C) Service credit earned by the Participant during a Plan Year in which he became married to or divorced from his Spouse, multiplied, in each case, by a fraction whose numerator is the number of full months during which the Participant and his Spouse were married during such Plan Year, and the denominator of which is twelve (12).
- (2) Except for purposes of Section 3.10 hereof, there shall be excluded from (1) above any of the Participant's Service Credit earned during Plan Years during which his Spouse earned Service Credit (unless such Spouse elects, in writing filed with the Board prior to the relevant Retirement Benefit Starting Date, to have such Service Credit of such Spouse disregarded in determining any benefit to which such Spouse may become entitled under this Plan or under the Church Plan by reason of such Spouse's own Employment) or during which such Spouse earned benefits (other than Social Security benefits) under any other retirement plan sponsored and funded in whole or part by an employer.
- (3) In the event that the number of a Spouse's years of Shared Service with a Participant (calculated under (1) and (2) above), plus the number of the Spouse's years of Service Credit (reduced, if applicable, under (2) above), exceeds forty (40), and in the event that it becomes necessary under the Plan to determine the number of the Spouse's years of Shared Service with the Participant, then the Spouse shall elect, in writing filed with the Board, which of such years of Service Credit in excess of forty (40) shall be disregarded in determining the number of the Spouse's years of Shared Service with the Participant and which shall be disregarded in determining any benefit to which the Spouse may become entitled under this Plan or under the Church Plan by reason of the Spouse's own Employment.
- (g) No Service Credit shall be credited for periods after December 31, 1991, except where this Plan expressly provides otherwise.

Section 1.27 "Spouse" shall mean a Participant's spouse, as determined under the employment policies of the Participating Employer that most recently employed the Participant. If the term "spouse" or "nonspouse" is used herein as a non-capitalized term, however, then "spouse" shall mean a Participant's spouse under applicable federal law, and "nonspouse" shall mean an individual who is not a Participant's spouse under applicable federal law.

Section 1.28 "Trust" shall mean the trust established pursuant to Article 5 hereof.

Section 1.29 "Trust Agreement" shall mean the trust agreement entered into pursuant to Article 5 hereof.

Section 1.30 "Trust Fund" shall mean all money or other property which shall be held by the Trustee pursuant to the Trust Agreement.

Section 1.31 "Trustee" shall mean the trustee under the Trust Agreement.

Section 1.32 "Vested Participant" shall mean a Participant who has completed at least ten (10) Years of Service.

Section 1.33 "Year of Break-in-Service" shall mean a Plan Year in which an individual does not complete more than 500 Hours of Service; provided, however, that there shall not be counted as a Year of Break-in-Service a Plan Year during which an individual is on an authorized leave of absence for graduate study if such individual returns to Employment within ninety (90) days of completing such graduate study.

Section 1.34 "Years of Service" (or "Year of Service" or "Service") shall mean a measure of time, expressed in whole years, used to determine the vesting of a Retirement Benefit hereunder.

(a) Periods prior to the Effective Date. Subject to the rules set forth in paragraphs (1) and (2) below for disregarding Years of Service, a Participant shall be credited with one Year of Service under this Plan for each of his or her completed years of Church Plan Service as of the Effective Date, as computed under the Church Plan as in effect on the date a written application for benefits is filed with the Board. For this purpose, if the computation of a Participant's years of Church Plan Service results in a fractional Year of Service under this Plan, the Participant's number of Years of Service under this Plan shall be rounded down to the next whole number of Years of Service.

- (1) A Participant's years of Church Plan Service earned prior to the Effective Date shall be disregarded under this Plan if such years of Church Plan Service (A) total, in the aggregate, less than ten years, and (B) were earned prior to the beginning of a Disqualifying Break in Service (as defined in Paragraph (c) below). This rule for disregarding Service shall not apply, however, to any Participant who:
- i Has earned at the time he reaches his Normal Retirement Date or Early Retirement Date (as defined in paragraph (c) below), at least 25 years of Service Credit (as defined in Section 1.26 hereof and computed without applying the rule for disregarding Service).
 - ii Was a Full-time Employee (as defined in (c) below) on October 1, 1979, and has earned, at the time he reaches his Normal Retirement Date or Early Retirement Date (as defined in (c) below), at least 15 years of Service Credit (as defined in Section 1.26 hereof) and computed without applying the rule for disregarding Service); or
 - iii Completed at least 15 years of Church Plan Service Prior to the Effective Date

(2) If a Participant was an Employee prior to and after, but not on, the Effective Date, the Participant's years of Church Plan Service earned prior to the Effective Date shall be disregarded under this Plan until such time as the Participant completes, after the Effective Date, the lesser of (i) two years of Service Credit (as defined in Section 1.26 hereof), or (ii) a number of years of Service Credit (as defined in Section 1.26 hereof) equal to the difference of (x) 15, minus (y) the number of years of Church Plan Service the Participant completed prior to the Effective Date.

(a) This paragraph (a)(2) shall not apply, however, to any Participant who was credited with at least 15 years of Church Plan Service as of the Effective Date.

(b) Periods from and after the Effective Date. Subject to the rules set forth in paragraphs (1) and (2) below for disregarding Years of Service, a Participant shall be credited with one Year of Service hereunder for each Plan Year beginning on or after the Effective Date in which an individual completes at least 1,000 Hours of Service.

(1) A Participant's Years of Service completed prior to a Disqualifying Break in Service (as defined in (c) below) shall be disregarded. This rule for disregarding Years of Service shall not apply, however, to any Participant who:

- i. Was a Vested Participant immediately prior to the beginning of the Disqualifying Break-in-Service;
- ii. At the time he reaches his Normal Retirement Date or Early Retirement Date

- (as defined in (c) below), the Participant has completed at least 25 years of Service Credit (as defined in Section 1.26 hereof and computed without application of the rule for disregarding Service);
- iii. Was a Full-Time Employee (as defined in (c) below) on October 1, 1979, and completed, at the time he reaches his Normal Retirement Date or Early Retirement (as defined in (c) below), 15 years of Service Credit (as defined in Section 1.26 hereof and computed without application of the rule for disregarding Service); or
 - iv. Completed at least 15 years of Church Plan Service prior to the Effective Date
- (2) Years of Service completed prior to the earlier of the Plan Year in which the Participant 20 years of age, or (ii) the Plan Year in which an individual became a Participant, shall be disregarded.
- (c) Definitions. For purposes of this Section 1.34, the term (i) "Church Plan Service" means a Participant's years of service credit earned under the terms of the Church Plan (ii) "Disqualifying Break in Service" means a number of consecutive Years of Break in Service incurred by a Participant that exceed the number of the Participant's Years of Service earned prior to the beginning of such break; (iii) "Early Retirement Date" means the date on which an individual attains age 62, provided that he has earned at least 35 years of Service Credit; and (iv) "Full-Time" means an Employee who, on October 1, 1979, was working a full standard work week for his Employer.
- (d) Certain Years of Service Prior to January 1, 1988. For purposes of this Section 1.34, Years of Service completed prior to January 1, 1988, shall be disregarded in the case of an Employee who was 60 years of age or older when he first became an Employee.

Section 1.35 General Words used herein in the singular shall include the plural and the singular where applicable, and the masculine gender shall include the feminine or neuter gender where appropriate.

ARTICLE 2 PARTICIPATION

Section 2.1 Requirements

- (a) Provided that he was less than sixty (60) years of age when he first became an Employee, an Employee of a Participating Employer shall become a Participant on the latest of :
 - (1) The Effective Date;
 - (2) The Date he becomes an Employee of a Participating Employer; or
 - (3) If, immediately prior to the Effective Date he was not accruing Service Credit under the Church Plan, the first day of the month in which falls his twentieth (20th) birthday.
- (b) An Employee who was not less than sixty (60) years of age when he first became an Employee shall become a Participant on the later of:
 - (1) January 1, 1988; or

- (2) The date he becomes an Employee of a Participating Employer
- (c) Notwithstanding the above, a member of the scholastic administration or teaching staff of an educational institution operated by a Participating Employer shall not be a Participant in this Plan.

Section 2.2 Veterans' Rights.

- (a) Notwithstanding any provision of the Plan to the contrary, benefits and service credit with respect to Qualified Military Service shall be provided in accordance with Section 414(u) of the Code.
- (b) In the case of a Participant who dies after December 31, 2006, while performing Qualified Military Service, the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of Qualified Military Service) provided under the Plan that they would have been entitled to had the Participant resumed employment with the Employer and then terminated employment on account of death.
- (c) To the extent required by Section 414(u) of the Code, an individual who receives Differential Wage Payments after December 31, 2008, shall be treated as an Employee of the Employer making the payment. Differential Wage Payments shall be treated as compensation under the Plan only for purposes of Code Section 415 and Section 3.15 hereof.
- (d) For purposes of this Section 2.2, the term "Qualified Military Service" means any service in the uniformed services (as defined in chapter 43 of title 38, United States Code) by any individual if such individual is entitled to reemployment rights under such chapter with respect to such service and to the Employer. The term "Differential Wage Payment" means any payment that is made after December 31, 2008, by an Employer to an individual with respect to any period during which the individual is performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code) while on active duty for a period of more than 30 days, and represents all or a portion of the wages the individual would have received from the Employer if the individual were performing services for the Employer.

ARTICLE 3 RETIREMENT BENEFITS

Section 3.1 Normal Retirement Benefit.

- (a) A Participant who retires from Employment on or after his Normal Retirement Date shall be entitled to receive a Normal Retirement Benefit if:
 - (1) He became a Participant in the Plan prior to January 1, 1988; or
 - (2) He became a Participant in the Plan after December 31, 1987 and is a Vested Participant.
- (b) A Participant's Retirement Benefit shall be in a monthly amount equal to the product of
 - (1) His Benefit Rate Factor determined as of the date of his actual retirement
 - (2) His years of Service Credit determined as of the date of his actual retirement; and
 - (3) The Pension Factor determined as of the date of each payment
- (c) The Retirement Benefit Starting Date for a Participant's Normal Retirement Benefit shall be the latest of:
 - (1) His Normal Retirement Date
 - (2) The first day of the month in which falls the tenth (10th) anniversary of his becoming an Employee, or
 - (3) If he became a Participant after December 31, 1987, the January 1 immediately following the Plan Year in which he becomes a Vested Participant.
- (d) Subject to Article 6 hereof, payment of a Normal Retirement Benefit shall begin within ninety (90) days of the later of the Retirement Benefit Starting Date or the date application for a Normal Retirement Benefit is filed with the Board.

Section 3.2 Postponed Retirement Benefit.

- (a) A Participant who continues in Employment after he has become entitled to receive a Normal Retirement Benefit until Section 3.1 hereof shall, upon his actual retirement from Employment, become entitled to receive a Postponed Retirement Benefit in a monthly amount equal to the product of:
 - (1) His Benefit Rate Factor determined as of the date of his actual retirement from Employment
 - (2) His years of Service Credit determined as of the date of his actual retirement from Employment; and
 - (3) The Pension factor determined as of the date of each payment
- (b) The Retirement Benefit Starting Date for a Participant's Postponed Retirement Benefit shall be the later of:
 - (1) The first day of the month coincident with or next following the date of his actual retirement from Employment; or
 - (2) The first day of the month in which falls the tenth (10th) anniversary of his becoming an Employee.
- (c) Subject to Article 6 hereof, payment of a Postponed Retirement Benefit shall begin within ninety (90) days of the later of the Retirement Benefit Starting Date or the date application for a Postponed Retirement Benefit is filed with the Board.
- (d) Effective January 1, 2021, Section 3.2 shall cease to apply.

Section 3.3 Early Retirement Benefit.

- (a) A Participant who, while in Employment, has attained age sixty-two (62) and has at least thirty-five (35) years of Service Credit may retire at any time prior to his Normal Retirement Date and thereupon shall be entitled to receive an Early Retirement Benefit in a monthly amount equal to the product of:
 - (1) His Benefit Rate Factor determined as of the date of his actual retirement from Employment;
 - (2) His years of Service Credit determined as of the date of his actual retirement from Employment; and
 - (3) The Pension Factor determined as of the date of each payment
- (b) The Retirement Benefit Starting Date for a Participant's Early Retirement Benefit shall be the first day of the month coincident with or next following the date of his actual retirement from Employment. Subject to Article 6 hereof, payment of an Early Retirement Benefit shall begin within ninety (90) days of the later of the Retirement Benefit Starting Date or the date application for an Early Retirement Benefit is filed with the Board.
- (c) Solely for purposes of determining whether the thirty-five (35) years of Service Credit requirement of (a) above is satisfied, Section 1.26(g) hereof shall not apply with respect to a Participant who, on December 31, 1991, was at least fifty-two (52) years of age and had at least twenty-five (25) years of Service Credit under Section 1.26 hereof.

Section 3.4 Disability Retirement Benefit.

- (a) Subject to (e) below, a Participant who retires from Employment on account of becoming Disabled, shall be entitled to receive, for so long as he is Disabled, a Disability Retirement Benefit if, at the time of becoming Disabled, he has at least fifteen (15) years of Service Credit, and has accrued a full year of Service Credit during each of the five (5) Plan Years immediately prior to the Plan Year in which he becomes Disabled, provided that there shall be disregarded for this purpose Plan Years during which he failed, because of health problems, to accrue a full year of Service Credit.
- (b) A Disability Retirement Benefit shall be a monthly amount equal to:

- (1) The product of:
 - (A) The Participant's Benefit Rate Factor determined as of his Retirement Benefit Starting Date
 - (B) The greater of twenty (20), or the Participant's years of Service Credit determined as of his Retirement Benefit Starting Date (provided, however, that, beginning with the month in which a Participant with less than thirty (30) years of Service Credit as of his Retirement Benefit Starting Date attains age sixty-five (65), the years of Service Credit under this (B) with respect to such Participant shall be the lesser of (i) thirty (30), or (ii) the sum of such Participant's years of Service Credit determined as of his Retirement Benefit Starting Date, plus fifty percent (50%) of a year of Service Credit for each twelve (12) months (prior to his attaining age sixty-five (65)) during which he met the requirements of (a) above); and
 - (C) The Pension Factor determined as of the date of each payment
- (2) Less the monthly amount of Worker's Compensation, if any, to which the Participant is entitled; provided that no such reduction shall be made and from the Participant's Normal Retirement Date, or, if the Participant has at least thirty-five (35) years of Service Credit, the first day of the month in which he reaches age sixty-two (62); and provided further that, if Worker's Compensation is paid in a lump-sum amount, the Board shall compute the actuarial equivalent of such amount expressed as a monthly annuity for life, and the reduction of the Disability Retirement Benefit shall be such monthly amount.
 - (A) Notwithstanding (b) above, in no event may the amount of a Participant's Disability Retirement Benefit exceed an amount greater than the sum of:
 - (1) The maximum amount that would be a qualified disability benefit under Code Section 411(a)(9) and Treasury Regulation section 1.411(a)-7, and
 - (2) The maximum amount that would be a Social Security supplement under Code Section 411(a)(9) and Treasury Regulation Section 1.411(a)-7.
 - (B) A Participant who meets the requirements of (a) above shall notify the Board in writing of the amount he is receiving as Worker's Compensation under (b)(2) above. If such amount decreases, such decreased amount shall be taken into account in computing the Participant's Disability Retirement Benefit only for periods following such notification to the Board of such decrease.
 - (C) A Participant shall not be entitled to a Disability Retirement Benefit unless he files an application therefor with the Board either:
 - (1) While in service for an Employer; or
 - (2) Within two (2) years after ceasing to receive remuneration from an Employer, if his termination of Employment:
 - (1) Was approved in advance by the Participant's last Employer and by the Board, and
 - (2) Was for the purpose of finding employment compatible with his health condition.
 - (D) The Retirement Benefit Starting Date for a Participant's Disability Retirement Benefit shall be the first day of the month following the later of the date he ceases to receive remuneration from an Employer or the date he files an application for a Disability Retirement Benefit with the Board. Subject to Article 6 hereof, payment of a Disability Retirement Benefit shall begin within ninety (90) days of the Retirement Benefit Starting Date.
 - (E) If there comes a time when a Participant receiving a Disability Retirement Benefit is no longer Disabled, payment of the Disability Retirement Benefit shall cease, and he shall

thereafter be entitled to such Retirement Benefits as he may be entitled to receive hereunder, without any reduction for the amount of Disability Retirement Benefit theretofore received.

- (F) This Section 3.4 shall not apply, and no Disability Retirement Benefit shall be paid, with respect to any Participant:
- (1) Whose Retirement Benefit Starting Date, as defined in (f) above, would be later than July 1, 1992; or
 - (2) Who did not become Disabled prior to January 1, 1992.

Section 3.5 Vested Retirement Benefit.

- (a) A Vested Participant who terminates Employment other than by death, or early, normal or postponed retirement, and who is not entitled to receive a Disability Retirement Benefit under Section 3.4 hereof, shall be entitled to receive a Vested Retirement Benefit in a monthly amount equal to the product of:
- (1) His Benefit Rate Factor determined as of the date of his termination of Employment;
 - (2) His years of Service Credit determined as of the date of his termination of Employment; and
 - (3) The Pension Factor determined as of the date of each payment.
- (b) The Retirement Benefit Starting Date for a Participant's Vested Retirement Benefit shall be the Participant's Normal Retirement Date; provided, however, that in the case of a Participant entitled to a Vested Retirement Benefit who has at least thirty-five (35) years of Service Credit, the Retirement Benefit Starting Date shall be the first day of the month in which he attains age sixty-two (62). Subject to Article 6 hereof, payment of a Vested Retirement Benefit shall begin within ninety (90) days of the later of the Retirement Benefit Starting Date or the date application for a Vested Retirement Benefit is filed with the Board.

Section 3.6 Surviving Spouse Early Survivor Benefit.

- (a) If a Participant dies while in Employment at a time when he could have retired and begun to receive a Retirement Benefit under Section 3.1, 3.2 or 3.3 hereof and is survived by a Spouse to whom he has been married throughout the period of one (1) year immediately preceding his death, such Spouse shall be entitled to receive a Surviving Spouse Early Survivor Benefit in a monthly amount equal to the monthly amount which such Spouse would have received had the day before the Participant's death been the Participant's Normal Retirement Date and had the Participant retired on that day and begun receiving:
- (1) A Normal Retirement Benefit under Section 3.1 hereof in the form of a Joint and Survivor Annuity under Section 1.15 hereof (applied without regard to the next to the last sentence thereof), and
 - (2) If eligible therefor, a Spouse Allowance under Section 3.10(b) hereof (except that the reduction referred to therein shall begin immediately).
- (b) The Retirement Benefit Starting Date for a Surviving Spouse Early Survivor Benefit shall be the first day of the month after the Participant's death. Subject to Article 6 hereof, payment of a Surviving Spouse Early Survivor Benefit shall begin within ninety (90) days of the later of the Retirement Benefit Starting Date or the date application for a Surviving Spouse Early Survivor Benefit is filed with the Board.
- (c) This Section 3.6 shall not apply with respect to a Participant who was not entitled to receive a Retirement Benefit under Section 3.1, 3.3 or 3.5 hereof, with a Retirement Benefit Starting Date prior to January 1, 1992.

Section 3.7 Surviving Spouse Benefit (for Periods before 2012).

- (a) If a Participant dies before beginning to receive a Retirement Benefit, or if a Participant receiving a Retirement Benefit under Section 3.4 hereof dies before the earlier of his Normal Retirement Date or the first date on which he would qualify for an Early Retirement Benefit under Section 3.3(a) hereof, his surviving Spouse (including a former Spouse) shall be entitled to a Surviving Spouse Benefit (beginning at the time specified in (d) below) if:
- (1) Such Spouse is not entitled by reason of the Participant's death to a Surviving Spouse Early Survivor Benefit under Section 3.6 hereof; and
 - (2) Either:
 - (A) Such Spouse has at least fifteen (15) years of Shared Service with the Participant;
 - (B) Such Spouse has at least ten (10) years of Shared Service with the Participant, and such Spouse is entitled to a Retirement Benefit (or to a retirement benefit under the Church Plan) by reason of such Spouse's own Employment; or
 - (C) Such Spouse has at least ten (10) years of Shared Service with the Participant, such Spouse is at least fifty-five (55) years of age at the time of the Participant's death, and the Participant died while in Employment.
- (b) A Surviving Spouse Benefit shall be the monthly amount which the Spouse entitled thereto would have received had the day before the death of the Participant been such Participant's Normal Retirement Date and had such Participant retired on that day and begun receiving:
- (1) A Normal Retirement Benefit under Section 3.1 hereof in the form of a Joint and Survivor Annuity under Section 1.15 hereof (applied without regard to the next to the last sentence thereof) with such Spouse as the joint annuitant, multiplied by a fraction whose numerator is the Spouse's years of Shared Service with the Participant and the denominator of which is all the Participant's years of Service Credit, and
 - (2) If eligible therefor, a Spouse Allowance under Section 3.10(b) hereof (except that the reduction referred to therein shall begin immediately).
- (c) If a Spouse entitled to a Surviving Spouse Benefit under this Section 3.7 also had at least ten (10) years of Shared Service with each of one or more Participants who died before beginning to receive a Retirement Benefit under this Plan, but whose death did not entitle such Spouse to a Retirement Benefit under Section 3.6 or 3.7 hereof, the amount of such Spouse's Surviving Spouse Benefit shall be increased by an amount computed in accordance with (b) above with respect to such Participant or Participants.
- (d) The Retirement Benefit Starting Date for a Surviving Spouse Benefit shall be the first day of the month in which the Spouse attains age sixty-five (65) or, if earlier, the later of (1) December 1 of the calendar year in which the Participant would have attained age seventy and one-half (70½) or (2) December 1 of the calendar year immediately following the calendar year in which the Participant died; provided, however, that if the Participant died while in Employment, and if, at the time of the Participant's death, the Spouse is at least fifty-five (55) years of age, such Spouse, within sixty (60) days of the Participant's death, may apply, in writing addressed to the Board, to have the Retirement Benefit Starting Date be the first day of any month following the date of such application. Such application shall be granted if the Board finds that such Spouse is not employed on a regular basis and does not have suitable employment skills. If the application is granted, the amount of the Surviving Spouse Benefit shall be reduced by one percent (1%) for each full year by which such Spouse is less than age sixty (60) on such Retirement Benefit Starting Date. Payment of a Surviving Spouse Benefit under this Section 3.7 shall begin within sixty (60) days of the later of the Retirement Benefit Starting Date or the date application for a Surviving Spouse Benefit is approved by the Board.
- (e) Notwithstanding any other provision of this Plan, no Surviving Spouse Benefit shall be payable under this Section 3.7 to any surviving Spouse (including a former Spouse) unless (i) all of the requirements for

receiving such Surviving Spouse Benefit, including the death of the Participant, occurred prior to January 1, 1992, or (ii) the retirement age (*i.e.*, age sixty-five (65)) of the surviving Spouse occurs after December 31, 2003.

- (f) This Section 3.7 shall not apply to a surviving Spouse of a Vested Participant who dies after December 31, 2011.

Section 3.8 Surviving Spouse Benefit (for Periods After 2011).

- (a) If (1) a Vested Participant dies after December 31, 2011, (i) but before beginning to receive a Retirement Benefit under Section 3.1, 3.2, 3.3 or 3.5 hereof, or (ii) while receiving a Disability Retirement Benefit under Section 3.4 hereof, but before the earlier of his Normal Retirement Date or the first date on which he would qualify for an Early Retirement Benefit under Section 3.3(a) hereof; (2) the Vested Participant is survived by a Spouse to whom the Vested Participant had been married throughout the twelve (12)-month period ending on the date of the Vested Participant's death; and (3) such Spouse is not entitled by reason of the Participant's death to a Surviving Spouse Early Survivor Benefit under Section 3.6 hereof, such surviving Spouse shall be entitled to a Surviving Spouse Benefit under this Section 3.8.
- (b) The Surviving Spouse Benefit shall be a single life annuity payable monthly to the surviving Spouse of a Vested Participant, which monthly payment shall equal:
- (1) If the Vested Participant dies prior to his 65th birthday, the monthly amount that the surviving Spouse would have been entitled to receive had the Vested Participant (A) terminated Employment at the earlier of the actual date of his termination of Employment or death, (B) survived until his 65th birthday and retired on that date with a Joint and Survivor Annuity, and (C) died on the day after his 65th birthday; or
 - (2) If the Vested Participant dies on or after his 65th birthday, the monthly amount that the surviving Spouse would have been entitled to receive had the Vested Participant retired on the day before his date of death with a Joint and Survivor Annuity.
- (c) The Retirement Benefit Starting Date for a Surviving Spouse Benefit shall be the first day of the month in which the Vested Participant dies or would have attained age 65 had he survived, whichever is later. Payment of a Surviving Spouse Benefit under this Section 3.8 shall begin within sixty (60) days of the later of the surviving Spouse's Retirement Benefit Starting Date or the date application for a Surviving Spouse Benefit is approved by the Board.
- (d) In addition to any Surviving Spouse Benefit payable under this Section 3.8, a surviving Spouse may be eligible for a Spouse Allowance under Section 3.10 hereof.

Section 3.9 Surviving Spouse Temporary Benefit.

- (a) In the event of the death while in Employment of a Participant with at least five (5) years of Service Credit, or the death of a Participant receiving a Retirement Benefit under Section 3.4 hereof before the earlier of his Normal Retirement Date or the first date on which he would qualify for an Early Retirement Benefit under Section 3.3(a) hereof, who is survived by a Spouse to whom he was married throughout the immediately preceding period of one (1) year, such Spouse, subject to the provisions of (b) below, shall be entitled to receive a Surviving Spouse Temporary Benefit in a monthly amount equal to the product of:
- (1) The greater of twenty (20), or the deceased Participant's years of Service Credit determined as of the date of his death;
 - (2) The deceased Participant's Benefit Rate Factor determined as of the date of his death; and
 - (3) The Pension Factor determined as of the date of payment.
- (b) The Surviving Spouse Temporary Benefit shall be paid only if on the Retirement Benefit Starting Date, and only for so long as:

- (1) The Spouse is not receiving any other Retirement Benefit under this Plan or any benefit (other than a surviving Spouse temporary benefit) under the Church Plan;
- (2) The Spouse is not married;
- (3) The Spouse is employed less than an average of twenty (20) hours per week; and the Spouse is either:
 - (A) Pregnant
 - (B) Has a dependent child who is less than eight (8) years of age and has not yet begun the first grade of school; or
 - (C) Is engaged (for a period not to exceed eighteen (18) months) in acquiring skills to enable such Spouse to find employment.
- (c) The Retirement Benefit Starting Date for a Surviving Spouse Temporary Benefit shall be the first day of the month after the Participant's death. Subject to Article 6 hereof, payment of a Surviving Spouse Temporary Benefit shall begin within ninety (90) days of the later of the Retirement Benefit Starting Date or the date application for a Surviving Spouse Temporary Benefit is filed with the Board.
- (d) This Section 3.9 shall not apply, and no Surviving Spouse Temporary Benefit shall be paid, with respect to a Participant who was not:
 - (1) Married throughout the entire calendar year 1991 to the Spouse referred to in (a) above; and
 - (2) Either:
 - (A) Entitled to begin receiving a Retirement Benefit under Section 3.1, 3.3 or 3.5 hereof, with a Retirement Benefit Starting Date prior to January 1, 1992; or
 - (B) Receiving a Disability Retirement Benefit under Section 3.4 hereof on January 1, 1992, and continuously thereafter.

Section 3.10 Spouse Allowance.

- (a) A Participant entitled to a Retirement Benefit under Section 3.1, 3.2, 3.3, 3.4 or 3.5 hereof, who has at least twenty (20) years of Service Credit, and who on the Retirement Benefit Starting Date (or, in the case of a Participant entitled to a Retirement Benefit under Section 3.4 hereof, on the earlier of his Normal Retirement Date or the first date on which he would qualify for an Early Retirement Benefit under Section 3.3(a) hereof) has a Spouse to whom he has been married throughout the immediately preceding period of one (1) year, shall also be entitled to receive a Spouse Allowance, which, subject to (c), (e), (f) and (g) below, shall be a monthly amount equal to his Retirement Benefit multiplied by a percentage equal to one and one-quarter percent (1.25%) for each of his years of Service Credit; provided, however, that the Spouse Allowance shall be reduced by one percent (1%) for each full year in excess of five (5) by which the Participant's birth date precedes that of his Spouse.
- (b) The Spouse Allowance under (a) above shall cease after the second (2nd) month after the month in which falls the death of either the Participant or his Spouse, except that, in the case of the death of a Participant who is survived by a Spouse with at least ten (10) years of Shared Service with the Participant, the Spouse Allowance (computed without regard to any reduction under (e) below) shall (subject to (f) and (g) below) continue to be paid after such date to such Spouse, but shall be reduced to an amount equal to the Spouse Allowance received by the Participant multiplied by a fraction, the numerator of which is the Spouse's years of Shared Service with the Participant, and the denominator of which is all the Participant's years of Service Credit.
- (c) The Spouse Allowance under (a) above shall cease upon the divorce of the Participant and his Spouse, except that, if his Spouse has at least ten (10) years of Shared Service with the Participant, the Spouse Allowance shall (subject to (f) and (g) below) be paid, after the date of the divorce, to such Spouse, but shall be reduced to an amount equal to the Spouse Allowance received by the Participant multiplied by a

fraction, the numerator of which is the Spouse's years of Shared Service with the Participant, and the denominator of which is all the Participant's years of Service Credit.

- (d) If, prior to his Retirement Benefit Starting Date, a Participant is divorced from a Spouse with at least ten (10) years of Shared Service with the Participant, and if the Participant is, or subsequently becomes, entitled to a Retirement Benefit under Section 3.1, 3.2, 3.3, 3.4 or 3.5 hereof with at least twenty (20) years of Service Credit, then such Spouse shall be entitled to receive a Spouse Allowance, which shall be (subject to (f) and (g) below) a monthly amount equal to:
- (1) The Participant's Retirement Benefit multiplied by a percentage equal to one and one-quarter percent (1.25%) for each of his years of Service Credit, reduced by one percent (1%) for each full year in excess of five (5) by which his birth date precedes that of the Spouse;
 - (2) Multiplied by a fraction, the numerator of which is the Spouse's years of Shared Service with the Participant, and the denominator of which is all the Participant's years of Service Credit.
- (e) In the event that a Participant is entitled to a Spouse Allowance under (a) above and his former Spouse is entitled to a Spouse Allowance under (d) above, the amount of the Participant's Spouse Allowance under (a) above shall be reduced by the amount payable to his former Spouse under (d) above as determined without any reduction for the difference in age between the Participant and his former Spouse.
- (f) A Spouse Allowance shall be reduced by the amount of any retirement benefit (other than a Social Security benefit, a Retirement Benefit under this Plan, or a retirement benefit under the Church Plan) received by the Spouse of a Participant entitled to a Spouse Allowance under (a) above, or by the Spouse entitled to a Spouse Allowance under (b), (c) or (d) above, and earned by such Spouse under a retirement plan sponsored and funded in whole or part by an employer. If such a retirement benefit is paid in a lump-sum amount, the Board shall compute the actuarial equivalent of such amount, expressed as a monthly annuity payable for life, and the reduction of the Spouse Allowance shall be such monthly amount.
- (g) A Spouse Allowance shall not be paid during such time as the Spouse of a Participant otherwise entitled to a Spouse Allowance under (a) above, or a Spouse otherwise entitled to a Spouse Allowance under (b), (c), or (d) above, is receiving a Retirement Benefit (or a Retirement Benefit under the Church Plan) by reason of such Spouse's own Employment unless such Spouse elects in writing filed with the Board not to receive such Retirement Benefit or such retirement benefit under the Church Plan. The Spouse Allowance under (a) above shall not be paid during such time as the Participant otherwise entitled to such Spouse Allowance is receiving a Surviving Spouse Early Survivor Benefit under Section 3.6 hereof (or a Surviving Spouse Early Survivor Benefit under the Church Plan) unless such Participant elects in writing filed with the Board not to receive such Surviving Spouse Early Survivor Benefit or such Surviving Spouse Early Retirement Benefit under the Church Plan. A Spouse Allowance shall not be paid during such time as a Spouse otherwise entitled to a Spouse Allowance under (b), (c), or (d) above is employed an average of at least twenty (20) hours per week.
- (h) No Spouse Allowance shall be paid prior to receipt by the Board of a written application therefor. The Retirement Benefit Starting Date for a Spouse Allowance shall be:
- (1) In the case of a Spouse Allowance payable under (a) or (d) above, the Participant's Retirement Benefit Starting Date, except that, where the Participant is entitled to a Retirement Benefit under Section 3.4 hereof, the Retirement Benefit Starting Date shall be the earlier of his Normal Retirement Date or the first date on which he would qualify for an Early Retirement Benefit under Section 3.3(a) hereof;
 - (2) In the case of a Spouse Allowance payable under (b) above, the first date of the fourth (4th) month after the month in which falls the death of the Participant; and
 - (3) In the case of a Spouse Allowance payable under (c) above, the first day of the first (1st) month following the later of the month in which falls the divorce of the Participant or the month in which application for such Spouse Allowance is filed with the Board.

- (i) Payment of a Spouse Allowance shall begin within ninety (90) days of the later of the Retirement Benefit Starting Date or the date application for the Spouse Allowance is filed with the Board.
- (j) No Spouse Allowance shall be paid with respect to any Spouse to whom the Participant was not married throughout the entire calendar year 1991.

Section 3.11 Funeral Allowance.

- (a) A Funeral Allowance is a lump-sum payment made upon the death of:
 - (1) A Participant with at least ten (10) years of Service Credit who is receiving a Retirement Benefit under Section 3.1, 3.2, 3.3, 3.4 or 3.5 hereof;
 - (2) A Spouse of a Participant if the Participant had at least ten (10) years of Service Credit and is receiving a Retirement Benefit in the form of a Joint and Survivor Annuity;
 - (3) A surviving Spouse of a Participant if such Participant had at least ten (10) years of Service Credit and if such Spouse is receiving a Survivor Annuity; and
 - (4) A surviving or former Spouse who is receiving a Retirement Benefit under Section 3.6, 3.7, 3.8, 3.9 or 3.10(d) hereof, and who has at least ten (10) years of Shared Service with a Participant.
- (b) The Funeral Allowance shall be paid to the surviving Spouse of the decedent, or, if there is no such surviving Spouse, to such person or persons as the Board shall determine to have undertaken responsibility for the funeral arrangements for the decedent.
- (c) The Funeral Allowance shall be an amount equal to the Pension Factor, determined as of the date of the decedent's death, multiplied by a fraction the numerator of which is the years of Service Credit (not to exceed thirty-five (35)) of the Participant (limited in the case of the death of a surviving or former Spouse under (a)(4) above, to years of Shared Service with a Participant), and the denominator of which is thirty-five (35). The Funeral Allowance shall be paid in a lump sum within ninety (90) days after the later of the decedent's death or the date application for a Funeral Allowance is filed with the Board. Notwithstanding any other provision of this Section 3.11, solely in the case of a Funeral Allowance payable upon a death that occurs after December 31, 1991, this (c) shall be applied by replacing the words "thirty-five (35)" in each place they appear with the words "forty (40)."
- (d) For the purposes of (a) and (c) above, if the decedent is both a Participant and the Spouse (including a former Spouse and a surviving Spouse) of a Participant, the relevant years of Service Credit (including Shared Service) shall be aggregated.
- (e) This Section 3.11 shall not apply, and no Funeral Allowance shall be paid, in any case where years of Service Credit or Shared Service under (a)(1), (2), (3) or (4) above are computed with respect to a Participant who was not, prior to January 1, 1992, either:
 - (1) Entitled to receive a Retirement Benefit under Section 3.1, 3.3 or 3.5 hereof, with a Retirement Benefit Starting Date prior to January 1, 1992; or
 - (2) Receiving a Disability Retirement Benefit under Section 3.4 hereof on January 1, 1992, and continuously thereafter.

Section 3.12 Special Rule for Certain Individuals Receiving Church Plan Benefits on Effective Date.

Every individual who on the Effective Date was receiving a retirement benefit or other allowance from the Hospital Retirement Fund of the Church Plan shall receive from the Trust Fund, from and after the Effective Date, a Retirement Benefit equal to such retirement benefit or other allowance at the rate, and subject to the terms and conditions, set forth in the Church Plan on the Effective Date (subject to subsequent changes in the Church Plan applicable to retirement benefits in pay status on the Effective Date).

Section 3.13 Special Rule for Certain Individuals Who Commence Church Plan Benefits After Effective Date.

In the case of an individual who, prior to the Effective Date, was an Employee of an Employer required to make contributions with respect to such individual to the Hospital Retirement Fund of the Church Plan, who does not become a Participant in this Plan pursuant to Section 2.1 hereof, and who (or whose Spouse) after the Effective Date begins to receive a retirement benefit under the Church Plan, there shall be paid from the Trust Fund a percentage of such retirement benefit equal to a fraction the numerator of which is such individual's years of Service Credit in question for Employers required to make contributions on his behalf to the Hospital Retirement Fund of the Church Plan, and the denominator of which is all of such individual's years of Service Credit in question. The balance of such retirement benefit, if any, shall be paid from the Church Plan.

Section 3.14 Special Rule for Determining Service Credit for Certain Individuals.

Where a Retirement Benefit under the foregoing provisions of this Article 3 is determined by reference to years of Service Credit for both Participating Employers (or Employers required to make contributions to the Hospital Retirement Fund of the Church Plan) and other Employers, the Retirement Benefit payable under this Plan shall be the Retirement Benefit as determined under the foregoing provisions of this Article 3, multiplied by a fraction, the numerator of which is the years of Service Credit in question for Participating Employers and for Employers required to make contributions to the Hospital Retirement Fund of the Church Plan, and the denominator of which is all the years of Service Credit in question.

Section 3.15 Maximum Benefits.

(a) Maximum Permissible Benefit.

- (1) Notwithstanding any other provision of the Plan, a Participant's Annual Retirement Benefit shall not exceed the Maximum Permissible Benefit. If the benefit the Participant would otherwise accrue in a calendar year would produce an Annual Retirement Benefit in excess of the Maximum Permissible Benefit, the benefit shall be limited (or the rate of accrual reduced) to a benefit that does not exceed the Maximum Permissible Benefit. For purposes of this Section 3.15, the calendar year shall be the "limitation year" within the meaning of Section 415 of the Code.
- (2) 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 an Employer or a Predecessor Employer, the sum of the Participant's Annual Retirement Benefits from all such plans may not exceed the Maximum Permissible Benefit.
- (3) The application of the provisions of this Section 3.15 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 an Employer or a Predecessor Employer as of December 31, 2007, under 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 Section 415 of the Code in effect as of December 31, 2007, as described in Treasury Regulations Section 1.415(a)-1(g)(4).

(b) Definitions.

(1) Annual Retirement Benefit.

- (A) The term "Annual Retirement Benefit" means a benefit that is payable annually in the form of a single life annuity. Except as otherwise provided below, if a Participant's Annual Retirement Benefit is payable in a form other than a single life annuity, the benefit shall be adjusted to an actuarially equivalent single life annuity beginning at the same time as such

other form of benefit and payable on the first day of each month before applying the limitations of this Section 3.15. For a Participant who has or will have benefits commencing at more than one annuity starting date, the Annual Retirement Benefit shall be determined as of each annuity starting date (and shall satisfy the limitations of this Section 3.15 as of each such annuity starting 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 annuity starting date has occurred shall be made without regard to Treasury Regulations Section 401(a)-20, Q&A 10(d) and with regard to Treasury Regulations Section 1.415(b)-1(b)(1)(iii)(B) and (C).

- (B) No actuarial adjustment to the Annual Retirement Benefit shall be made for (i) survivor benefits payable to a surviving Spouse under a qualified joint and survivor annuity (within the meaning of Section 401(a)(11)(G)(iii)) to the extent such benefits would not be payable if the Participant's benefit were paid in another form, (ii) benefits not directly related to retirement benefits (such as qualified disability benefits, 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 that the form of benefit would otherwise satisfy the limitations of this Section 3.15, and the Plan provides that the amount payable under the form of benefit in any calendar year shall not exceed the limits of this Section applicable at the annuity starting date, as increased in subsequent years pursuant to Section 415(d) of the Code. 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.
 - (C) Effective for distributions in calendar years beginning after December 31, 2003, the determination of actuarial equivalence of form of benefits other than a single life annuity shall be made in accordance with this paragraph (b)(1)(C).
 - (I) For calendar years beginning before January 1, 2008, the actuarially equivalent single life annuity shall be equal to the annual amount of the single life annuity commencing on the Participant's 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: (i) an interest rate of not less than five percent and the mortality table specified in Section 7.8 hereof, or (B) an interest rate of five percent and the Applicable Mortality Table. For purposes of this Section 3.15, the term "Applicable Mortality Table" shall mean the applicable mortality table within the meaning of Code Section 417(e)(3).
 - (II) For calendar years beginning on and after January 1, 2008, the actuarially equivalent single life annuity shall be equal to the greater of (i) the annual amount of the single life annuity (if any) payable to the Participant commencing at the Participant's annuity starting date as the Participant's form of benefit, or (ii) the annual amount of the single life annuity commencing at the Participant's annuity starting date that has the same actuarial present value as the Participant's form of benefit computed using an interest rate of not less than five percent and the Applicable Mortality Table for that annuity starting date.
- (2) Compensation.
- (A) For purposes of this Section 3.15, the term "Compensation" includes the Participant's wages, salaries, fees for professional services and other amounts received for personal services actually rendered in the course of employment with an Employer to the extent that the amounts are includible in gross income. The term "Compensation" does not include:

- (I) Employer contributions to a plan of deferred compensation (including a simplified employee pension plan or a simple retirement account described in Section 408(k) or 408(p) respectively, of the Code) to the extent that the contributions are not includible in the gross income of the Participant for the taxable year in which contributed (other than such contributions and deferrals described in (F) below); and any distributions (whether or not includible in gross income when distributed) from a plan of deferred compensation (whether or not qualified);
 - (II) Amounts realized from the exercise of a nonstatutory stock option (that is, an option other than a statutory stock option as defined in Treasury Regulation Section 1.421-1(b)), or when restricted stock (or property) held by the Participant either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;
 - (III) Amounts realized from the sale, exchange or other disposition of stock acquired under a statutory stock option;
 - (IV) Other amounts which receive special tax benefits, such as premiums for group term life insurance to the extent excludible from gross income of a Participant and are not salary reduction amounts described in Section 125 of the Code; or
 - (V) Other items of remuneration similar to any of the items listed in (I) through (IV) above.
- (B) For calendar years beginning on and after January 1, 2008, the term "Compensation" shall also include compensation paid by the later of 2½ months after a Participant's severance from employment with an Employer or the end of the calendar year that includes the date of the Participant's severance from employment with the Employer if the payment is regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant'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 Participant while the Participant continued in employment with the Employer.
- (C) Any payments not described in (A) and (B) above shall not be considered "Compensation" if paid after severance from employment with an Employer, even if they are paid by the later of 2½ months after the date of severance from employment or the end of the calendar year that includes the date of severance from employment.
- (D) For calendar years beginning after December 31, 1991, "Compensation" for a calendar year is the compensation actually paid or made available during such calendar year.
- (E) The term "Compensation" includes back pay (within the meaning of Treasury Regulation Section 1.415(c)-2(g)(8)) for the calendar year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included as "Compensation" under this Section.
- (F) For calendar years beginning after December 31, 1997, Compensation paid or made available during such a calendar year shall include amounts that would otherwise be included in Compensation but for an election under Section 125(a), 402(e)(3), 402(h)(1)(B), 402(k) or 457(b) of the Code.
- (G) For calendar years beginning after December 31, 2000, "Compensation" shall also include any elective amounts that are not includible in the gross income of the Participant by reason of Section 132(f)(4) of the Code.
- (3) Dollar Limitation. Effective for calendar years ending after December 31, 2001, the Dollar Limitation is \$160,000, automatically adjusted under Section 415(d) of the Code, effective January 1

of each year, as published in the Internal Revenue Bulletin, and payable in the form of a single life annuity. The new limitation shall not apply to a Participant who has had a severance from employment with an Employer.

- (4) Earnings Limitation. 100 percent of a Participant's High Three-Year Average Compensation, payable in the form of a single life annuity. In the case of a Participant who has had a severance from employment with an Employer, the Earnings Limitation applicable to the Participant in any calendar year beginning after the date of severance shall be automatically adjusted by multiplying the Earnings Limitation applicable to the Participant in the prior calendar year by the annual adjustment factor under Section 415(d) of the Code. In the case of a Participant who is rehired after a severance from employment, the Earnings Limitation shall be the greater of 100% of the Participant's High Three-Year Average Compensation (i) as determined prior to the severance from employment, as adjusted pursuant to the first sentence of this paragraph, if applicable, or (ii) as determined after the severance from employment under paragraph (6) below.
- (5) Formerly Affiliated Plan of the Employer. A plan that, immediately prior to the cessation of affiliation, was actually maintained by an 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 Section 414(b) of the Code, as modified by Section 415(h) of the Code, to an unrelated corporation, or that causes a plan to not actually be maintained by an Employer, such as transfer of plan sponsorship outside the Employer's controlled group.
- (6) High Three-Year Average Compensation. The average Compensation for the three consecutive years of service (or, if the Participant has less than three consecutive years of service, the Participant's longest consecutive period of service, including fractions of years, but not less than one year) with an Employer that produces the highest average. In the case of a Participant who is rehired by an Employer after a severance from employment, the Participant's High Three-Year Average Compensation shall be calculated by excluding all years for which the Participant performs no services for, and receives no Compensation from, an Employer (the "break period") and by treating the years immediately preceding and following the break period as consecutive. A Participant's Compensation for a Year of Service shall not include Compensation in excess of the limitation under Section 401(a)(17) of the Code that is in effect for the calendar year in which such year of service begins.
- (7) Maximum Permissible Benefit. The lesser of the Dollar Limitation or the Earnings Limitation (both adjusted where required, as provided below).
 - (A) Adjustment for Less than 10 Years of Participation and/or Service. If a Participant has not completed ten Years of Participation in the Plan, the Dollar Limitation shall be reduced by multiplying such Limitation by a fraction (I) the numerator of which is the number of Years (or part thereof, but not less than one) of Participation in the Plan, and (II) the denominator of which is ten. If a Participant has not completed ten Years of Service with an Employer, the Earnings Limitation shall be reduced by multiplying such Limitation by a fraction (I) the numerator of which is the number of Years (or part thereof, but not less than one) of Service with the Employer, and (II) the denominator of which is ten. In no event shall the Dollar Limitation or the Earnings Limitation be reduced to an amount less than 1/10 of such Limitation (determined without regard to the preceding sentences).
 - (B) Adjustment of Dollar Limitation for Benefit Commencement Before Age 62.
 - (I) If a Participant's annuity starting date is prior to his attainment of age 62 and after December 31, 2001, but prior to January 1, 2008, the Dollar Limitation for the

Participant's annuity starting date shall be equal to the annual amount of a benefit payable in the form of a single life annuity commencing at the Participant's annuity starting date that is the actuarial equivalent of the Dollar Limitation (as adjusted under subparagraph (7)(A) above) with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (i) an interest rate of not less than five percent and the mortality table specified in Section 7.8 hereof, or (ii) an interest rate of not less than five percent and the Applicable Mortality Table.

- (II) If a Participant's annuity starting date is prior to his attainment of age 62 and after December 31, 2007, and the Plan does not have an immediately commencing single life annuity payable at both age 62 and the age of benefit commencement, the Dollar Limitation for the Participant's annuity starting date shall be equal to the annual amount of a benefit payable in the form of single life annuity commencing at the Participant's annuity starting date that is the actuarial equivalent of the Dollar Limitation (as adjusted under subparagraph (7)(A) above) with actuarial equivalence computed using an interest rate of not less than five percent and the Applicable Mortality Table for the Participant's annuity starting date (and expressing the Participant's age based on calendar months as of his annuity starting date).
 - (III) If a Participant's annuity starting date is prior to his attainment of age 62 and after December 31, 2007, and the Plan has an immediately commencing single life annuity payable at both age 62 and the age of benefit commencement, the Dollar Limitation for the Participant's annuity starting date shall be equal to the lesser of (i) the adjusted Dollar Limitation determined under subparagraph (7)(B)(II) above, or (ii) the Dollar Limitation (as adjusted under subparagraph (7)(A) above) multiplied by the ratio of the annual amount of the immediately commencing single life annuity under the Plan at the Participant's annuity starting date to the annual amount of the immediately commencing single life annuity under the Plan at age 62, both determined without applying the limitations of this Section.
- (C) Adjustment of Dollar Limitation for Benefit Commencement After Age 65.
- (I) If a Participant's annuity starting date occurs after attainment of age 65, and after December 31, 2001, but prior to January 1, 2008, the Dollar Limitation (as adjusted under subparagraph (7)(A) above) for the Participant's annuity starting date shall be equal to the annual amount of a benefit payable in the form of a single life annuity commencing at the Participant's annuity starting date that is the actuarial equivalent of the Dollar Limitation (as adjusted under subparagraph (7)(A) above) with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (I) an interest rate of not less than five percent and mortality table specified in Section 7.8 hereof, or (II) an interest rate of not less than five percent and the Applicable Mortality Table.
 - (II) If a Participant's annuity starting date is after his attainment of age 65 and after December 31, 2007, and the Plan does not have an immediately commencing single life annuity payable at both age 65 and the age of benefit commencement, the Dollar Limitation for the Participant's annuity starting date shall be equal to the annual amount of a benefit payable in the form of single life annuity commencing at the Participant's annuity starting date that is the actuarial equivalent of the Dollar Limitation (as adjusted under subparagraph (7)(A) above) with actuarial equivalence computed using an interest rate of five percent and the Applicable Mortality Table

for the Participant's annuity starting date (and expressing the Participant's age based on completed calendar months as of the annuity starting date).

(III) If a Participant's annuity starting date is after his attainment of age 65 and after December 31, 2007, and the Plan has an immediately commencing single life annuity payable at both age 65 and the age of benefit commencement, the Dollar Limitation for the Participant's annuity starting date shall be equal to the lesser of: (I) the adjusted Dollar Limitation determined under subparagraph (7)(C)(II) above, or (II) the Dollar Limitation (as adjusted under subparagraph (7)(A) above) multiplied by the ratio of the annual amount of the adjusted immediately commencing single life annuity under the Plan at the Participant's annuity starting date to the annual amount of the adjusted immediately commencing single life annuity under the Plan at age 65, both determined without applying the limitations of this Section. For this purpose, the adjusted immediately commencing single 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 single 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.

(D) Notwithstanding the other requirements of subparagraphs (7)(A) and (B) above, no adjustment shall be made to the 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 prior to 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 a Participant for providing a preretirement annuity upon the Participant's death.

(E) Minimum Benefit Permitted. Notwithstanding any other provision of this Section 3.15 to the contrary, the benefit otherwise accrued or payable to a Participant under the Plan shall be deemed not to exceed the Maximum Permissible Benefit if:

(I) the retirement benefit payable for a calendar 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 an Employer do not exceed \$10,000 multiplied by a fraction, (i) the numerator of which is the Participant's number of Years (or part thereof, but not less than one) of Service (not to exceed 10) with the Employer, and (ii) 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, individual medical accounts under Section 401(h) of the Code and accounts for postretirement medical benefits established under Section 419A(d)(1) of the Code are not considered a separate defined contribution plan).

(8) Predecessor Employer. If an Employer maintains a plan that provides a benefit which the Participant accrued while performing services for a former employer, the former employer is a Predecessor Employer with respect to the Participant. A former entity that antedates the employer is also a Predecessor

Employer with respect to a Participant 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.

- (9) Severance from Employment. An Employee has a Severance from Employment when the Employee ceases to be an Employee of an Employer. 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.
- (10) Year of Participation. A Participant shall be credited with a Year of Participation (computed to fractional parts of a year) for each accrual computation period for which the following conditions are met: (A) the Participant is credited with at least the period of service required under the terms of the Plan to accrue a benefit for the accrual computation period, and (B) the Participant is included as a participant under the eligibility provisions of the Plan for at least one day of the accrual computation period. If these two conditions are met, the portion of a Year of Participation credited to the Participant shall equal the amount of benefit accrual service credited to the Participant for such accrual computation period. A Participant who is permanently and totally disabled within the meaning of Section 415(c)(3)(C)(i) of the Code for an accrual computation period shall receive a Year of Participation for that period. In addition, for a Participant to receive a Year of Participation (or part thereof) for an accrual computation period, the Plan must be established no later than the last day of such accrual computation period. In no event shall more than one Year of Participation be credited for any 12-month period.
- (11) Year of Service. For purposes of paragraphs (6) and (7) above, a Participant shall be credited with a Year of Service (computed to fractional parts of a year) for each accrual computation period for which the Participant is credited with at least the period of service for benefit accrual purposes, required under the terms of the Plan, to accrue a benefit for the accrual computation period, taking into account only service with an Employer or a Predecessor Employer.
- (a) Other Rules.
- a. Benefits Under a Terminated Plan. If a defined benefit plan maintained by an 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 thereunder, the benefits 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 3.15. If there are not sufficient assets for the payment of all participants' benefit liabilities, the benefits taken into account shall be the benefits actually provided to the participant under the terminated plan.
 - b. Benefits Transferred from the Plan. If a Participant's benefits under a defined benefit plan maintained by an Employer are transferred to another defined benefit plan maintained by the Employer and the transfer is not a transfer of distributable benefits pursuant to Treasury Regulations Section 1.411(d)-4, Q&A-3(c), 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 not maintained by the Employer and the transfer is not a transfer of distributable benefits pursuant to Treasury Regulations Section 1.411(d)-4, Q&A-3(c), 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 a defined benefit plan in a transfer of distributable benefits pursuant to Treasury Regulations Section 1.411(d)-4, Q&A-3(c), the amount transferred is treated as a benefit paid from the transferor plan.

- c. Formerly Affiliated Plans of the Employer. A Formerly Affiliated Plan of an 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 such benefits.
 - d. Plans of a Predecessor Employer. If an 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 the 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 such benefits; the Employer and the Predecessor Employer shall be treated as if they are 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.
 - e. Special Rules. The limitations of this Section 3.15 shall be determined and applied taking into account the rules in Treasury Regulations Section 1.415(f)-1(d), (e) and (h).
 - f. Aggregation with Multiemployer Plans. If an Employer maintains a multiemployer plan, as defined in Section 414(f) of the Code, and the multiemployer plan so provides, only the benefits under the multiemployer plan provided by the Employer shall be treated as benefits provided under a plan maintained by the Employer for purposes of this Section 3.15. Effective for calendar years ending after December 31, 2001, a multiemployer plan shall be disregarded for purposes of applying the Earnings Limitation to a plan which not a multiemployer plan.
- (b) Effective Date. The provisions of this Section 3.15 are effective for calendar years beginning on or after January 1, 2008, and benefit increases resulting from the increase in the limitations of Section 415(b) of the Code for calendar years beginning after December 31, 2001, shall be provided to all Employees participating in the Plan who complete at least one Hour of Service on or after such date.
- (c) Savings Clause. In addition to other limitations set forth in the Plan and notwithstanding any other provisions of the Plan, a Participant's accrued benefit hereunder, including the right to any optional benefit provided in the Plan, and all other plans required to be aggregated with this Plan under the provisions of Section 415 of the Code, shall not increase to an amount in excess of the amount permitted under Section 415 of the Code. The limitations of this Section 3.15 are designed to comply with the provisions of Section 415 of the Code and the Treasury Regulations thereunder, which provisions are incorporated herein by reference. If there is any discrepancy between this Plan and the provisions of Section 415 of the Code or the Treasury Regulations thereunder, such discrepancy shall be resolved to give full effect to the provisions of such Code Section or Treasury Regulations.

Section 3.16 Commencement of Payment of Benefits.

Notwithstanding the foregoing, unless a Participant otherwise agrees in writing, the payment of a Retirement Benefit to a Participant will commence within sixty (60) days of the latest of the date application for a Retirement Benefit is filed with the Board, or the close of the latest Plan Year in which:

- (a) The Participant attains age sixty-five (65);
- (b) The tenth (10th) anniversary of the Participant's becoming a Participant occurs; or
- (c) The Participant terminates Employment; provided, however, that no Retirement Benefit shall be paid prior to receipt by the Board of a written application for the Retirement Benefit.

Section 3.17 Termination of Payment of Benefits. Upon the death of a Participant, if no surviving Spouse or former Spouse of such Participant is entitled to any Retirement Benefit under this Plan, then no further Retirement Benefit with respect to such Participant (other than a Funeral Allowance under Section 3.11 hereof) shall be paid under this Plan; provided, however, that, with respect to the month in which a Participant dies, there shall be paid a percentage of his Retirement Benefit equal to the number of days in such month prior to and including the date of his death, divided by the number of days in such month.

Section 3.18 Retirement Allowance.

A Participant shall be entitled to receive a Retirement Allowance if, as of his Retirement Benefit Starting Date, his most recent Employer was a Participating Employer and:

- (a) He:
 - (1) Is eligible for a Normal Retirement Benefit under Section 3.1 hereof, a Postponed Retirement Benefit under Section 3.2 hereof, or an Early Retirement Benefit under Section 3.3 hereof; and
 - (2) Has earned at least one thousand (1,000) Hours of Service or one-half (½) year of Service Credit during each of the two (2) twelve (12)-month periods immediately preceding his Retirement Benefit Starting Date; or
- (b) He is eligible for a Vested Retirement Benefit under Section 3.5 hereof, termination of his Employment occurred no more than thirty-six (36) months prior to his Retirement Benefit Starting Date for a Vested Retirement Benefit under Section 3.5 hereof and he satisfies (1), (2), or (3) below:
 - (1) The termination of the Participant's Employment was at the written recommendation of the last Employer of the Participant and was approved by the Board;
 - (2) The termination of the Employment of the Participant was due to the transfer of the Spouse of the Participant to a different location; or
 - (3) The termination of the Employment of the Participant was due to the retirement of the Spouse of the Participant.
- (c) The amount of the Retirement Allowance shall be computed as follows:
 - (1) In the case of a Participant having at least forty (40) years of Service Credit, the Retirement Allowance shall be equal to the product of:
 - (A) The Participant's basic hourly remuneration during the last full payroll period ending prior to the Participant's termination of Employment; and
 - (2) Eight hundred sixty-five (865). In the case of a Participant having less than forty (40) years of Service Credit, the Retirement Allowance shall equal the product of:
 - (A) The Participant's years of Service Credit;
 - (B) One hundred seventy-three (173); and
 - (C) Twelve and five-tenths percent (12.5%) of the Participant's basic hourly remuneration during the last full payroll period ending prior to the Participant's termination of Employment.
- (d) The Retirement Allowance of a Participant who received a Retirement Allowance or a termination settlement or other severance pay at the time of a previous termination of Employment shall be

determined without regard to the Participant's years of Service Credit prior to the date of such previous termination of Employment.

- (e) The Retirement Allowance shall be paid at the Participant's Retirement Benefit Starting Date.
- (f) Notwithstanding any other provision of this Plan, this Section 3.18 shall not apply, and no Retirement Allowance shall be payable under this Plan, with respect to a Participant who:
 - (1) As of his Retirement Benefit Starting Date, is not eligible for a benefit under the "Adventist HealthCare Annuity Plan;" and/or
 - (2) Was not, on December 31, 1991, at least age fifty-five (55) with at least twenty-five (25) years of Service Credit.
- (g) Solely for purposes of (a)(2) above, Section 1.26(g) hereof shall not apply with respect to a Participant who, as of his Retirement Benefit Starting Date, is eligible for a benefit under the "Adventist HealthCare Annuity Plan."

Section 3.19 Special Minimum Distribution Rule.

- (a) General. Notwithstanding any other provision of this Plan, distributions will be in accordance with the Minimum Distribution Appendix hereto.
- (b) Distributions to a Participant Who Attains Age Seventy and One-Half (70½) Before January 1, 1988 or on or After January 1, 2002. In the case of a Participant who attains age seventy and one-half (70½) before January 1, 1988, or on or after January 1, 2002, distributions must commence no later than the first day of April following the later of the calendar year in which the Participant retires or attains age seventy and one-half (70½).
- (c) Distributions to a Participant Who Attains Age Seventy and One-Half (70½) on or After January 1, 1988 and Before January 1, 2002. In the case of a Participant who attains age seventy and one-half (70½) on or after January 1, 1988 and before January 1, 2002, distributions must commence no later than the first day of April following the calendar year in which the Participant attains age seventy and one-half (70½). These distributions, if not made in a lump sum, will be made over the life of the Participant, or the lives of the Participant and a beneficiary or beneficiaries. Unless the Participant makes a written election not to have this sentence apply, a Participant who attains age seventy and one-half (70½) in 1988 shall be treated, for purposes of this Section 3.19, as if he attained age seventy and one-half (70½) in 1989.
- (d) Distributions to Beneficiaries of a Participant Whose Distributions Have Commenced. In the event a Participant dies after distribution of his interest has commenced, the remaining portion of such interest will continue to be distributed at least as rapidly as under the method of distribution being used prior to the Participant's death.
- (e) Distributions to Beneficiaries of a Participant Whose Distributions Have Not Commenced. If a Participant dies before distribution of his interest commences, the Participant's entire interest will be distributed either: (i) no later than five (5) years after the Participant's death; or (ii) in accordance with (1) or (2) below:
 - (1) If any portion of the Participant's interest is payable to a beneficiary, distributions may be made in substantially equal installments over the life of the beneficiary commencing no later than one (1) year after the Participant's death; and
 - (2) If the beneficiary is the Participant's surviving Spouse, the date distributions are required to begin in accordance with (1) above shall not be earlier than December 31 of the calendar year in which the Participant would have attained age seventy and one-half (70½), and, if the Spouse dies before payments begin, subsequent distributions shall be made as if the Spouse had been the Participant.
- (f) Distributions of Additional Benefits Accrued After Benefit Distributions to the Participant Have Begun. If any additional benefits accrue to a Participant after he has begun to receive distributions under this section, distribution of such additional amounts, as a separate identifiable component, will commence in

accordance with Treasury Regulations beginning on the first day of the first month of the calendar year immediately following the calendar year in which the additional benefits accrued.

Section 3.20 In-Service Distributions to Participant Who Has Attained Early or Normal Retirement Age.

- (a) Notwithstanding any other provision of this Plan, a Vested Participant who has (1) reached the Vested Participant's Normal Retirement Date shall be treated as having retired from Employment for purposes of Section 3.1 hereof, as of the date that such Vested Participant files, while employed by an Employer, with the Board an executed, fully completed written application for a Normal Retirement Benefit, or (2) satisfied the requirements for an Early Retirement Benefit shall be treated as having retired from Employment for purposes of Section 3.3 hereof, as of the date that such Vested Participant files, while employed by an Employer, with the Board an executed, fully completed written application for an Early Retirement Benefit.
- (b) Any additional benefits accruing to a Participant after he has begun to receive distributions under this Section shall be distributed as a separate identifiable component, in accordance with Treasury Regulations, beginning on the first day of the first month of the calendar year immediately following the calendar year in which the additional benefits accrued.

ARTICLE 4 PAYMENT OF BENEFITS

Section 4.1 Normal Form of Benefit.

A Retirement Benefit under Section 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9 or 3.10 hereof shall be paid in the form of a single life annuity payable (except as may be otherwise provided in such Sections) monthly for life, except that:

- (a) In the case of a Retirement Benefit under Section 3.1, 3.2, 3.3, or 3.5 hereof, if the Participant has a Spouse on the Retirement Benefit Starting Date to whom he has been married throughout the immediately preceding period of one (1) year, such Retirement Benefit shall be paid in the form of a Joint and Survivor Annuity, unless the Participant has elected otherwise pursuant to Section 4.2 hereof, or unless (c) below is applicable;
- (b) In the case of a Retirement Benefit under Section 3.4 hereof, if, at the earlier of the Participant's Normal Retirement Date or the first date on which he would qualify for an Early Retirement Benefit under Section 3.3(a) hereof, the Participant has a Spouse to whom he has been married throughout the immediately preceding period of one (1) year, such Retirement Benefit shall be paid, from and after such time, in the form of a Joint and Survivor Annuity, unless the Participant has elected otherwise pursuant to Section 4.2 hereof, or unless (c) below is applicable; or
- (c) If the present value of such a Retirement Benefit on the respective Retirement Benefit Starting Date is not more than \$50,000 (or such lower amount as the North American Division Treasurer (on behalf of the North American Division Board in its settlor capacity with respect to the Plan) may determine with respect to such a Retirement Benefit with a Retirement Benefit Starting Date on or after January 1, 2010), the Retirement Benefit shall be distributed to the Participant or his surviving Spouse in a single lump sum cash payment equal to such present value.

Section 4.2 Optional Forms of Benefit.

At least thirty (30) days prior to the Retirement Benefit Starting Date (or, if later the actual benefit commencement date) of a Retirement Benefit under Section 3.1, 3.2, 3.3, 3.4, or 3.5 hereof, a Participant may, by filing a written election with the Board and with the written consent of his Spouse, if any, elect to have such

Retirement Benefit paid to him in the form of (1) a single life annuity payable monthly for his life in lieu of payment in the form of a Joint and Survivor Annuity as provided for in Section 4.1(a) or (b) hereof, or (2) a lump sum equal to the present value of such Retirement Benefit in lieu of a payment in the form of an annuity as provided for in Section 4.1 hereof, subject to the approval of the North American Division Treasurer (on behalf of the North American Division Committee in its settlor capacity with respect to the Plan) with respect to a Retirement Benefit with a Retirement Benefit Starting Date on or after January 1, 2010.

A Participant may revoke any election so made by written notice to the Board at any time prior to the Retirement Benefit Starting Date and may reinstate such election by written notice to the Board and with the consent of his Spouse at any time prior to the Retirement Benefit Starting Date.

Section 4.3 Explanation of Joint and Survivor Annuity and Optional Forms of Benefit.

Not later than nine (9) months before a Participant's sixty-second (62nd) birthday, or, if later, the date an individual becomes a Participant, but in no event earlier than January 1, 1981, the Board, through the Employers, shall provide the Participant with a general explanation, in written, nontechnical language, of the Joint and Survivor Annuity which will be provided under Section 4.1(a) or (b) hereof and the circumstances under which it will be provided; the opportunity to elect an optional form of benefit under Section 4.2 hereof; and the relative financial effect on the Participant's Retirement Benefit of such election. The notice shall also inform the Participant that, within sixty (60) days of the date the notice is mailed or personally delivered to the Participant, he may in writing request additional information regarding the financial effect of the election on his particular Retirement Benefit, in terms of dollars per monthly payment. The Board, through the Employers, shall furnish such additional information within thirty (30) days of a Participant's timely written request; but need not furnish such information more than once. If such information is not so furnished within thirty (30) days after a timely written request, the Participant's election period under Section 4.2 hereof shall be extended if necessary to include at least sixty (60) days following the date such information is mailed or personally delivered to the Participant. In such case, the payment of Retirement Benefits may be delayed until the end of such extended election period, at which time Retirement Benefits will be paid retroactive to the Retirement Benefit Starting Date but no interest shall be paid thereon.

Section 4.4 Eligible Rollover Distributions.

- a) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election, a Distributee may elect, at the time and in the manner prescribed by the Board, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover, as those terms are defined in (b) below.
- (b) For purposes of this Section 4.4,
 - (1) The term "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: (A) 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; (B) any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; (C) for Plan Years beginning before 2002, the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities), and (D) any other distribution that does not meet the requirements of Section 402(c)(4) of the Code.

(2) (A) The term "Eligible Retirement Plan" means any of the following plans that accepts a Distributee's Eligible Rollover Distribution: (A) an individual retirement account described in Section 408(a) of the Code, (B) an individual retirement annuity described in Section 408(b) of the Code, (C) an annuity plan described in Section 403(a) of the Code, (D) a qualified trust described in Section 401(a) of the Code, (E) for Plan Years after 2001, an annuity contract described in Section 403(b) of the Code, or (F) for Plan Years after 2001, an eligible plan under Section 457(b) of the Code maintained by a state, political subdivision of a state or any agency or instrumentality of a state or political subdivision of a state that agrees to separately account for amounts transferred into such plan from this Plan. However, in the case of an Eligible Rollover Distribution to a surviving spouse during a Plan Year beginning before 2002, an Eligible Retirement Plan is an individual retirement account described in Section 408(a) of the Code or individual retirement annuity described in Section 408(b) of the Code.

(B) Effective for distributions made after December 31, 2001, a portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be paid only to (A) an individual retirement account or annuity described in Section 408(a) or (b) of the Code, (B) for distributions made after December 31, 2001 and before January 1, 2007, a qualified trust described in Section 401(a) of the Code, which is part of a defined contribution plan that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible; or (C) for distributions made after December 31, 2006, a qualified trust described in Section 401(a) of the Code or to an annuity contract described in Section 403(b) of the Code, if such trust or contract provides for separate accounting for amounts so transferred (including interest thereon), including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(C) Effective for distributions made on and after January 1, 2008, a Distributee may elect a Direct Rollover of all or a portion of an Eligible Rollover Distribution to a Roth IRA described in Section 408A of the Code. For distributions made after December 31, 2007, and before January 1, 2010, the Distributee shall not be eligible to make a Direct Rollover to a Roth IRA if the Distributee's modified adjusted gross income for the year the distribution is made exceeds \$100,000 or the Distributee is a married individual filing a separate return. Notwithstanding the foregoing sentence, the Board shall not be responsible for ensuring that a Distributee is eligible to make a Direct Rollover to a Roth IRA.

(3) The term "Distributee" means as follows.

(A) A Participant or former Participant is a Distributee. In addition, the Participant's or former Participant's surviving spouse or the Participant's or former Participant's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, is a Distributee with regard to the interest of the spouse or former spouse hereunder.

(B) Effective for distributions on and after January 1, 2010, a nonspouse Beneficiary is a Distributee with respect to his or her interest hereunder if the nonspouse Beneficiary is eligible to receive a distribution hereunder with respect to a deceased Participant, which distribution would otherwise constitute an Eligible Rollover Distribution, and the nonspouse Beneficiary is a designated beneficiary (within the meaning of Treasury Regulations Section 1.401(a)(9)-4). The nonspouse Beneficiary may direct a trustee to trustee transfer of such distribution to an individual retirement account or an individual retirement annuity described in Section 408(a) or (b) of the Code (other than an

endowment contract) ("IRA") established for the purpose of receiving the distribution on behalf of the nonspouse Beneficiary, and such transfer shall be treated as Direct Rollover of an Eligible Rollover Distribution, and such IRA shall be treated as an inherited IRA (within the meaning of Section 408(d)(3)(C) of the Code).

- (4) The term "Direct Rollover" means a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.
- (c) An Employer may withhold from a Participant's compensation, and the Trustee may withhold from any payment under this Plan, any taxes required to be withheld with respect to contributions or benefits under this Plan and such sum as the Employer or Trustee may reasonably estimate as necessary to cover any taxes for which they may be liable and which may be assessed with respect to contributions or benefits under this Plan.
- (d) Effective for mandatory distributions made on and after March 28, 2005, in the event of a mandatory distribution hereunder that is greater than \$1,000, and the Participant does not elect to have such distribution paid directly (1) to an Eligible Retirement Plan specified by the Participant in a Direct Rollover, or (2) to the Participant, then the Plan Administrator will pay the distribution in a Direct Rollover to an individual retirement plan designated by the Plan Administrator. For this purpose, a mandatory distribution is an Eligible Rollover Distribution that is made without the Participant's consent prior to the Participant's attainment of age 65. A distribution to a surviving spouse or an alternate payee shall not be a mandatory distribution.

Section 4.5 Lump Sum Distribution Election Window.

- (a) Notwithstanding Sections 4.1 and 4.2 hereof or any other provision of the Plan, an Eligible Annuitant may elect during the Lump Sum Window Period (1) to receive a Lump Sum Distribution equal to the present value of the remaining payments expected to be paid under the form of Annuity(ies) the Eligible Annuitant was receiving at the start of the Lump Sum Window Period, including in the case of an Eligible Annuitant who is a Participant receiving an Annuity that is a Joint and Survivor Annuity, any survivor annuity payments that may become payable under such Annuity, or (2) to continue receiving his or her Annuity(ies) in the same form and same amount. The amount of the Lump Sum Distribution shall be determined as of July 1, 2014, using the actuarial factors set forth in Section 7.8 hereof, and the Lump Sum Distribution shall be paid as soon as administratively practicable after such date.
- (b) An election to receive a Lump Sum Distribution shall be in writing, in the form prescribed by the Administrative Committee, and shall be returned to the Administrative Committee on or before the last day of the Lump Sum Window Period. The Administrative Committee shall provide each Eligible Annuitant with a Lump Sum Distribution election form and an explanation of the Lump Sum Distribution election. If an Eligible Annuitant fails to return a complete and accurate written election, including any spousal consent required under (c) below, to the Administrative Committee on or before the last day of the Lump Sum Window Period, the Eligible Annuitant shall be deemed to have elected to continue receiving Annuity payments. An Eligible Annuitant may revoke his or her election to receive a Lump Sum Distribution at any time prior to July 1, 2014, by written notice to the Administrative Committee.
- (c) In the case of an Eligible Annuitant who is a Participant, a Lump Sum Distribution election shall include the written consent of (1) the Spouse, if any, to whom the Participant is married throughout the 12-month period ending on July 1, 2014, and (2) if the Participant is receiving an Annuity that is a Joint and Survivor Annuity, the former Spouse who is the survivor annuitant under the Joint and Survivor Annuity, if different from the Spouse described in clause (1) and if still living. The spousal consent(s) shall be witnessed by a notary public. In the case of an Eligible Annuitant who is a surviving or former Spouse, no spousal consent is required to elect a Lump Sum Distribution.

- (d) An Eligible Annuitant who elects a Lump Sum Distribution shall continue to receive Annuity payments through June 30, 2014.
- (e) If an Eligible Annuitant does not survive until July 1, 2014, he or she shall not be eligible to receive a Lump Sum Distribution, and his or her timely filed election to receive a Lump Sum Distribution shall be void as of such date. Notwithstanding the foregoing sentence, if (1) an Eligible Annuitant is receiving an Annuity that is a Joint and Survivor Annuity, (2) the Eligible Annuitant timely elects to receive a Lump Sum Distribution by returning a complete and accurate Lump Sum Distribution election form, with the spousal consent(s) required by (c) above, to the Administrative Committee, (3) the Eligible Annuitant dies prior to July 1, 2014, and (4) the Spouse or former Spouse of the Eligible Annuitant who is the survivor annuitant under the Joint and Survivor Annuity is still living on July 1, 2014, a Lump Sum Distribution in an amount equal to the present value of the survivor annuity payments expected to be paid under the Joint and Survivor Annuity shall be paid to such Spouse or former Spouse.
- (f) For purposes of this Section 4.5:
 - (1) "Annuity" means (A) a single life annuity or Joint and Survivor Annuity payable under Section 4.1 or 4.2 hereof; (B) a survivor annuity payable under a Joint and Survivor Annuity to a surviving Spouse upon the death of a Participant; or (C) an Accrued Pension Supplement payable under Section 11.12 hereof.
 - (2) "Eligible Annuitant" means:
 - (A) a Participant who commenced receiving an Annuity during the Lump Sum Suspension Period pursuant to Section 3.1, 3.2, 3.3, 3.4, 3.5, 3.10 and/or 11.12 hereof;
 - (B) a surviving Spouse of a Participant described in clause (A) who commenced receiving an Annuity during the Lump Sum Suspension Period after the death of the Participant, which Annuity is (i) a survivor annuity under a Joint and Survivor Annuity, and/or (ii) is payable pursuant to Sections 3.10 and/or 11.12 hereof;
 - (C) a former Spouse of a Participant described in clause (A) who commenced receiving an Annuity during the Lump Sum Suspension Period after divorce from the Participant (with no domestic relations order assigning a portion of the Participant's benefit to the former Spouse) pursuant to Sections 3.10 and/or 11.12 hereof;
 - (D) a former Spouse of a Participant who commenced receiving an Annuity during the Lump Sum Suspension Period pursuant to a domestic relations order described in Section 12.2 hereof; or
 - (E) a surviving Spouse of a Participant who commenced receiving an Annuity during the Lump Sum Suspension Period after the preretirement death of the Participant pursuant to Sections 3.7, 3.8, 3.10 and/or 11.12 hereof.
 - (3) "Lump Sum Distribution" means a lump sum distribution elected under this Section 4.5.
 - (4) "Lump Sum Suspension Period" means the period beginning on January 1, 2010, and ending on December 31, 2012.
 - (5) "Lump Sum Window Period" means the period beginning on March 1, 2014 and ending on June 1, 2014.

ARTICLE 5 FUNDING

Section 5.1 Employee Contributions Prohibited.

Employees may make no contributions under the Plan.

Section 5.2 Employer Contributions.

The Participating Employers shall make contributions under the Plan in at least such amounts as, in the aggregate, are sufficient to satisfy applicable legal requirements. Any forfeiture arising under the Plan from termination of Employment, death or other causes shall be used to reduce the contributions by the Participating Employers and shall not be used to increase the Retirement Benefits any individual would receive under the Plan.

Section 5.3 Trust Fund.

NAD, on its behalf and on behalf of the Participating Employers, shall enter into a Trust Agreement with the Conference Corporation, which Trust Agreement shall be a part of this Plan. All contributions made pursuant to this Article 5 shall be paid into the Trust Fund. The Trust Fund shall be held and disbursed in accordance with the provisions of the Plan and the Trust Agreement. No person shall have any interest in, or right to, any part of the Trust Fund, except as expressly provided in the Plan or Trust Agreement.

Section 5.4 Retirement Allowance Contributions.

In addition to the contribution requirements described above, a Participating Employer shall be required to make a Retirement Allowance contribution to the Plan each time an Employee of that Participating Employer receives a Retirement Allowance. Each such Retirement Allowance contribution shall be equal to the amount of the Retirement Allowance provided to the Employee under Section 3.18 hereof.

ARTICLE 6 CLAIMS PROCEDURE

Section 6.1 Written Application for Benefit Required.

No Retirement Benefit shall be paid prior to receipt by the Board of an executed, fully completed, written application for the Retirement Benefit, in the form prescribed by the Board.

Section 6.2 Denial of Applications.

In the event that any person ("Claimant") files an application making a claim for a Retirement Benefit and the application is denied in whole or in part, the Board (or its designee) shall furnish to the Claimant a written notice of the denial, setting forth the specific reasons for the denial, specific references to the provisions of the Plan upon which the denial is based, a description of the additional material or information, if any, necessary for the Claimant to perfect his or her claim, including an explanation why such material or information is necessary, and an explanation of the claims procedure under the Plan. Such notice shall be furnished within 90 days after receipt of an application by the Board, unless special circumstances require an extension of time for processing the claim. If such an extension is required, written notice of the extension shall be furnished to the Claimant, prior to the termination of the initial 90-day review period, indicating the special circumstances requiring an extension and the date by which the Board (or its designee) expects to render a final decision. In no event shall such extension exceed a period of 90 days from the end of the initial 90-day review period, provided, however, that a Claimant may agree to an extension or further extension of the time period within which the Board must decide a claim hereunder.

Section 6.3 Review of Claim Denial.

Within 60 days after the date on which a Claimant receives a written notice of a denied claim, the Claimant (or his duly authorized representative) may file a written request with the Administrator for a review of the denied

claim. If a Claimant requests a review of a denied claim, the Claimant shall (i) state the basis for the review in the request, and (ii) be entitled to submit to the Administrator written comments, documents, records and other information relating to the claim for benefits and to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits.

- (a) Upon receipt of the request for review, a designated administration team (the "Administration Team") appointed by the Board shall (i) conduct a full and fair review of the denial of the claim, taking into account all comments, documents, records and other information submitted by the Claimant relating to his claim without regard to whether such information was submitted or considered in the initial benefit determination, and (ii) make a recommendation to the Administrative Committee of whether to deny the claim on review.
- (b) The Administrative Committee shall (i) consider the request for review at one of its regularly scheduled meetings, as described in (d) below; (ii) make a decision on review after considering the facts of the initial claim denial and the recommendation of, and the appeal record provided by, the Administration Team; and (iii) notify the Claimant in writing of its decision on review. If the claim is denied, such notification shall be written in a manner calculated to be understood by the Claimant and shall contain (x) the specific reasons for the denial, (y) references to pertinent provisions of the Plan, and (z) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits.
- (c) The Administrative Committee meets on a quarterly basis, and its decision on review shall be made no later than the date of the first meeting of the Administrative Committee following receipt of the Claimant's request for review. If the request for review is received less than 30 days preceding such meeting, however, the decision on review shall be made no later than the date of the second meeting of the Administrative Committee following receipt of the Claimant's request for review. If special circumstances require an extension of time for deciding a claim on review, the decision shall be made no later than the date of the third meeting of the Administrative Committee following receipt of the Claimant's request for review, and prior to the end of the initial review period, the Administrative Committee shall notify the Claimant in writing of the extension, describing the special circumstances requiring the extension and the date as of which the decision on review will be made. The Administrative Committee shall notify the Claimant of its decision on review as soon as administratively practicable, but not more than five days, after the Administrative Committee makes its decision on review.
- (d) If an extension of time is needed due to a Claimant's failure to submit information necessary to make a decision on review, the period during which the Administrator must make a decision on review shall be tolled from the date the extension notice is sent to the Claimant until the date the Claimant responds to the request for additional information. A Claimant may agree to an extension or further extension of the time period within which the Administrative Committee must make a decision on review hereunder.
- (e) A Claimant must file a claim for benefits and exhaust his administrative remedies hereunder prior to filing any court action for benefits from the Plan.

ARTICLE 7 PLAN ADMINISTRATION

Section 7.1 Plan Administrator.

The Board shall be the Plan administrator and a fiduciary of the Plan. The principal purpose of the Board shall be the administration of the Plan and other retirement plans maintained by NAD. The members of the Board shall be elected by NADCOM, and the governance of the Board shall be, in accordance with the bylaws of the Board.

Section 7.2 Powers and Responsibilities of the Board.

The Board shall have the discretionary power and responsibility to administer the Plan and to take all actions and make all decisions necessary or proper to carry out the Plan and to direct, manage, handle and supervise the affairs of the Plan. Without limiting the generality of the foregoing, the Board shall have the following discretionary powers and duties in addition to those otherwise specified herein:

- (a) To construe and interpret the Plan, decide all questions of eligibility and determine the amount, manner and time of payment of any benefits hereunder;
- (b) To correct any error or defect or supply any omission or reconcile any inconsistency or resolve any ambiguity in the Plan in such manner and to such extent as it shall deem appropriate to carry the Plan into effect;
- (c) To prescribe procedures to be followed by Participants or beneficiaries filing applications for benefits;
- (d) To prepare and distribute, in such manner as the Board determines to be appropriate, information explaining the Plan;
- (e) To compute the amount of benefits which shall be payable to any person in accordance with the provisions of the Plan;
- (f) To receive from participants such information as shall be necessary for the proper administration of the Plan;
- (g) To receive, review and keep on file (as it deems convenient or proper) financial reports received from the Trustee;
- (h) To appoint or employ individuals to assist in the administration of the Plan and any other agents it deems advisable, including legal counsel;
- (i) To make all determinations as to the right of any person to a benefit pursuant to Article 4 hereof;
- (j) To establish rules for the administration of the Plan and the transaction of its business;
- (k) To delegate from time to time to the Administrative Committee, or to any other person, any of its powers and duties as it deems appropriate for the effective administration of the Plan; and
- (l) To report to NADCOM significant changes and financial trends involving the Plan on an annual basis.

Section 7.3 Employment of Advisors.

The Board, and any person, including the Administrative Committee, to whom it may delegate under Section 7.4 hereof any duty or power in connection with administering the Plan, may employ one or more persons to render advice with regard to any responsibility of the Board or of such person under the Plan. The Board, and any person, including the Administrative Committee, to whom it may delegate any duty or power in connection with administering the Plan under Section 7.4 hereof, shall be entitled to rely conclusively upon, and shall be fully protected in any action taken by them in good faith in reliance upon, any tables, valuations, certificates, opinions or reports which shall be furnished to them by any actuary, accountant, counsel or other specialist.

Section 7.4 Delegation of Board Powers or Responsibilities.

The members of the Board may, by resolution, allocate powers or responsibilities of the Board among themselves, and may, by resolution, designate one or more persons, including the Administrative Committee, other than members of the Board, to carry out all or any portion of the powers or responsibilities of the Board under the Plan. Whenever the term "Board" is used herein, it shall include the Administrative Committee or any other person to whom the Board has delegated any powers or responsibility under this Section 7.4.

Section 7.5 Members of Administrative Committee.

The members of the Administrative Committee, if any, shall be selected in accordance with the bylaws of the Board.

Section 7.6 Powers and Responsibilities of Administrative Committee.

The Administrative Committee, if any, shall be responsible for those duties delegated to it from time to time by the Board, including, but not limited to, the following duties and powers:

- (a) To recommend to NAD employment of Adventist Retirement personnel by the Board or the Administrative Committee, subject to any budget guidelines established by the Board;
- (b) To retain such legal and/or financial consultants as it deems advisable;
- (c) To make recommendations to the Board regarding financial statements, audit reviews and budgets;
- (d) To make recommendations to the Board on amendments to the Plan;
- (e) To receive and process any appeals of denials of claims for benefits under the Plan and any Plan interpretation requests; and
- (f) To carry out any other discretionary or ministerial duties or functions as may be delegated to it from time to time by the Board.

Section 7.7 Appointment of Investment Managers.

With respect to all or any portion of the Plan assets, the Board may appoint an investment manager or managers to manage, acquire, or dispose of any assets of the Plan. Each such investment manager shall accept appointment as a fiduciary of the Plan and shall be either:

- (a) Registered as an investment adviser under the Investment Advisers Act of 1940;
- (b) A bank as defined under that Act; or
- (c) An insurance company qualified under the laws of more than one state to manage, acquire, or dispose of Plan assets.

Section 7.8 Actuarial Equivalence.

- (a) Except as otherwise provided in this Plan, for purposes of determining actuarial equivalence under the Plan, the following actuarial factors shall be used:
 - (1) In the case of a Joint and Survivor Annuity, actuarial equivalence shall be calculated using the factors set forth in Section 1.15 hereof.
 - (2) In the case of a lump sum distribution, that is paid on or after January 1, 2020, actuarial equivalence shall be calculated using the following mortality and interest assumptions: (A) mortality shall be determined using the applicable mortality table described in Code Section 417(e)(3)(B); and (B) the interest rate shall be equal to 6.00%.
 - (3) In all other cases, actuarial equivalence shall be calculated using the 1983 Group Annuity Mortality Table (unisex basis) and an interest rate of 7.00%.
- (b) The Board shall maintain accounts showing the fiscal transactions of the Plan and shall keep in convenient form such data as may be necessary for actuarial valuations of the Plan.

Section 7.9 Limitation of Liability.

In administering the Plan, neither the Board, the Administrative Committee, the Administrative Team (as defined in Section 6.3(b) hereof) nor any member thereof shall be liable to any person or entity for any of its acts carried out hereunder in good faith and based upon the information available at the time.

Section 7.10 Plan Expenses.

All reasonable expenses incurred prior to termination of the Plan that shall arise in connection with the administration of the Plan, including, but not limited to, the compensation of any actuary, accountant, counsel, specialist or other person who shall be employed by the Board, the Administrative Committee or a person to whom the Board has delegated responsibility pursuant to Section 7.4 hereof in connection with the administration thereof, shall be paid from the Trust Fund.

Section 7.11 Board Expenses.

The reasonable expenses of the members of the Board and the Administrative Committee in carrying out their responsibilities under the Plan shall be paid from the Trust Fund. The Trustee is authorized to reimburse Board and/or the Administrative Committee members for any reasonable expenses incurred by them in the administration of the Plan.

Section 7.12 No Duty to Investigate.

Neither NAD, the Board, the Administrative Committee, the Trustee nor an Employer shall be required to determine or make any investigation to determine the identity or mailing address of any person and shall have discharged their obligations by sending payments and other items by registered or certified mail to such person at such address as may be designated by such person or, if no such designation has been made, at the last address on the records of an Employer.

Section 7.13 Indemnification.

The members of the Board and the Administrative Committee shall be indemnified from and against any liability they may incur in connection with the administration of the Plan to the extent provided in the bylaws of the Board.

Section 7.14 Rules and Decisions.

The Board may adopt such rules as it deems necessary, desirable, or appropriate. All rules and decisions of the Board shall be uniformly and consistently applied to all Participants in similar circumstances. When making a determination or calculation, the Board shall be entitled to rely upon information furnished by a Participant or beneficiary, the Participating Employer, the legal counsel of the Participating Employer, or the Trustee.

Section 7.15 Application and Forms for Benefits.

The Board may require a Participant or Beneficiary to complete and file with the Board an application for Retirement Benefits, death benefits, and all other forms approved by the Board, and to furnish all pertinent information requested by the Board. The Board may rely upon all such information so furnished it, including the Participant's or Beneficiary's current mailing address.

ARTICLE 8 AMENDMENTS

The Board (on behalf of NADCOM in its settlor capacity with respect to the Plan) at any time and from time to time, by written notice to the Trustee and to each Participating Employer, may amend in whole or in part any or all of the provisions of the Plan; provided, however, that no amendment may reduce any Retirement Benefit that had accrued at the time of the amendment. No amendment shall authorize or permit any part of the funds of the Plan (either principal or earnings) to be used for or diverted to purposes other than the exclusive benefit of Participants or their beneficiaries.

ARTICLE 9 MERGER, CONSOLIDATION AND TRANSFER OF PLAN ASSETS

NAD may direct the Board and the Trustee to do all things necessary to effect a merger or consolidation of the Plan with, or the transfer of all or a part of the assets and liabilities of the Plan to, another plan (or plans) if and only if:

- (a) Each such other plan has received from the Internal Revenue Service a determination that each trust forming a part of such plan is a qualified trust under Section 401 of the Code and that each such trust is exempt from federal income tax under Section 501 of the Code; and
- (b) Each Participant in the Plan would (if the Plan then terminated) receive a benefit immediately after the merger, consolidation or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation or transfer (if the Plan had then terminated). NAD, the Board and the Trustee shall be entitled to rely conclusively on the certificate of an actuary stating that the condition set forth in (b) above has been met.

ARTICLE 10 TERMINATION

Section 10.1 Termination of Plan.

- (a) NAD may terminate the Plan in whole or in part for any reason at any time. In the case of the complete or partial termination of the Plan, the rights of affected Participants and beneficiaries to the Retirement Benefits accrued under the Plan to the date of such termination, if not already nonforfeitable, shall become nonforfeitable, to the extent then funded.
- (b) The funds of the Plan, after providing for expenses of final liquidation or termination that are not paid by the Participating Employers, shall be allocated among the Participants and their beneficiaries in the following order, except as such order may be required to be modified to avoid discrimination prohibited under Section 401(a)(4) of the Code:
 - (1) First,
 - (A) In the case of Retirement Benefits which were in pay status under the Plan as of the beginning of the three (3) year period ending on the termination date of the Plan, to each such Retirement Benefit, based on the provisions of the Plan (as in effect during the five (5) year period ending on such date) under which such Retirement Benefit would be the least; and
 - (B) In the case of Retirement Benefits (other than Benefits described in (A) above) which would have been in pay status as of the beginning of such three (3) year period if the Participant had retired prior to the beginning of the three (3) year period and his Retirement Benefits had commenced as of the beginning of such period, to each such Retirement Benefit based on the provisions of the Plan (as in effect during the five (5) year period ending on such date) under which such Retirement Benefit would be the least.

- For purposes of (A) above, the lowest Retirement Benefit in pay status during a three (3) year period shall be considered the Retirement Benefit in pay status for such period.
- (2) Second, to all other Retirement Benefits under the Plan to the extent such Retirement Benefits would be guaranteed by the Pension Benefit Guaranty Corporation if the Plan were subject to ERISA.
 - (3) Third, to all other nonforfeitable Retirement Benefits under the Plan.
 - (4) Fourth, to all other Retirement Benefits under the Plan.
 - (C) The amount allocated under (b) above with respect to any Retirement Benefit shall be properly adjusted for any allocation of assets with respect to that Retirement Benefit under a higher order of priority. If the assets available for allocation under either of (b)(1) or (b)(2) above are not sufficient to satisfy in full the Retirement Benefits of all Participants and beneficiaries described therein, the assets shall be allocated pro rata among such persons on the basis of the present value (as of the termination date) of their respective Retirement Benefits. If the assets available for allocation under (b)(3) above are not sufficient to satisfy in full the Retirement Benefits of all Participants and beneficiaries described therein, then the following allocation rule shall apply:
 - (D) The available assets shall be applied to nonforfeitable Retirement Benefits under the Plan as in effect at the beginning of the five (5) year period ending on the date of termination; and
 - (E) If the available assets are sufficient to satisfy Retirement Benefits payable under (1) above without regard to this (2), then the Retirement Benefits described in (1) above shall be determined by the most recent Plan amendment effective during such five (5) year period under which the assets available for allocation are sufficient to satisfy in full the Retirement Benefits described in (1) above and any assets remaining shall be allocated under (1) above on the basis of the Plan as amended by the next succeeding amendment effective during such period.

Section 10.2 Payment of Benefits Upon Plan Termination.

In carrying out the provisions of Section 10.1 hereof, the Board and the Trustee shall have the authority, to the extent permitted by law, to purchase annuities, to make lump-sum settlements in amounts actuarially equivalent to the Retirement Benefits allocated, or to continue the Trust and to make payment of Retirement Benefits from the Trust Fund.

Section 10.3 Excess Assets.

If, due to actuarial error, there is any remaining balance of assets in the Plan after all the liabilities accrued to the date of termination have been discharged, such balance shall be returned to the Participating Employers.

Section 10.4 Termination with Respect to Participating Employer.

The Plan may be terminated, with respect to any Participating Employer, at any time by NAD.

Section 10.5 Restrictions on Benefits Payable to Highest Paid Employees.

In order to qualify the Plan as a qualified plan under the Code, the Retirement Benefits to be provided to certain Participants will be subject to the following limitations:

- (a) The provisions of this Section 10.5 shall apply to any one of the twenty-five (25) highest paid Employees of any Participating Employer on any "Commencement Date," whose anticipated Normal Retirement Benefit

will be in excess of \$1,500 annually. A "Commencement Date" for purposes of this Section 10.5 is the Effective Date of the Plan (or with respect to Employees of any Participating Employer that adopted the Plan after the Effective Date, the effective date of such adoption of the Plan); or the effective date of any amendment to the Plan which increases the Retirement Benefits of the Plan.

- (b) In the event that during the first ten (10) years following a Commencement Date the Plan is terminated by NAD, the amount of contributions (or funds attributable thereto) by the Participating Employer under the Plan that may be applied for the benefit of any such Employee shall be limited so that such amount so applied under the Plan shall not be greater than the largest of:
- (1) Contributions (or funds attributable thereto) by the Participating Employer which would have been applied to provide Retirement Benefits for the Employee under the Plan if the Plan as in effect on the day preceding such a Commencement Date had been continued without change;
 - (2) \$20,000; or
 - (3) The sum of:
 - (A) The Participating Employer's contributions (or funds attributable thereto) which would have been applied to provide Retirement Benefits for the Employee if the Plan had been terminated on the day before such Commencement Date (but without the limitation otherwise imposed by this Section 10.5 with respect to any Commencement Date if termination occurs more than ten (10) years after such Commencement Date), plus
 - (B) An amount computed by multiplying the smaller of \$10,000 or twenty percent (20%) of the average annual remuneration of such Employee during his last five (5) Years of Service, by the number of years since such Commencement Date.
- (c) If the full current costs of the Plan have not been met as of the end of any of the first ten (10) years following a Commencement Date, then until such costs have been met, the amount of Retirement Benefits paid under the Plan to any such Employee from contributions (or funds attributable thereto) by the Participating Employer shall not exceed the amount thereof which would have been paid when limited as provided in (b) above had the Plan been terminated at the end of any such year. The full current costs of the Plan will have been met as long as the unfunded costs under the Plan do not exceed the amount of such unfunded costs as of the Effective Date of the Plan plus any additional unfunded cost on account of any subsequent amendment to the Plan on a Commencement Date.
- (d) The limitation contained in this Section 10.5 shall restrict neither the current payment of monthly Retirement Benefits prior to the ninetieth (90th) day after termination of the Plan (or a failure to meet full current costs), nor the payment of Retirement Benefits to an Employee's joint annuitant at any time if such payment shall have commenced prior to the ninetieth (90th) day after the termination of the Plan (or a failure to meet full current costs).
- (e) Any funds released by operation of this Section 10.5 shall become part of the assets for allocation under Section 10.1 hereof.
- (f) In the event that it should subsequently be determined by statute, court decision acquiesced in by the Commissioner of Internal Revenue, or ruling by the Commissioner of Internal Revenue that the provisions of this Section 10.5 are no longer necessary to qualify the Plan under the Code, this Section 10.5 shall be ineffective without the necessity of further amendment of the Plan.

ARTICLE 11 MEDICAL BENEFITS

Section 11.1 Health Care Assistance Plan Benefits.

Benefits to which an individual is otherwise entitled under the "Health Care Assistance Plan for Participants in the Seventh-day Adventist Hospital Retirement Plan," which is set forth in Appendix I of this Plan ("Medical Benefits"), shall be paid under this Article 11 solely in the case of:

- (a) A Participant who was entitled to receive a Retirement Benefit, under Section 3.1, 3.3, or 3.5 hereof, with a Retirement Benefit Starting Date prior to January 1, 1992;
- (b) A Participant who was receiving a Disability Retirement Benefit under Section 3.4 hereof on January 1, 1992, and continuously thereafter;
- (c) A Participant who was an Employee on December 31, 1991, and who, on that date, was at least age fifty-five (55) with at least twenty-five (25) years of Service Credit; and
- (d) Spouses and dependents of Participants described in (a), (b) or (c) above.

Section 11.2 Reduction of Medical Benefits.

Where a Medical Benefit under the foregoing provisions of this Article 11 is determined by reference to years of Service Credit for both Participating Employers (or Employers required to make contributions to the Health Care Assistance Plan of the Church Plan) and other Employers, the Medical Benefit payable under this Plan shall be the Medical Benefit as determined under the foregoing provisions of this Article 11, multiplied by a fraction, the numerator of which is the years of Service Credit in question for Participating Employers and for Employers required to make contributions on his behalf to the Health Care Assistance Plan of the Church Plan, and the denominator of which is all the years of Service Credit in question.

Section 11.3 Funding.

- (a) Prior to January 1, 1992, the Participating Employers shall make contributions under the Plan in amounts actuarially determined necessary to provide the Medical Benefits described in this Article 11, provided that the aggregate contributions to provide such Medical Benefits shall not exceed twenty-five percent (25%) of the aggregate contributions under this Plan (other than contributions to fund past service credits).
- (b) The Board shall designate that portion of each contribution under the Plan which is allocable to the funding of Medical Benefits.
- (c) In the event an individual's interest in the Medical Benefits account is forfeited prior to termination of this Plan, an amount equal to the amount of the forfeiture shall be applied as soon as possible to reduce the contributions of the Participating Employers to fund the Medical Benefits provided by this Article 11.

Section 11.4 Separate Accounts.

A separate bookkeeping account shall be maintained by the Trustee with respect to contributions to fund Medical Benefits under the Plan, against which account payment of Medical Benefits shall be charged. Notwithstanding the maintenance of such a separate bookkeeping account, the funds in such account need not be separately invested. Such funds may be invested with funds set aside to provide Retirement Benefits without identification of which Plan assets are allocable to each account. However, where the Plan assets are not allocated to each account, the earnings on such assets must be allocated to each account in such reasonable manner as determined by the Board.

Section 11.5 Impossibility of Diversion.

Until such time as all liabilities under the Plan to provide for the payment of Medical Benefits under this Article 11 are satisfied, no part of the corpus or income of the separate account described in Section 11.4 hereof may be used for, or diverted to, any purpose other than providing such Medical Benefits.

Section 11.6 Reversion upon Satisfaction of Liabilities.

Any amounts contributed by the Participating Employers to fund Medical Benefits under this Article 11 which remain in the separate account described in Section 11.4 hereof shall upon the satisfaction of all liabilities arising under this Article 11 be returned to the Participating Employers.

Section 11.7 The Board.

For purposes of this Article 11, the Board shall have the same powers, rights, duties and obligations provided in Article 7 hereof.

Section 11.8 Claims Procedure.

The claims procedure described in Article 6 hereof shall apply to claims for Medical Benefits, except that in each place the term "Retirement Benefit" appears in Article 6 hereof, the term "Medical Benefit" shall be substituted herein. The Board shall require as part of an application for Medical Benefits satisfactory evidence of actual payment by the Pensioner.

Section 11.9 Amendments.

This Article 11 may be amended as provided in Article 8 hereof.

Section 11.10 General Provisions.

The provisions of Article 12 hereof, other than the provisions of Section 12.10, shall apply to this Article 11.

Section 11.11 Key Employee Medical Benefits.

Medical Benefits under this Article 11 for a Plan Year shall be provided with respect to a Participant who, at any time after March 31, 1984, is a Key Employee (as defined in Section 14.2(a) hereof) only if the aggregate value of Medical Benefit coverage under this Article 11 provided with respect to all such Participants for such Plan Year is not in excess of contributions under this Article 11 for such Plan Year.

Section 11.12 Accrued Pension Supplement

- (a) An Accrued Pension Supplement will be provided to a Participant who is not entitled to Medical Benefits under Section 11.1 above and who on December 31, 1991 either:
- (1) Was an active Participant with at least fifteen (15) years of Service Credit;
 - (2) Was an active Participant at least age sixty (60) with at least ten (10) years of Service Credit and who subsequently retires with at least fifteen (15) years of Service Credit, computed without regard to Section 1.26(g) hereof;
 - (3) Was a terminated Vested Participant with at least fifteen (15) years of Service Credit; or

- (4) Was an active Participant (or a participant in the Church Plan) with at least ten (10) years of Service Credit and who subsequently retires with at least fifteen (15) years of Service Credit, computed without regard to Section 1.26(g) hereof.
- (b) The Accrued Pension Supplement will be added to and paid as a part of each monthly Retirement Benefit payment that is otherwise made to the Participant under this Plan.
- (c) The monthly amount of the Accrued Pension Supplement during 1992 will be equal to:
 - (1) One hundred percent (100%) minus two percent (2%) for each year of Service Credit (excluding Service Credit for periods of employment with an organization participating in the Church Plan) less than thirty-five (35) years, multiplied by:
 - (2) (A) One hundred twenty dollars (\$120) in the case of a Participant who either:
 - (I) Was not married on December 31, 1991;
 - (II) Is not receiving a Retirement Benefit in the form of a Joint and Survivor Annuity; or
 - (III) Is not married to the Spouse to whom he was married on December 31, 1991; or
 - (B) Two hundred forty dollars (\$240) in all other cases.
- (d) The Accrued Pension Supplement shall be indexed in the same manner as set forth in Section 1.21 hereof with respect to the Pension Factor.

ARTICLE 12 GENERAL PROVISIONS

Section 12.1 No Contract of Employment.

The adoption of the Plan shall not be deemed to constitute a contract between any Employer and any Employee or other person in the employ of an Employer, or to be a consideration for, or an inducement or condition of, the Employment of any Employee or such other person or to give to any Employee the right to be retained in the employ of an Employer, or to interfere with the right of an Employer to discharge any Employee or such other person, at any time.

Section 12.2 No Assignment or Alienation of Benefits.

No benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt to do so shall be void. No benefit under the Plan shall in any manner be liable for or subject to the debts, contracts, liabilities, engagements or torts of any person. If any person entitled to benefits under the Plan becomes bankrupt or attempts to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefit under the Plan or Trust Fund, or if any attempt is made to subject any such benefit to the debts, contracts, liabilities, engagements or torts of the person entitled to any such benefit, except as specifically provided in the Plan, then such benefit shall cease and terminate in the discretion of the Board and it may hold or apply the same or any part thereof to, or for, the benefit of any dependent or beneficiary of such person in such manner and proportions as it shall deem proper. Notwithstanding the foregoing provisions of this Section 12.2, distributions under the Plan shall be made in accordance with a "qualified domestic relations order", as defined in Section 414(p) of the Code ("QDRO"). Effective April 6, 2007, a domestic relations order shall not fail to be a QDRO solely because (i) the order is issued after or revised another domestic relations order or QDRO, or (ii) of the date on which the domestic relations order is issued, including issuance after a Participant's Annuity Starting Date or death. A domestic relations order described in the foregoing sentence shall be subject to the same requirements and protections that apply to QDROs, including the provisions of Section 414(p)(7) of the Code.

Section 12.3 Service as Fiduciary.

Any person or group of persons may serve in more than one fiduciary capacity under the Plan.

Section 12.4 Incompetent Participant or Beneficiary.

If the Board determines that any person entitled to payments under the Plan is an infant or incompetent by reason of physical or mental disability, it may cause all payments thereafter becoming due to such person to be made to any other person for his benefit, without responsibility to follow the application of amounts so paid. Payments made pursuant to this provision shall completely discharge NAD, NADCOM, the Participating Employers, the Board, and the Trustee.

Section 12.5 Missing Participant or Beneficiary.

If the Trustee is unable to pay a benefit to a Participant or beneficiary hereunder because the Trustee or Plan Administrator cannot ascertain the identity or whereabouts of such person, after making reasonable efforts to do so, within three (3) years after such benefit becomes payable, the benefit shall be forfeited; provided, however, that the benefit will be restored if a claim is subsequently made therefor by such Participant or beneficiary.

Section 12.6 Return of Employer Contributions.

No contribution to the Plan is refundable to NAD or a Participating Employer unless the contribution (a) was made by a mistake of fact; (b) was made conditioned upon a favorable determination by the Internal Revenue Service as to the initial qualifications of the Plan and such a determination is not received; or (c) was made conditioned upon the contribution being allowed as a deduction for federal income tax purposes and such deduction is disallowed. Any refund under (a) must be made within one (1) year from the date the contribution was made to the Plan, and any refund under (b) and (c) must be made within one (1) year from the date of failure to receive a favorable determination, or the date of disallowance of the tax deduction, respectively.

Section 12.7 NAD Action.

NAD shall act through NADCOM.

Section 12.8 Headings.

Captions of Sections of this Plan are inserted for convenience of reference only, and the Plan is not to be construed by interpretation thereof.

Section 12.9 Invalid Provisions.

Should any provision of this Plan be held illegal or invalid for any reason, such illegality or invalidity shall not affect the other provisions of the Plan, and the provision held illegal or invalid shall be fully severable, and the Plan shall be construed as if such provision were not contained in the Plan, unless such illegality or invalidity shall make impossible or impractical the functioning of the Plan, in which case the appropriate parties shall immediately adopt a new provision to take the place of the illegal or invalid provision.

Section 12.10 EGTRRA.

The amendments to Sections 1.2, 3.15, 4.4 hereof and Article 14 hereof that are effective as of January 1, 2002 (the "EGTRRA Amendments") are intended (i) to reflect the model amendments set forth in IRS Notice 2001-57 (or good faith modifications thereof) that are designed to reflect certain provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"), (ii) as good faith compliance with the requirements of EGTRRA and are

to be construed in accordance with EGTRRA and the guidance issued thereunder, and (iii) shall supersede the other provisions of the Plan to the extent that such other provisions are inconsistent with the EGTRRA Amendments.

Section 12.11 Church Plan.

Notwithstanding any other provision hereof, (a) the Plan is a "church plan" under Code Section 414(e) for which no election has been made under Code Section 410(b), and (b) the Plan is not subject to ERISA.

ARTICLE 13 SHERWOOD PARK NURSING HOME

Section 13.1 Rate Factor.

Notwithstanding Section 1.2 hereof, where a Participant was an Employee of Sherwood Park Nursing Home at any time during the last full payroll period ending in a calendar year, his Rate Factor for that year shall be the sum (rounded to the nearest one-hundredth of one percent) of seven-tenths of one percent (0.70%), plus the product of six-tenths of one percent (0.60%) multiplied by a fraction:

- (a) Whose numerator is the excess, if any, of the Participant's hourly rate of remuneration paid by Sherwood Park Nursing Home for the last full payroll period ending in such calendar year, over three dollars and thirty-five cents (\$3.35) (or, if such calendar year ended prior to January 1, 1990, the minimum hourly rate of remuneration paid for the last full payroll period ending in such calendar year by Sherwood Park Nursing Home); and
- (b) Whose denominator is the excess of the hourly rate of remuneration paid by Sherwood Park Nursing Home for the last full payroll period ending in such calendar year to the nursing home administrator, over three dollars and thirty-five cents (\$3.35) (or, if such calendar year ended prior to January 1, 1990, the minimum hourly rate of remuneration paid for the last full payroll period ending in such calendar year by Sherwood Park Nursing Home).

Section 13.2 Post-1990 Accruals.

- (a) Notwithstanding Section 1.2 hereof or any other provision of this Plan, Sherwood Park Nursing Home will not be treated as a Participating Employer during 1991 for purposes of determining a Participant's Benefit Rate Factor.
- (b) Notwithstanding Section 1.26 hereof or any other provision of this Plan, no Service Credit shall be credited to a Participant for periods after December 31, 1990 during which such Participant was an Employee of Sherwood Park Nursing Home.

ARTICLE 14 TOP-HEAVY PROVISIONS

Section 14.1 General.

If the Plan is or becomes Top-heavy in any Plan Year beginning after December 31, 1983, the provisions of this Article 14 shall supersede any conflicting provisions herein. Notwithstanding any other provision of this Article 14 to the contrary, the Plan shall satisfy the requirements of this Article 14 separately with respect to each Participating Employer. If the Plan is Top-heavy with respect to one Participating Employer, the Plan shall provide the top-heavy minimums, vesting, etc., for all Employees of such Participating Employer. For this purpose, two or more Participating Employers shall be treated as a single Participating Employer if such Participating Employers are (a) trades or businesses (whether or not incorporated) under common control (as defined in Code Section

414(c)); (b) are members of an affiliated service group (as defined in Code Section 414(m)); or (c) are otherwise required to be aggregated pursuant to Treasury Regulations under Code Section 414(o).

Section 14.2 Definitions:

- (a) Key Employee: Any Employee or former Employee (and the beneficiaries of such Employee) who at any time during the Determination Period was an officer (within the meaning of Section 416 of the Code) of a Participating Employer if such individual's annual compensation exceeds (1) for Plan Years before 2002, one hundred fifty percent (150%) of the dollar limitation under Section 415(c)(1)(A) of the Code, or (2) for Plan Years after 2001, \$130,000 (as adjusted by the Secretary of the Treasury in accordance with Section 416(i)(1) of the Code for Plan Years after 2002). For this purpose, annual compensation means compensation within the meaning of Section 415(c)(3) of the Code, and the Determination Period is the Plan Year containing the Determination Date and, for Plan Years beginning before 2002, the four (4) preceding Plan Years. The determination of who is a Key employee will be made in accordance with Section 416(i)(1) of the Code and the applicable regulations and other guidance of general applicability issued thereunder.
- (b) Top-heavy: For any Plan Year beginning after December 31, 1983, the Plan is Top-heavy if any of the following conditions exists:
 - (1) If the Top-heavy Ratio for this Plan exceeds sixty percent (60%) and the Plan is not part of any Required Aggregation Group or Permissive Aggregation Group;
 - (2) If the Plan is a part of a Required Aggregation Group (but is not part of a Permissive Aggregation Group) and the Top-heavy Ratio for the Required Aggregation Group exceeds sixty percent (60%); or
 - (3) If the Plan, and any Required Aggregation Group of which it is a part, is part of a Permissive Aggregation Group and the Top-heavy Ratio for the Permissive Aggregation Group exceeds sixty percent (60%).
- (c) Top-heavy Ratio:
 - (1) If the Participating Employers maintain one or more defined benefit plans and no Participating Employer has maintained any defined contribution plans (including any simplified employee pension plan) which, during the five (5) year period ending on the Determination Date(s), has or has had account balances, the Top-heavy Ratio for the Plan alone or for the Required or Permissive Aggregation Group, as appropriate, is a fraction, the numerator of which is the sum of the present values of accrued benefits of all Key Employees as of the Determination Date(s) (including any part of any accrued benefit distributed in the five (5) year period ending on the Determination Date(s)), and the denominator of which is the sum of all accrued benefits (including any part of any accrued benefit distributed in the five (5) year period ending on the Determination Date(s)), determined in accordance with Section 416 of the Code.
 - (2) If the Participating Employers maintain one or more defined benefit plans and one or more Participating Employers maintains or has maintained one or more defined contribution plans (including any simplified employee pension plan) which, during the five (5) year period ending on the Determination Date(s) has or had any account balances, the Top-heavy Ratio for any Required or Permissive Aggregation Group, as appropriate, is a fraction, the numerator of which is the sum of the present value of accrued benefits under the aggregated defined benefit plan or plans for all Key Employees (determined in accordance with (1) above), plus the aggregate account balances under the aggregated defined contribution plan or plans for all Key Employees as of the Determination Date(s), and the denominator of which is the sum of the present values of accrued benefits under the aggregated defined benefit plan or plans, for all Participants (determined in accordance with (1) above) plus the aggregate account balances under the aggregated defined

contribution plan or plans for all Participants as of the Determination Date(s), all determined in accordance with Section 416 of the Code. The account balances under a defined contribution plan in both the numerator and denominator of the Top-heavy Ratio shall be adjusted for any distribution of an account balance made in the five (5) year period ending on the Determination Date. Effective January 1, 2008, for purposes of this subparagraph, a plan that consists solely of (i) a cash or deferred arrangement meeting the requirements of Section 401(k)(12) or 401(k)(13) of the Code, and (ii) matching contributions with respect to which the requirements of Section 401(m)(11) or (12) of the Code are met, shall not be considered a Top-heavy plan. If, but for this subparagraph, a plan would otherwise be a Top-heavy plan because it is a member of a Permissive Aggregation Group or a Required Aggregation Group which is a Top-heavy group, contributions under the plan may be taken into account in determining whether any other plan in the group meets the requirements of Section 14.3 of the Plan.

- (3) For the purposes of (1) and (2) above, the value of account balances and the present value of accrued benefits shall be determined as of the most recent Valuation Date that falls within or ends with the twelve (12) month period ending on the Determination Date, except as provided in Section 416 of the Code for the first and second plan years of a defined benefit plan. The account balances and accrued benefits of a Participant (1) who is not a Key Employee but who was a Key Employee in a prior year, or (2) who has not performed services for any Participating Employer at any time during the one (1) year period (five (5) year period, for years before 2002) ending on the Determination Date will be disregarded. The calculation of the Top-heavy Ratio, and the extent to which distributions, rollovers, and transfers are taken into account shall be made in accordance with Section 416 of the Code. Deductible employee contributions will not be taken into account for purposes of computing the Top-heavy Ratio. When aggregating plans, the value of account balances and accrued benefits will be calculated with reference to the Determination Dates that fall within the same calendar year.
 - (4) Solely for the purpose of determining if the Plan, or any other plan included in a required aggregation group of which this Plan is a part, is top-heavy (within the meaning of Section 416(g) of the Code), the accrued benefit of an Employee other than a Key Employee (within the meaning of Section 416(i)(1) of the Code) shall be determined under (a) the method, if any, that uniformly applies for accrual purposes under all plans maintained by the Employer (including any affiliated employers), or (b) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional accrual rule of Section 411(b)(1)(c) of the Code.
- (d) Permissive Aggregation Group: The Required Aggregation Group plus any other plan or plans of a Participating Employer which, when considered as a group with the Required Aggregation Group, would continue to satisfy the requirements of Sections 401(a)(4) and 410 of the Code.
 - (e) Required Aggregation Group: Each qualified Plan of a Participating Employer in which at least one Key Employee participates, and any other qualified plan of a Participating Employer which enables a plan in which at least one Key Employee participates to meet the requirements of Section 401(a)(4) or 410 of the Code.
 - (f) Determination Date: For any Plan Year subsequent to the first Plan Year, the last day of the preceding Plan Year. For the first Plan Year of a plan, the last day of that year.
 - (g) Valuation Date: For purposes of calculating the Top-heavy Ratio, the Valuation Date shall be the first day of the Plan Year.
 - (h) Present Value: For purposes of establishing Present Value to compute the Top-heavy Ratio, any benefit shall be discounted only for interest and mortality based on an interest rate of six percent (6%) and 1983 Table a.

Section 14.3 Minimum Accrued Benefit:

- (a) Notwithstanding any other provision in the Plan except (b), (c), and (d), below, for any Plan Year in which the Plan is Top-heavy, each Participant who is not a Key Employee and has completed one thousand (1,000) Hours of Service will accrue a benefit, expressed as a life annuity commencing at Normal Retirement Age, of not less than two percent (2%) of his highest average compensation for the five (5) consecutive Plan Years for which the Participant had the highest compensation. The minimum accrual shall be determined without regard to any Social Security contribution. For purposes of this (a) and of (b) below, compensation consists of compensation subject to federal income tax for the Plan Year.
- (b) No additional benefit accruals shall be provided pursuant to (a) above to the extent that the total accruals on behalf of the Participant will provide a benefit expressed as a life annuity commencing at Normal Retirement Age that equals or exceeds twenty percent (20%) of the Participant's highest average compensation for the five (5) consecutive years for which the Participant had the highest compensation.
- (c) The provisions in (a) above shall not apply to any Participant who is covered under any other plan or plans of a Participating Employer. In such case, the minimum allocation or benefit requirement applicable to the Plan will be met in the other plan or plans of such Participating Employer.
- (d) All benefit accruals under the Plan, whether or not attributable to years for which the Plan is Top-heavy, may be used in computing whether the minimum accrual requirements of (b) above are satisfied.
- (e) If the form of benefit is other than a single life annuity, the Participant must receive an amount that is the actuarial equivalent of the minimum single life annuity benefit. If the benefit commences at a date other than at Normal Retirement Age, the Participant must receive at least an amount that is the actuarial equivalent of the minimum single life annuity benefit commencing at Normal Retirement Age.
- (f) The minimum accrued benefit required above (to the extent required to be nonforfeitable under Section 416(b) of the Code) may not be suspended or forfeited under Section 411(a)(3)(B) of the Code.
- (g) For purposes of satisfying the minimum benefits requirements of Section 416(c)(1) of the Code and this Section 14.3, in determining years of service with the Employer, any service with the employer shall be disregarded to the extent that such service occurs during a Plan Year when the Plan benefits (within the meaning of Section 410(b) of the Code) no Key Employee or former Key Employee.

Section 14.4 Compensation Limit.

For any Plan Year in which the Plan is Top-Heavy, only the first (a) \$200,000, for Plan Years after 1988 and before 1994, (b) \$150,000, for Plan Years after 1993 and before 2002, or (c) \$200,000, for Plan Years after 2001, (as adjusted by the Secretary of the Treasury in accordance with Section 401(a)(17) of the Code) of each Participant's annual compensation will be taken into account for purposes of determining benefits under the Plan.

Section 14.5 Vesting.

For any Plan Year in which the Plan is Top-heavy, the nonforfeitable interest of each Participant in his accrued benefit shall be determined on the basis of full vesting after three (3) Years of Service. This minimum vesting schedule shall apply to all benefits within the meaning of Section 411(a)(7) of the Code, including benefits accrued before the effective date of Section 416 of the Code and benefits accrued before the Plan became Top-heavy. Further, no reduction in vested benefits may occur in the event the Plan's status as Top-heavy changes for any Plan Year. This Section 14.5 shall not apply to the accrued benefits of any Participant who does not complete an Hour of Service after the Plan has initially become Top-heavy, and such Participant's accrued benefits will be determined without regard to this Section 14.5. If the vesting schedule under the Plan changes to or from the above schedule for any Plan Year because of the Plan's Top-heavy status, such a change shall be considered an amendment to the

vesting schedule, and each Participant with at least five (5) Years of Service may elect within a reasonable period thereafter to have his nonforfeitable percentage computed under the Plan without regard to such change. The period during which this election may be made shall commence with the date the amendment is deemed to be made and shall end on the latest of sixty (60) days after the amendment is deemed to be made, sixty (60) days after the amendment becomes effective, or sixty (60) days after the Participant is issued written notice of the amendment by the Board.

MINIMUM DISTRIBUTION APPENDIX

1. General Rules.

- 1.1 Effective Date. The provisions of this Appendix will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.
- 1.2 Precedence. The requirements of this Appendix will take precedence over any inconsistent provisions of the Plan.
- 1.3 Requirements of Treasury Regulations Incorporated. All distributions required under this Appendix will be determined and made in accordance with the Treasury Regulations under Section 401(a)(9) of the Code.
- 1.4 TEFRA Section 242(b)(2) Elections. Notwithstanding the other provisions of this Appendix, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to section 242(b)(2) of TEFRA.

2. Time and Manner of Distribution.

- 2.1 Required Beginning Date. The Participant's Retirement Benefit will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.
- 2.2 Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's Retirement Benefit be distributed, or begin to be distributed, no later than as follows:
 - (a) 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 70½, if later.
 - (b) 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.
 - (c) If there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's retirement benefit will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
 - (d) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 2.2(d), other than Section 2.2(a), will apply as if the surviving spouse were the Participant.

For purposes of this Section 2.2 and Section 4 of this Appendix, unless Section 2.2(d) of this Appendix applies, distributions are considered to begin on the Participant's Required Beginning Date. If Section 2.2(d) of this Appendix applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 2.2(a) of this Appendix. If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 2.2(a) of this Appendix), the date distributions are considered to begin is the date distributions actually commence.

- 2.3 Forms of Distribution. Unless the Participant's Retirement Benefit 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 Sections 3, 4 and 5 hereof. If the Participant's Retirement Benefit 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 the Treasury Regulations. Any part of the Participant's Retirement Benefit which is in the form of an individual account described in Code Section 414(k) will be distributed in a manner satisfying Code Section 401(a)(9) of the Code and the Treasury Regulations that apply to individual accounts.

3. Determination of Amount to be Paid Each Year.

3.1 General Annuity Requirements. If the Participant's Retirement Benefit is paid in the form of an annuity under the Plan, payments under the annuity shall satisfy the following requirements:

- (a) the annuity payments shall be paid in periodic payments made at intervals not longer than one year;
- (b) the payment period shall be over a life (or lives) or over a period certain not longer than the period described in Section 4 or 5 of this Appendix;
- (c) once payments have begun over a period certain, the period certain shall not be changed even if the period certain is shorter than the maximum permitted;
- (d) payments shall either be nonincreasing or increase only as follows:
 - (i) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;
 - (ii) to the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the Beneficiary whose life was being used to determine the payment period described in Section 4 of this Appendix dies or is no longer the Participant's Beneficiary pursuant to a qualified domestic relations order (within the meaning of Code Section 414(p)); or
 - (iii) to pay increased benefits that result from a Plan amendment.

3.2 Amount Required to be Paid by Required Beginning Date. The amount that must be paid on or before the Participant's Required Beginning Date (or, if the Participant dies before payments begin, the date payments are required to begin under Section 2.2(a) or (b) of this Appendix) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, *e.g.*, bi-monthly, monthly, semiannually or annually. All of the Participant's benefit accruals as of the last day of the first Distribution Calendar Year shall 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.

3.3 Additional Accruals After First Distribution Calendar Year. Any additional benefits accruing to the Participant in a calendar year after the first Distribution Calendar Year shall be paid beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

4. Requirements for Annuity Distributions that Commence During the Participant's Lifetime.

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

4.2 Period Certain Annuities. Unless the Participant's spouse is the sole Designated Beneficiary and the form of payment is a period certain and no life annuity, the period certain for an annuity commencing during the Participant's lifetime may not exceed the applicable payment period for the Participant under the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury Regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches age 70, the applicable payment period for the Participant is the payment period for age 70 under the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury Regulations plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's spouse is the Participant's sole Designated Beneficiary and the form of payment is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable payment period, as determined under this Section 4.06(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 section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the calendar year that contains the annuity starting date.

5. Requirements for Minimum Payments Where the Participant Dies Before the Date Payments Begin.

5.1 Participant Survived by Designated Beneficiary. If the Participant dies before the date payment of the Participant's interest begins and there is a Designated Beneficiary, the Participant's Retirement Benefit shall be paid, beginning no later than the time described in Section 2.2(a) or (b) of this Appendix, 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.

5.2 No Designated Beneficiary. If the Participant dies before the date payments begin and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, payment of the Participant's Retirement Benefit shall be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

5.3 Death of Surviving Spouse Before Distributions to Surviving Spouse Begin. If the Participant dies before the date distribution of the Participant's Retirement Benefit begins, the Participant's surviving spouse is the Participant's sole Designated Beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this Section 5 shall apply as if the surviving spouse were the Participant, except that the time by which distributions must begin shall be determined without regard to Section 2.2(a) of this Appendix.

6. Definitions.

6.1 Designated Beneficiary. The individual who is designated as the Beneficiary under Section 3.6, 3.7, 3.8, 3.9 or 3.10 of the Plan and is the designated Beneficiary under Code section 401(a)(9) and section 1.401(a)(9)-4 of the Treasury Regulations.

6.2 Distribution Calendar Year. A calendar year for which a minimum payment is required. For payments beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For payments beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which payments are required to begin pursuant to Section 2.2 of this Appendix.

6.3 Life Expectancy. Life expectancy, as computed by use of the Single Life Table in section 1.401(a)(9)-9 of the Treasury Regulations.

6.4 Required Beginning Date. April 1 of the calendar year following the later of: (a) the calendar year in which a Participant attains age 72 (age 70½, for Participants who reach such age before January 1, 2019), or (b) in the case of a Participant who is not a "5 percent owner" (as defined in Code section 416) with respect to the calendar year in which the Participant attains age 72 (age 70½, for Participants who reach such age before January 1, 2019), the calendar year in which the Participant retires.