


APPROVAL 	REQUEST FOR COUNCIL ACTION	MEETING DATE 12/4/2018
REPORTS & RECOMMENDATIONS	Proposed Pension Plan Modifications to The City of Franklin Defined Contribution Retirement Plan and the City of Franklin Defined Benefit Retirement Plan Scheduled for Approval December 18, 2018	ITEM NUMBER <i>G.25.</i>

The Common Council on November 13, 2018, approved a Resolution of Inclusion to join the Wisconsin Retirement System (WRS) for eligible, non-public safety personnel. Prior to that action, the Common Council approved Transition Steps for the migration to WRS. That action on October 16, 2018, directed the Director of Administration to work with labor counsel to prepare the necessary actions and plan amendments to incorporate the strategies set forth in the document titled "Transition Steps for Migration to WRS for Eligible, Non-Protective Service Employees: Impact on Employees and Existing Pension Plans," which document is attached for your convenience.

Attached are the proposed amendments to the City of Franklin Defined Contribution Retirement Plan and the City of Franklin Defined Benefit Retirement Plan. Given the length of the document and the significance of pension to employees, it is being presented one meeting in advance of the request for approval. This will ensure Aldermen have ample opportunity to review the changes. It will also provide for a continued review of the document to ensure accuracy. In addition to Attorney Flanary, the proposed amendments are subject to review and minor revisions by Principal Financial Group, our plan administrator.

Relative to the Defined Benefit Plan, the proposed changes address the immediate needs of eligibility and Items I and II of the Transition Steps. Employees reading the proposed changes are encouraged to read items of the attached Transition Steps document, particularly Items III, IV, V, and VI, which contain further discussion on anticipated future actions, including the potential future termination of the plan, and the on-going rights of the City related to the plan.

Relative to the Defined Contribution Plan, the proposed changes address the immediate needs of eligibility and vesting. Employees reading the proposed changes are encouraged to read the attached Transitions Steps document which contains further discussion on anticipated future actions, including the potential future termination of the plan, and the on-going rights of the City related to the plan.

It is essential the City adopt the necessary plan amendments prior to the end of 2018.

COUNCIL ACTION REQUESTED

This item will be placed on the December 18, 2018, agenda for final action.

Transition Steps for Migration to WRS for Eligible, Non-Protective Service Employees: Impact on Employees and Existing Pension Plans

DRAFT WORKING DOCUMENT:
Please note that this document
remains under review by staff
and the benefits attorney. It
may not be inclusive of each
detailed step required.

The following information reflects changes to the current pension plans (the "Principal DB Plan," the "Principal DC Plan" or the "Principal Plans") and information to be distributed to employees if the City is to migrate to the Wisconsin Retirement System ("WRS") for eligible, non-protective service employees effective January 1, 2019.

Defined Benefit Plan

I. Any active employee in the Principal DB Plan with creditable service in 2018 who elects as of 1/1/2019 to participate in WRS will, at the time of retirement, have a benefit under both the Principal DB Plan and under WRS, but the benefits will not duplicate each other. The WRS benefit will be based upon service and covered compensation after 12/31/2018. The Principal DB Plan benefit will be based upon that plan's definition of Average Compensation applied to the 10 latest years of compensation with the City when the individual retires, whether or not the years were creditable service under the Principal DB Plan. [Summary: continue average compensation adjustments]

II. Any active employee in the Principal DB Plan with creditable service in 2018 who elects as of 1/1/2019 to participate in WRS shall have their vested rights under the Principal DB Plan determined, at retirement, based upon all service with the City, including service before and after 12/31/2018 (with service after 2018 required to be continuous service with 12/31/18), based upon the vesting requirements in place on 1/1/18. [Summary: vest prior years of service that would have ultimately vested.][Please note: This item is under further discussions with the benefits attorney and additional consideration or information may be provided.]

III. The Principal DB Plan may be frozen at any time and the City may want to exercise that right to freeze the Principal DB Plan to exclude any additional years of creditable service beginning 1/1/2027. [This provides for someone who is currently considering the age 62 early retirement provision to then work to normal retirement at age 65.]

IV. Employees electing to stay in the Principal DB Plan should anticipate and consider that the multiplier will not get better (increase) and the mandatory contribution (8.2%) will not be reduced. Additionally, the multiplier may be reduced at any time (but not likely in the next 5 years) for new creditable service (and not likely to be reduced below the multiplier provided by WRS at that time). The mandatory contribution rate may or may not be reduced in conjunction with any such change in the multiplier. [Summary: Current Principal DB Plan benefits may be reduced after 5 years, but are not being reduced at this time.]

V. Termination of the Principal DB Plan is not being addressed or considered at this time, but may be addressed or considered at some future time. It would be done in accordance with applicable laws. It is expected that no such action on termination would be taken prior to 1/1/24 at the earliest. Nonetheless, no action taken or considered herein shall prohibit the City from being able to terminate the plan at any time at its sole discretion provided it is done in accordance with applicable law and provided the City addresses all IRS distribution procedures and options. [Summary: City preservation of

rights to terminate the Principal DB Plan, although no consideration is expected to be given until after 5 years.]

VI. Since the City may elect to terminate the Principal DB Plan at some point, it is best to change eligibility language to encourage a voluntary election to move to WRS everyone who can obtain full vesting within WRS. Employees who do not elect to select WRS participation should anticipate that at any point after 5 years (1-1-24) the Principal DB Plan may be terminated by the City, as noted above, and those individuals will not have the right to enroll in WRS while employed by the City at that time.

Additional Notes:

1. Whether there is new money or just past creditable service, the Principal DB Plan stays open until the last retiree is out, unless terminated in accordance with applicable law.
2. The Principal DB Plan and WRS, at the most basic benefits level, are very comparable plans. In WRS the multiplier is 1.6 but the employee will have an additional 1.65% in wages that can be invested in deferred compensation with a 6% to 9% earnings, which is roughly similar to the Principal DB Plan's current 1.98 multiplier, depending upon longevity and the rate of investment earnings.

Defined Contribution Plan

I. Allowance for new deposits may be discontinued at any time, and the City may want to specifically consider such a change as early as 1/1/27 (except as noted below). [Impact: Anyone not likely to achieve vesting in WRS or certain part-timer employees not eligible under WRS can remain in the Principal DC Plan and still get the City matching contribution.]

II. The City may elect to terminate the Principal DC Plan or discontinue new contributions at some point, but will not set a date at this time. It is best, therefore, to encourage a voluntary election to move to WRS everyone who can obtain full vesting within WRS. Employees who do not elect to select WRS participation and anticipate they may work for more than 5 years, put themselves at potential risk of not earning any additional retirement benefit at some point.

III. Termination of the Principal DC Plan is not being considered at this time, but may be considered at some future time. It would be done in accordance with applicable law. It is expected that no such action on termination would be taken prior to 1/1/24 at the earliest. Nonetheless, no action taken or considered herein shall prohibit the City from being able to terminate the Principal DC Plan at any time at its sole discretion provided it is done in accordance with applicable law and provided the City address all IRS distribution procedures and options. [Summary: City preservation of rights to terminate the Principal DC Plan, although no consideration is likely until after 5-8 years.]

IV. Part-time employees currently eligible to participate in the Principal DC Plan but not eligible under WRS may continue to participate in the Principal DC Plan as long as their eligibility remains intact and the Principal DC Plan remains open to new creditable service. If anyone is ultimately negatively impacted by this action, the City may at that time elect to address the circumstance in some manner or other.

Your plan is an important legal document. This sample plan has been prepared based on our understanding of the desired provisions and is written to comply with federal laws and regulations. It may not fit your situation. You should consult with your lawyer on the plan's legal and tax implications, and to determine if additional provisions need to be added or existing provisions changed in order to comply with state and local laws or statutes. If any such additions or corrections are needed to the wording in this draft, we ask that your lawyer provide the appropriate wording. Neither Principal Life Insurance Company nor its agents can be responsible for the legal or tax aspects of the plan or its appropriateness for your situation. If you wish to change the provisions of this sample plan, you may ask us to prepare new sample wording for you and your lawyer to review, or your lawyer may provide the wording to us.

**THE CITY OF FRANKLIN
DEFINED CONTRIBUTION
RETIREMENT PLAN**

MP Plan CL2014

Restated May ~~JANUARY 1, 2015~~ 2019

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PLAN EXECUTION

INTRODUCTION

The Employer previously established a retirement plan on January 1, 1983.

The Plan is restated effective May 1, 2015. This restated document is substituted in lieu of the prior document with the exception of any interim amendment and any model amendment that have not been incorporated into this restatement. Such amendment(s) shall continue to apply to this restated Plan until such provisions are integrated into the Plan or such amendment(s) are superseded by another amendment.

It is intended that the Plan, as restated, shall qualify as a governmental money purchase pension plan under the Internal Revenue Code of 1986, including any later amendments to the Code. The Employer agrees to operate the Plan according to the terms, provisions, and conditions set forth in this document.

The restated Plan continues to be for the exclusive benefit of employees of the Employer. All persons covered under the Plan before the effective date of this restatement shall continue to be covered under the restated Plan, if they are still Eligible Employees as of the restatement date, with no loss of benefits.

This Plan includes the statutory, regulatory, and guidance changes specified in the 2014 Cumulative List of Changes in Plan Qualification Requirements (2014 Cumulative List) contained in Internal Revenue Service Notice 2014-77 and the qualification requirements and guidance published before the issuance of such list. The provisions of this Plan apply as of the effective date of the restatement unless otherwise specified.

The Plan was amended effective December 31, 2018, to reflect a freeze on new Participants, a cessation of additional contributions for certain Participants and certain other technical changes associated with the Employer's decision to move most employees into the Wisconsin Retirement System effective January 1, 2019. No individual who is not already a Participant in this Plan on December 31, 2018 will be allowed to become a Participant at any time thereafter. Existing Participants who join the Wisconsin Retirement System on January 1, 2019, will not make or receive any contributions to this Plan for any Compensation paid after December 31, 2018, but service performed after that date will still be credited to determine a Participant's vested status. Nothing in these amendments shall limit the Employer's ability to further amend, freeze or terminate this Plan at any time in the future.

ARTICLE I

FORMAT AND DEFINITIONS

SECTION 1.01--FORMAT.

Words and phrases defined in the DEFINITIONS SECTION of Article I shall have that defined meaning when used in this Plan, unless the context clearly indicates otherwise. These words and phrases have initial capital letters to aid in identifying them as defined terms.

SECTION 1.02--DEFINITIONS.

Account means the Participant's share of the Plan Fund. Separate accounting records are kept for those parts of his Account resulting from:

- (a) Required Contributions
- (b) Voluntary Contributions
- (c) Pick-up Contributions
- (d) Other Employer Contributions
- (e) Rollover Contributions

If the Participant's Vesting Percentage is less than 100% as to Employer Contributions, a separate accounting record will be kept for any part of his Account resulting from such Employer Contributions and, if there has been a prior Forfeiture Date, from such Contributions made before a prior Forfeiture Date.

A Participant's Account shall be reduced by any distribution of his Vested Account and by any Forfeitures. A Participant's Account shall participate in the earnings credited, expenses charged, and any appreciation or depreciation of the Investment Fund. His Account is subject to any minimum guarantees applicable under the Annuity Contract or other investment arrangement and to any expenses associated therewith.

Acknowledgement Form means a form executed by an Employee, in which he acknowledges that he has been informed by the Employer that, as a condition of employment, the Employer will deduct from the Employee's Compensation, by regular payroll deductions, an amount equal to 5% of his Compensation. Such Contributions shall be Pick-up Contributions. Any Employee who participates in this Plan shall be deemed to have entered into the Acknowledgement Form.

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

Additional Contributions means the Forfeitures that are reallocated according to the ALLOCATION SECTION of Article III and are deemed to be Additional Contributions.

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Affiliated Service Group means any group of corporations, partnerships or other organizations of which the Employer is a part and that is affiliated within the meaning of Code Section 414(m) and the regulations thereunder. The term Controlled Group, as it is used in this Plan, shall include the term Affiliated Service Group.

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

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

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

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

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

Compensation means, except for purposes of the CONTRIBUTION LIMITATION SECTION of Article III, the total earnings, except as modified in this definition, from the Employer during any specified period.

"Earnings" in this definition means wages, within the meaning of Code Section 3401(a), and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code Sections 6041(d), 6051(a)(3), and 6052. Earnings shall be determined without regard to any rules under Code Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2)). The type of compensation that is reported in the "Wages, Tips and Other Compensation" box on Form W-2 satisfies this definition.

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

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

Any payments not described above shall not be considered Compensation if paid after Severance from Employment, even if they are paid by the later of 2 1/2 months after the date of Severance from Employment or the end of the Compensation Year ~~that~~ includes the date of Severance from Employment.

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

Compensation paid or made available during a specified period shall include amounts that would otherwise be included in Compensation but for an election under Code Section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b).

For purposes of determining the allocation or amount of Employer Contributions, Compensation shall exclude the following:

- Worker's comp pay
- Severance pay

Compensation before an Employee's Entry Date shall be excluded for purposes of Employer Contributions.

The annual Compensation of each Participant taken into account in determining contributions and allocations for any determination period (the period over which Compensation is determined) shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Code Section 401(a)(17)(B). The cost-of-living adjustment in effect for a calendar year applies to any determination period beginning with or within such calendar year. Provided, however, with respect to an eligible Participant, the reduced dollar limitation does not apply to the extent that the amount of Compensation allowed to be taken into account under the Plan is reduced below the amount that was allowed to be taken into account under the Plan as in effect on July 1, 1993. For this purpose, "eligible Participant" means an individual who first became a Participant in the Plan during a Plan Year beginning before the first Yearly Date in 1996.

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

If Compensation for any prior determination period is taken into account in determining a Participant's contributions or allocations for the current Plan Year, the Compensation for such prior determination period is subject to the applicable annual compensation limit in effect for that determination period.

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

Compensation Year means the period used to determine Compensation. ~~The Compensation Year~~ The Compensation Year is the consecutive 12-month period ending on the last day of each Plan Year, including corresponding periods before the effective date of the Plan.

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

Continuous Service means, for an Employee, any period of uninterrupted service with the Employer. However, unless the context clearly indicates otherwise, Continuous Service means his latest period of uninterrupted service.

For purposes of this definition, no interruption in service will occur because of approved periods of absence from the Employer due to temporary lay-off; leave of absence (not to exceed one year), a temporary absence due to illness or injury, pregnancy, or disability.

When necessary, the Employer shall use uniform, nondiscriminatory guidelines for determining an approved leave of absence.

Contribution Date means the date on which Employer Contributions are calculated. Employer Contributions shall be calculated monthly as of the last day of each month.

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

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

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

Differential Wage Payments means any payments which are made by an Employer to an individual with respect to any period during which the individual is performing Qualified Military Service while on active duty for a period of more than 30 days. Such payments shall be made in accordance with Code Section 3401(h) and represent all or a portion of the wages the individual would have received from the Employer if the individual were performing service for the Employer.

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

Distributee means an Employee or former Employee. In addition, the Employee's (or former Employee's) surviving spouse and the Employee's (or former Employee's) spouse or former spouse who is the Alternate Payee under a qualified domestic relations order, as defined in Code Section 414(p), are Distributees with regard to the interest of the spouse or former spouse. For distributions made after December 31, 2006, a Distributee includes the Employee's (or former Employee's) nonspouse Designated Beneficiary, in which case, the distribution can only be transferred to a traditional IRA or Roth IRA established on behalf of the nonspouse Designated Beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Code Section 402(c)(11).

Early Retirement Date means the first day of any month before a Participant's Normal Retirement Date that he selects for receiving a distribution of his Vested Account as an early retirement benefit. This

day shall be on or after the date he has a Severance from Employment and the date he meets the following requirement(s):

- (a) He has attained age 55.
- (b) He has completed 10 years of service with the employer.

Eligible Employee means any Employee of the Employer, excluding who was a Participant in this Plan on or before December 31, 2018, who was an active Participant in the following:

Plan on December 31, 2018, and who does not participate in the Wisconsin Retirement System due to employment with the Employer at any time on or after January 1, 2019. An Employee who is an Active Participant in the Wisconsin Retirement System, or the City of Franklin Defined Benefit Retirement Plan and any other retirement may not be an Eligible Employee for any period of time with the individual participates in such plan maintained by the Employer(s).

You are Prior to this restatement, an individual was, an Eligible Employee only if you are an Employee of the Employer employed in a benefit eligible position as both:

- (a) Determined according to employer policy, manual or other written objective guidance; and
- (b) Evidenced by Employer reducing wages for mandatory Pick-up Contributions.

Eligible Retirement Plan means an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan, a traditional IRA, Roth IRA, an annuity plan described in Code Section 403(a), an annuity contract described in Code Section 403(b), or a qualified plan described in Code Section 401(a), that accepts the Distributee's Eligible Rollover Distribution. The definition of Eligible Retirement Plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the Alternate Payee under a qualified domestic relations order, as defined in Code Section 414(p).

Eligible Rollover Distribution means any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: (i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's Designated Beneficiary, or for a specified period of 10 years or more; (ii) any distribution to the extent such distribution is required under Code Section 401(a)(9); (iii) any hardship distribution; and (iv) any other distribution(s) that is reasonably expected to total less than \$200 during a year.

Any portion of a distribution that consists of after-tax employee contributions that are not includible in gross income may be transferred only to (i) a traditional individual retirement account or annuity described in Code Section 408(a) or (b) (a "traditional IRA"); (ii) a Roth individual retirement account or annuity described in Code Section 408A (a "Roth IRA"); or (iii) a qualified plan or an annuity contract described in Code Section 401(a) or 403(b), respectively, that agrees to separately account for amounts so transferred (and earnings 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.

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

The term Employee shall include any individual receiving Differential Wage Payments.

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

An independent contractor is not an Employee. If the Internal Revenue Service determines that an individual who the Employer considered to be an independent contractor, or the employee of an independent contractor, is an Employee, such individual shall be an Employee as of the reclassification date.

Employer means, except for purposes of the CONTRIBUTION LIMITATION SECTION of Article III, City of Franklin.

Employer Contributions means

Pick-up Contributions
Additional Contributions

as set out in Article III, unless the context clearly indicates only specific contributions are meant.

Employment Commencement Date means the date an Employee first performs an hour of service.

Entry Date means the date an Employee first enters the Plan as an Active Participant.

Forfeiture Date means the date on which a Forfeiture occurs and is the date the Participant has a Severance from Employment.

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

Insurer means Principal Life Insurance Company or the insurance company or companies named by (i) the Employer or (ii) the Trustee in its discretion or as directed under the Trust Agreement.

Investment Fund means the total of Plan assets, excluding the guaranteed benefit policy portion of any Annuity Contract. All or a portion of these assets may be held under, or invested pursuant to, the terms of a Trust Agreement.

The Investment Fund shall be valued at current fair market value as of the Valuation Date. The valuation shall take into consideration— investment earnings credited, expenses charged, payments made, and changes in the values of the assets held in the Investment Fund.

The Investment Fund shall be allocated at all times to Participants, except as otherwise expressly provided in the Plan. The Account of a Participant shall be credited with its share of the gains and losses of the Investment Fund. That part of a Participant's Account invested in a funding arrangement that establishes one or more accounts or investment vehicles for such Participant thereunder shall be credited with the gain or loss from such accounts or investment vehicles. The part of a Participant's Account invested in other funding arrangements shall be credited with a proportionate share of the gain or loss of such investments. The share shall be determined by multiplying the gain or loss of the

investment by the ratio of the part of the Participant's Account invested in such funding arrangement to the total of the Investment Fund invested in such funding arrangement.

Investment Manager means any fiduciary (other than a trustee)

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

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Late Retirement Date means the first day of any month that is after a Participant's Normal Retirement Date and on which retirement benefits begin. If a Participant continues to work for the Employer after his Normal Retirement Date, his Late Retirement Date shall be the earliest first day of the month on or after the date he has a Severance from Employment. A later Retirement Date (after a Severance from Employment) may apply if the Participant so elects. See the WHEN BENEFITS START SECTION of Article V. In modification of the foregoing, a Participant may elect to begin his retirement benefits before he has a Severance from Employment.

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

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

- (a) such employee is covered by a money purchase pension plan providing (i) a nonintegrated employer contribution rate of at least 10 percent of compensation, as defined in Code Section 415(c)(3), (ii) immediate participation, and (iii) full and immediate vesting, and
- (b) Leased Employees do not constitute more than 20 percent of the recipient's nonhighly compensated work force.

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Loan Administrator means the person(s) or position(s) authorized to administer the Participant loan program.

The Loan Administrator is the Director of Administration.

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

Monthly Compensation means, on any given date, the Employee's Compensation for the latest calendar month ending on or before the given date.

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

Nonvested Account means the excess, if any, of a Participant's Account over his Vested Account.

Normal Form means a single life annuity with certain period, where the certain period is 10 years.

Normal Retirement Date means the earliest first day of the month on or after the date the Participant reaches his 65th birthday. Unless otherwise provided in this Plan, a Participant's retirement benefits shall begin on his Normal Retirement Date if he has had a Severance from Employment on such date and has a Vested Account. Even if the Participant is an Employee on his Normal Retirement Date, he may choose to have his retirement benefit begin on such date.

Participant means either an Active Participant or an Inactive Participant.

Participant Contributions means Required and Voluntary Contributions as set out in Article III, unless the context clearly indicates only one is meant.

Period of Military Duty means, for an Employee

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

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

Pick-up Contributions means employee contributions "picked up" by the Employer pursuant to Code Section 414(h) and which shall be treated as Employer Contributions per the EMPLOYER CONTRIBUTIONS SECTION of Article III and the Acknowledgement Form. These Contributions are not available to the Participant as current income, and the Participant has no discretion to receive them as such because they are made as a condition of employment.

Plan means the money purchase plan of the Employer set forth in this document, including any later amendments to it.

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

The Plan Administrator is the Employer.

Plan Fund means the total of the Investment Fund and the guaranteed benefit policy portion of any Annuity Contract. The Investment Fund shall be valued as stated in its definition. The guaranteed benefit policy portion of any Annuity Contract shall be determined in accordance with the terms of the

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Annuity Contract and, to the extent that such Annuity Contract allocates contract values to Participants, allocated to Participants in accordance with its terms. The total value of all amounts held under the Plan Fund shall equal the value of the aggregate Participants' Accounts under the Plan.

Plan Year means a consecutive 12-month period beginning on a Yearly Date and ending on the day before the next Yearly Date. If the Yearly Date changes, the change will result in a short Plan Year.

Qualified Military Service means any service in the uniformed services (as defined in Chapter 43 of Title 38 of the U.S. Code) by any individual if such individual is entitled to reemployment rights under such chapter with respect to such service.

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

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

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

Rollover Contributions means an amount distributed to an Employee that can be transferred directly or indirectly to this Plan from another Eligible Retirement Plan by an Eligible Employee or an Inactive Participant according to the provisions of the ROLLOVER CONTRIBUTIONS SECTION of Article III.

Severance from Employment means, except for purposes of the CONTRIBUTION LIMITATION SECTION of Article III, an Employee has ceased to be an Employee. An Employee does not have a Severance from Employment if, in connection with a change of employment, the Employee's new employer maintains such Plan with respect to the Employee. The Plan Administrator shall determine if a Severance from Employment has occurred in accordance with the regulations that are applicable to such determination.

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Totally and Permanently Disabled means that a Participant is disabled, as a result of sickness or injury, to the extent that he is prevented from engaging in any substantial gainful activity, and is eligible for and receives a disability benefit under Title II of the Federal Social Security Act.

If Employees are not covered under Title II of the Federal Social Security Act, Totally and Permanently Disabled means that a Participant is disabled, as a result of sickness or injury, to the extent that he is completely prevented from performing any work or engaging in any occupation for wage or profit, and has been continuously disabled for five months.

Initial written proof that the disability exists and has continued uninterruptedly for at least the number of months specified above must be furnished to the Plan Administrator by the Participant within one year after the date the disability begins. The Plan Administrator, upon receipt of any notice of proof of a Participant's total and permanent disability, shall have the right and opportunity to have a physician it designates examine the Participant when and as often as it may reasonably require, but not more than once each year after the disability has continued uninterruptedly for at least two years beyond the date of furnishing the first proof.

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Trust Agreement means an agreement or agreements of trust between the Employer and Trustee established for the purpose of holding and distributing the Trust Fund under the provisions of the Plan.

The Trust Agreement may provide for the investment of all or any portion of the Trust Fund in the Annuity Contract or any other investment arrangement.

Trust Fund means the total funds held under an applicable Trust Agreement. The term Trust Fund when used within a Trust Agreement shall mean only the funds held under that Trust Agreement.

Trustee means the party or parties named in the applicable Trust Agreement.

Valuation Date means the date on which the value of the assets of the Investment Fund is determined. The value of each Account that is maintained under this Plan shall be determined on the Valuation Date. In each Plan Year, the Valuation Date shall be the last day of the Plan Year. At the discretion of the Plan Administrator, Trustee, or Insurer (whichever applies) and in a nondiscriminatory manner, assets of the Investment Fund may be valued more frequently. These dates shall also be Valuation Dates.

Vested Account means the vested part of a Participant's Account. The Participant's Vested Account is determined as follows.

If the Participant's Vesting Percentage is 100% for all Employer Contributions, his Vested Account equals his Account.

If the Participant's Vesting Percentage is not 100% for all Employer Contributions, his Vested Account equals the sum of (a) and (b) below:

- (a) The part of the Participant's Account resulting from Employer Contributions made before a prior Forfeiture Date and all other Contributions that were 100% vested when made.
- (b) The balance of the Participant's Account in excess of the amount in (a) above multiplied by his Vesting Percentage.

Vesting Percentage means the percentage used to determine the nonforfeitable portion of a Participant's Account attributable to Employer Contributions that were not 100% vested when made.

For the portion of the Employer Contribution attributable to Pick-up Contributions, a Participant's Vesting Percentage is shown in the following schedule opposite the number of whole years of his Vesting Service.

VESTING SERVICE (whole years)	VESTING PERCENTAGE
Less than 2	50
2 or more	100

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For the portion of the Employer Contribution not attributable to Pick-up Contributions, a Participant's Vesting Percentage is shown in the following schedule opposite the number of whole years of his Vesting Service.

VESTING SERVICE (whole years)	VESTING PERCENTAGE-
Less than 3	50
Less than 3	50

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3	60
4	70
5	80
6	90
7 or more	100

The Vesting Percentage for a Participant who is an Employee on or after his Normal Retirement Date or the date he meets the requirement(s) for an Early Retirement Date shall be 100%. The Vesting Percentage for a Participant who is an Employee on the date he dies shall be 100%. The Vesting Percentage for a Participant who dies while performing Qualified Military Service shall be 100%. The Vesting Percentage for a Participant who is an Employee on the date he becomes disabled shall be 100%. The Vesting Percentage for a Participant who becomes disabled while performing Qualified Military Service shall be 100%. For purposes of this paragraph, disability means the disability is subsequently determined to meet the definition of Totally and Permanently Disabled.

Vesting Service means the total of an Employee's Continuous Service. This total is expressed in whole years and fractional parts of a year (counting a complete month as a fractional part of a year).

However, Vesting Service is modified as follows:

Voluntary discontinuance service excluded:

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

Period of Military Duty included:

A Period of Military Duty shall be included as service with the Employer to the extent it has not already been credited.

Controlled Group service included:

An Employee's service with a member firm of a Controlled Group while both that firm and the Employer were members of the Controlled Group shall be included as service with the Employer.

Voluntary Contributions means contributions by a Participant that are 100% vested when made to the Plan and are not required as a condition of employment or participation, or for obtaining additional Employer Contributions. Voluntary Contributions, and earnings thereon, shall be 100% vested and nonforfeitable at all times. See the VOLUNTARY CONTRIBUTIONS BY PARTICIPANTS SECTION of Article III.

Yearly Date means January 1, 1983, and the same day of each following year.

ARTICLE II

PARTICIPATION

SECTION 2.01--ACTIVE PARTICIPANT.

- (a) ~~An Employee shall first become an Active Participant (begin active participation in the Plan) on the earliest Monthly Date on which he is an Eligible Employee and has met the eligibility requirement set forth below. This date is his Entry Date.~~

~~(1) He has been continuously employed by the Employer for six months before his Entry Date.~~

~~If the Plan's eligibility requirements are changed, an Employee who was an Active Participant immediately prior to the effective date of the change is deemed to satisfy the new requirements and his Entry Date shall not change.~~

- (a) ~~No Employee who was not an Active Participant in the Plan on December 31, 2018 will be allowed to become an Active Participant at any time thereafter. Each Employee who was an Active Participant on the day before the effective date of this restatement (as determined in the Introduction), shall continue to be an Active Participant if he is still an , provided that only those Participants who continue to be Eligible Employee on Employees after such restatement effective date, and his will earn additional Accrual Service after such date. The Entry Date shall not change for any individual who was an Active Participant in this Plan before January 1, 2019.~~

- (b) ~~An Inactive Participant shall again become an Active Participant (resume active participation in the Plan) on the date he completes the requirements in (a) above. This date is his Reentry Date.~~

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

- (c) ~~A former Participant shall again become an Active Participant (resume active participation in the Plan) on the date he completes the requirements in (a) above. This date is his Reentry Date.~~

SECTION 2.02--INACTIVE PARTICIPANT.

An Active Participant shall become an Inactive Participant on the earlier of the following:

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

- (a) ~~The date he ceases to be an Eligible Employee, provided that an Employee who elects to participate in the Wisconsin Retirement System on or after January 1, 2019, shall not become an Inactive Participant, but rather, such Employee will not make or receive any contributions based upon any Compensation received on or after January 1, 2019.~~

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

An Employee or former Employee who was an Inactive Participant on the day before the effective date of this restatement (as determined in the Introduction) shall continue to be an Inactive Participant on such restatement effective date. Eligibility for any benefits payable to the Participant or on his behalf and the amount of the benefits shall be determined according to the provisions of the prior document, unless otherwise stated in this document or any subsequent documents.

SECTION 2.03--CESSATION OF PARTICIPATION.

A Participant shall cease to be a Participant on the date he is no longer an Eligible Employee and his Account is zero.

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ARTICLE III

CONTRIBUTIONS

SECTION 3.01--EMPLOYER CONTRIBUTIONS.

Such Contributions shall be equal to the Employer Contributions as described below:

(a) Pick-up Contributions.

The amount of each Pick-up Contribution for a Participant shall be calculated as of the Contribution Date and shall be equal to 5% of his Compensation each payroll period ending on such date as stated in his Acknowledgement Form, or, if earlier, the date that the Participant ceases to be an Eligible Employee. Such Acknowledgement Form cannot be modified or terminated by the Participant, and the percentage stated in the form shall apply until

(i) the Participant is no longer an Eligible Employee, becomes an Inactive Participant or has a Severance from Employment or (ii) the Plan is terminated.

~~Pick-up Contributions are 100% vested.~~

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(b) Employer Contributions.

The Employer shall make Employer Contributions for each person who meets the requirements of this section. A person meets the requirements of this section if he is an Active Participant and an Eligible Employee on the Contribution Date. The amount of the Employer Contribution for each eligible person shall be calculated as of the Contribution Date and shall be equal to 5% of the Participant's Monthly Compensation.

~~Employer Contributions are subject to the Vesting Percentage.~~

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(c) Additional Contributions.

The amount forfeited for the Plan Year and allocated according to the provisions of the FORFEITURES SECTION of this article shall be deemed to be Additional Contributions.

~~Additional Contributions are subject to the Vesting Percentage.~~

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To determine the amount of Employer Contributions for a Participant who is a Leased Employee, contributions provided by the leasing organization that are attributable to services such Leased Employee performs for the Employer shall be treated as provided by the Employer. Those contributions shall not be duplicated under this Plan.

The Employer Contributions calculated above for each person shall be credited to his Account when made.

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

of providing benefits to Participants and their Beneficiaries and for defraying reasonable expenses of administering the Plan.

SECTION 3.02--REQUIRED CONTRIBUTIONS BY PARTICIPANTS.

No Required Contributions shall be made on or after January 1, 1969.

The part of the Participant's Account resulting from Required Contributions is 100% vested and nonforfeitable at all times.

SECTION 3.03--VOLUNTARY CONTRIBUTIONS BY PARTICIPANTS.

An Active Participant may make Voluntary Contributions in accordance with nondiscriminatory procedures set up by the Plan Administrator. No Voluntary Contributions may be made unless an individual is also an Eligible Employee at the time of such contributions.

A Participant's participation in the Plan is not affected by stopping or changing Voluntary Contributions. An Active Participant's request to start, change or stop Voluntary Contributions must be made in such manner and in accordance with such rules as the Employer may prescribe (including by means of voice response or other electronic system under circumstances the Employer permits).

Voluntary Contributions shall be credited to the Participant's Account when made.

The part of the Participant's Account resulting from Voluntary Contributions is 100% vested and nonforfeitable at all times.

SECTION 3.04--ROLLOVER CONTRIBUTIONS.

A Rollover Contribution may be made by an Eligible Employee or Inactive Participant if the following conditions are met:

- (a) The Contribution is a Participant Rollover Contribution or a direct rollover of an Eligible Rollover Distribution made from the types of plans and types of contributions specified below.

Direct Rollovers. The Plan will accept a direct rollover of an Eligible Rollover Distribution from:

- (i) A qualified plan described in Code Section 401(a) or 403(a), including after-tax employee contributions and excluding any portion of a designated Roth account.
- (ii) An annuity contract described in Code Section 403(b) including after-tax employee contributions and excluding any portion of a designated Roth account.
- (iii) An eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, excluding any portion of a designated Roth account.

Participant Rollover Contributions from Other Plans. The Plan will accept a Participant contribution of an Eligible Rollover Distribution from:

- (i) A qualified plan described in Code Section 401(a) or 403(a), excluding after-tax employee contributions and excluding distributions of a designated Roth account.

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- (ii) An annuity contract described in Code Section 403(b), excluding after-tax employee contributions and excluding distributions of a designated Roth account.
- (iii) An eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, excluding distributions of a designated Roth account.

Participant Rollover Contributions from IRAs. The Plan will accept a Participant Rollover Contribution of the portion of a distribution from an individual retirement account or individual retirement annuity described in Code Section 408(a) or (b) that is eligible to be rolled over and would otherwise be includible in the Participant's gross income.

- (b) The Contribution is of amounts that the Code permits to be transferred to a plan that meets the requirements of Code Section 401(a).
- (c) The Contribution is made in the form of a direct rollover under Code Section 401(a)(31) or is a rollover made under Code Section 402(c) or 408(d)(3)(A) within 60 days after an Eligible Employee or Inactive Participant receives the distribution.
- (d) The Eligible Employee or Inactive Participant furnishes evidence satisfactory to the Plan Administrator that the proposed rollover meets conditions (a), (b), and (c) above. Such evidence must be reasonable and cannot effectively eliminate or substantially impair such person's right to elect a direct rollover.
- (e) In the case of an Inactive Participant, the Contribution must be of an amount distributed from another plan of the Employer, or a plan of a Controlled Group member.

A Rollover Contribution shall be allowed in cash only and must be made according to procedures set up by the Plan Administrator.

If the Eligible Employee is not an Active Participant when the Rollover Contribution is made, he shall be deemed to be an Active Participant only for the purpose of investment and distribution of the Rollover Contribution. Employer Contributions shall not be made for or allocated to the Eligible Employee and he may not make Participant Contributions until the time he meets all of the requirements to become an Active Participant.

Rollover Contributions made by an Eligible Employee or an Inactive Participant shall be credited to his Account. The part of the Participant's Account resulting from Rollover Contributions is 100% vested and nonforfeitable at all times. Separate accounting records shall be maintained for those parts of his Rollover Contributions consisting of (i) voluntary contributions which were deducted from the Participant's gross income for Federal income tax purposes and (ii) after-tax employee contributions, including the portion that would not have been includible in the Participant's gross income if the contributions were not rolled over into this Plan.

SECTION 3.05--FORFEITURES.

The Nonvested Account of a Participant shall be forfeited as of the Participant's Forfeiture Date.

Forfeitures shall be determined at least once during each Plan Year. Forfeitures may be used to pay administrative expenses or to reduce Employer Contributions made after the Forfeitures are determined. Forfeitures that have not been used to pay administrative expenses or used to reduce Employer Contributions shall be allocated to each person eligible for Additional Contributions as of the last Contribution Date in the

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Plan Year. The amount allocated to each eligible person shall be equal to the remaining Forfeitures for the Plan Year multiplied by the ratio of such person's Annual Compensation as of such date to the total Annual Compensation of all such persons. Upon their application to reduce Employer Contributions, or allocation to Accounts, Forfeitures shall be deemed to be Employer Contributions.

SECTION 3.06--CONTRIBUTION LIMITATION.

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

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

Annual Additions means the sum of the following amounts credited to a Participant's account for the Limitation Year:

- (1) employer contributions;
- (2) employee contributions; and
- (3) forfeitures.

Annual Additions to a defined contribution plan, as defined in section 1.415(c)-1(a)(2)(i) of the regulations, shall also include the following:

- (4) mandatory employee contributions, as defined in Code Section 411(c)(2)(C) and section 1.411(c)-1(c)(4) of the regulations, to a defined benefit plan;
- (5) contributions allocated to any individual medical benefit account, as defined in Code Section 415(l)(2), which is part of a pension or annuity plan maintained by the Employer;
- (6) amounts attributable to post-retirement medical benefits, allocated to the separate account of a key employee, as defined in Code Section 419A(d)(3), under a welfare benefit fund, as defined in Code Section 419(e), maintained by the Employer;
- (7) annual additions under an annuity contract described in Code Section 403(b); and
- (8) allocations under a simplified employee pension.

Compensation means wages, within the meaning of Code Section 3401(a), and all other payments of compensation to an employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the employee a written statement under Code Sections 6041(d), 6051(a)(3), and 6052. Compensation shall be determined without regard to any rules under Code Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2)). The type of compensation that is reported in the "Wages, Tips and Other Compensation" box on Form W-2 satisfies this definition.

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

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Compensation for a Limitation Year shall include amounts earned but not paid during the Limitation Year solely because of the timing of payroll periods and pay dates, provided the amounts are paid during the first few weeks of the next Limitation Year, the amounts are included on a uniform and consistent basis with respect to all similarly situated employees, and no Compensation is included in more than one Limitation Year.

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

Any payments not described above shall not be considered Compensation if paid after Severance from Employment, even if they are paid by the later of 2 1/2 months after the date of Severance from Employment or the end of the Limitation Year that includes the date of Severance from Employment.

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

Compensation paid or made available during such Limitation Year shall include amounts that would otherwise be included in Compensation but for an election under Code Section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b).

Compensation shall not include amounts paid as Compensation to a nonresident alien, as defined in Code Section 7701(b)(1)(B), who is not a Participant in the Plan to the extent the Compensation is excludible from gross income and is not effectively connected with the conduct of a trade or business within the United States.

Defined Contribution Dollar Limitation means \$40,000, automatically adjusted under Code Section 415(d), effective January 1 of each year, as published in the Internal Revenue Bulletin. The new limitation shall apply to Limitation Years ending with or within the calendar year of the date of the adjustment, but a Participant's Annual Additions for a Limitation Year cannot exceed the currently applicable dollar limitation (as in effect before the January 1 adjustment) prior to January 1. However, after a January 1 adjustment is made, Annual Additions for the entire Limitation Year are permitted to reflect the dollar limitation as adjusted on January 1.

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

Limitation Year means the consecutive 12-month period ending on the last day of each Plan Year, including corresponding consecutive 12-month periods before the original effective date of

the Plan. All qualified plans maintained by the Employer must use the same Limitation Year. If the Limitation Year is other than the calendar year, execution of this Plan (or any amendment to this Plan changing the Limitation Year) constitutes the Employer's adoption of a written resolution electing the Limitation Year. If the Limitation Year is amended to a different consecutive 12-month period, the new Limitation Year must begin on a date within the Limitation Year in which the amendment is made.

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Maximum Annual Addition means the Annual Addition that may be contributed or allocated to a Participant's Account under the Plan for any Limitation Year. This amount shall not exceed the lesser of:

- (1) The Defined Contribution Dollar Limitation, or
- (2) 100 percent of the Participant's Compensation for the Limitation Year.

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A Participant's Compensation for a Limitation Year shall not include Compensation in excess of the limitation under Code Section 401(a)(17) that is in effect for the calendar year in which the Limitation Year begins.

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The compensation limitation referred to in (2) shall not apply to an individual medical benefit account (as defined in Code Section 415(l)); or a post-retirement medical benefits account for a key employee (as defined in Code Section 419A(d)(1)).

If a short Limitation Year is created because of an amendment changing the Limitation Year to a different consecutive 12-month period, the Maximum Annual Addition will not exceed the Defined Contribution Dollar Limitation multiplied by the following fraction:

$$\frac{\text{Number of months (including any fractional parts of a month) in the short Limitation Year}}{12}$$

If the Plan is terminated as of a date other than the last day of the Limitation Year, the Plan is treated as if the Plan was amended to change the Limitation Year and create a short Limitation Year ending on the date the Plan is terminated.

If a short Limitation Year is created, the limitation under Code Section 401(a)(17) shall be prorated in the same manner as the Defined Contribution Dollar Limitation.

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

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

- (b) If the Participant does not participate in another defined contribution plan, as defined in section 1.415(c)-1(a)(2)(i) of the regulations (without regard to whether the plan(s) have been terminated)

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maintained by the Employer, the amount of Annual Additions that may be credited to the Participant's Account for any Limitation Year shall not exceed the lesser of the Maximum Annual Addition or any other limitation contained in this Plan. If the Employer Contribution that would otherwise be contributed or allocated to the Participant's Account would cause the Annual Additions for the Limitation Year to exceed the Maximum Annual Addition, the amount contributed or allocated shall be reduced so that the Annual Additions for the Limitation Year will equal the Maximum Annual Addition.

- (c) If, in addition to this Plan, the Participant is covered under another defined contribution plan, as defined in section 1.415(c)-1(a)(2)(i) of the regulations, (without regard to whether the plan(s) have been terminated) maintained by the Employer that provides an Annual Addition during any Limitation Year, the Annual Additions that may be credited to a Participant's Account under this Plan for any such Limitation Year will not exceed the Maximum Annual Addition, reduced by the Annual Additions credited to a Participant's Account under the other defined contribution plan(s) for the same Limitation Year. If the Annual Additions with respect to the Participant under the other defined contribution plan(s) maintained by the Employer are less than the Maximum Annual Addition, and the Employer Contribution that would otherwise be contributed or allocated to the Participant's Account under this Plan would cause the Annual Additions for the Limitation Year to exceed this limitation, the amount contributed or allocated will be reduced so that the Annual Additions under all such plans and funds for the Limitation Year will equal the Maximum Annual Addition. If the Annual Additions with respect to the Participant under the other defined contribution plan(s) in the aggregate are equal to or greater than the Maximum Annual Addition, no amount will be contributed or allocated to the Participant's Account under this Plan for the Limitation Year.
- (d) The limitation of this section shall be determined and applied taking into account the rules in subparagraph (e) below.
- (e) Other Rules
- (1) Aggregating Plans. For purposes of applying the limitations of this section for a Limitation Year, all defined contribution plans (as defined in section 1.415(c)-1(a)(2)(i) of the regulations and without regard to whether the plan(s) have been terminated) ever maintained by the Employer and all defined contribution plans of a Predecessor Employer (in the Limitation Year in which such Predecessor Employer is created) under which a Participant receives Annual Additions are treated as one defined contribution plan.
- (2) Break-up of Affiliated Employers. The Annual Additions under a formerly affiliated plan (as defined in section 1.415(f)-1(b)(2)(ii) of the regulations) of the Employer are taken into account for purposes of applying the limitations of this section for the Limitation Year in which the cessation of affiliation took place.
- (3) Previously Unaggregated Plans. The limitations of this section are not exceeded for the first Limitation Year in which two or more existing plans, which previously were not required to be aggregated pursuant to section 1.415(f) of the regulations, are aggregated, provided that no Annual Additions are credited to a Participant after the date on which the plans are required to be aggregated if the Annual Additions already credited to the Participant in the existing plans equal or exceed the Maximum Annual Addition.
- (4) Aggregation with Multiemployer Plan. If the Employer maintains a multiemployer plan, as defined in Code Section 414(f), and the multiemployer plan so provides, only the Annual

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Additions under the multiemployer plan that are provided by the Employer shall be treated as Annual Additions provided under a plan maintained by the Employer for purposes of this section.

ARTICLE IV

INVESTMENT OF CONTRIBUTIONS

SECTION 4.01--INVESTMENT OF CONTRIBUTIONS.

The handling of Contributions and Plan assets is governed by the provisions of the Trust Agreement and any other relevant document, such as an Annuity Contract (for the purposes of this paragraph alone, the Trust Agreement and such other documents will each be referred to as a "document" or collectively as the "documents"), duly entered into by or with regard to the Plan that govern such matters. To the extent permitted by the documents, the parties named below shall direct the Contributions for investment in any of the investment options available to the Plan under or through the documents, and may request the transfer of amounts resulting from those Contributions between such investment options.

A Participant may not direct the investment of all or any portion of his Account in collectibles. Collectibles mean any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Secretary of the Treasury. However, for tax years beginning after December 31, 1997, certain coins and bullion as provided in Code Section 408(m)(3) shall not be considered collectibles.

If a Participant has provided investment direction for all or certain specific Contributions made to his Account, such Contributions shall be invested in accordance with such direction to the extent possible. If an investment option selected by the Participant in that investment direction is no longer available and a new investment option is not selected by the Participant (in lieu of the one that is no longer available) by the deadline set by a fiduciary of the Plan (or by the date the investment option is no longer available), all amounts currently held in the investment option that is no longer available and future Contributions directed to such investment option by the Participant (and made after such deadline or date) shall be invested in the appropriate default investment option, unless otherwise directed by a fiduciary of the Plan.

If an investment option selected by the Participant is no longer available for future Contributions only and a new investment option is not selected by the Participant (in lieu of the one that is no longer available) by the deadline set by a fiduciary of the Plan (or by the date the investment option is no longer available), all future Contributions directed to such investment option that is not available for future Contributions (and made after such deadline or date) shall be invested in the appropriate default investment option, unless otherwise directed by a fiduciary of the Plan.

To the extent that a Participant who has the ability to provide investment direction (either on an ongoing basis or in response to a notice from a fiduciary of the Plan) fails to give timely investment direction, the amount in the Participant's Account for which no investment direction is received shall be invested in the appropriate default investment option, unless otherwise directed by a fiduciary of the Plan.

If the Employer has investment direction, the Contributions shall be invested in accordance with such direction. The Employer shall have investment direction for amounts that have not been allocated to Participants. To the extent an investment option is no longer available, a fiduciary of the Plan may require that amounts currently held in such investment option be reinvested in other investment options. To the extent that the Employer has not given investment direction, and no Plan fiduciary gives direction regarding the reinvestment of such amounts, the amounts held in an investment option that is no longer available or which

had been directed to be invested in an investment option that is not available for future Contributions shall be invested in the appropriate default investment option.

Default investment options are defined in documents duly entered into by or with regard to the Plan that govern such matters.

The Participant shall direct the investment of all Contributions and the transfer of amounts resulting from those Contributions.

However, the Plan Administrator may delegate to the Investment Manager investment direction for Contributions and amounts which are not subject to Participant direction.

All Contributions are forwarded by the Employer to (i) the Trustee to be deposited in the Trust Fund or otherwise invested by the Trustee in accordance with the relevant documents; or (ii) the Insurer to be deposited under the Annuity Contract, as applicable.

ARTICLE V

BENEFITS

SECTION 5.01--RETIREMENT BENEFITS.

On a Participant's Retirement Date, his Vested Account shall be distributed to him according to the distribution of benefits provisions of Article VI and the provisions of the SMALL AMOUNTS SECTION of Article X.

SECTION 5.02--DEATH BENEFITS.

If a Participant dies before his Annuity Starting Date, his Vested Account shall be distributed according to the distribution of benefits provisions of Article VI and the provisions of the SMALL AMOUNTS SECTION of Article X.

SECTION 5.03--VESTED BENEFITS.

If an Inactive Participant's Vested Account is not payable under the SMALL AMOUNTS SECTION of Article X, he may elect, but is not required, to receive a distribution of any part of his Vested Account after he has a Severance from Employment. A distribution under this paragraph shall be a retirement benefit and shall be distributed to the Participant according to the distribution of benefits provisions of Article VI.

A Participant may not elect to receive a distribution under the provisions of this section after he again becomes an Employee until he subsequently has a Severance from Employment and meets the requirements of this section.

If an Inactive Participant does not receive an earlier distribution, upon his Retirement Date or death, his Vested Account shall be distributed according to the provisions of the RETIREMENT BENEFITS SECTION or the DEATH BENEFITS SECTION of this article.

SECTION 5.04--WHEN BENEFITS START.

Unless otherwise elected by the Participant, benefits shall begin after the later of a Participant's Normal Retirement Date or the date he has a Severance from Employment. No distributions shall be made under this Plan until after the prescribed distribution application is completed and filed with the Plan Administrator, unless such distribution is payable under the SMALL AMOUNTS SECTION of Article X. The Participant shall not elect a date for beginning benefits or a form of distribution that would result in a benefit payable when he dies which would be more than incidental within the meaning of governmental regulations.

Benefits shall begin by the Participant's Required Beginning Date, as defined in the DEFINITIONS SECTION of Article VII.

Benefits shall not begin on a Participant's Early Retirement Date unless he has had a Severance from Employment on or before that date in accordance with the paragraphs above.

All distributions that may be made pursuant to one or more of the foregoing distributable events will be a retirement benefit and shall be distributed to the Participant according to the distribution of benefits provisions of Article VI. In addition, distributions that are triggered by the termination of the Plan must be made in a lump sum. A lump sum shall include a distribution of an annuity contract.

SECTION 5.05--WITHDRAWAL BENEFITS.

A request for withdrawal shall be made in such manner and in accordance with such rules as the Employer will prescribe for this purpose (including by means of voice response or other electronic means under circumstances the Employer permits). Withdrawals shall be a retirement benefit and shall be distributed to the Participant according to the distribution of benefits provisions of Article VI.

Withdrawal of Voluntary Contributions. A Participant may withdraw any part of his Vested Account resulting from Voluntary Contributions. A Participant may make only two such withdrawals in any 12-month period.

SECTION 5.06--LOANS TO PARTICIPANTS.

Loans shall be made available to all Participants on a reasonably equivalent basis. For purposes of this section, and unless otherwise specified, Participant means any Participant or Beneficiary who is an Employee.

A loan to a Participant shall be a Participant-directed investment of his Account. The loan is a Trust Fund investment but no Account other than the borrowing Participant's Account shall share in the interest paid on the loan or bear any expense or loss incurred because of the loan.

The number of outstanding loans shall be limited to two

The minimum amount of any loan shall be \$1,000.

Loans must be adequately secured and bear a reasonable rate of interest.

The amount of the loan shall not exceed the maximum amount that may be treated as a loan under Code Section 72(p) (rather than a distribution) to the Participant and shall be equal to the lesser of (a) or (b) below:

- (a) \$50,000, reduced by the highest outstanding loan balance of loans during the one-year period ending on the day before the new loan is made.
- (b) The greater of (1) or (2), reduced by (3) below:
 - (1) One-half of the Participant's Vested Account (without regard to any accumulated deductible employee contributions, as defined in Code Section 72(o)(5)(B)).
 - (2) \$10,000.
 - (3) Any outstanding loan balance on the date the new loan is made.

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For purposes of this maximum, all qualified employer plans, as defined in Code Section 72(p)(4), of the Employer and any Controlled Group member shall be treated as one plan.

The foregoing notwithstanding, the amount of such loan shall not exceed 50 percent of the amount of the Participant's Vested Account, reduced by any outstanding loan balance on the date the new loan is made. For purposes of this maximum, a Participant's Vested Account does not include any accumulated deductible employee contributions, as defined in Code Section 72(o)(5)(B). No collateral other than a portion of the Participant's Vested Account (as limited above) shall be accepted.

The Participant's outstanding loan balance shall include any deemed distribution, along with accrued interest, that has not been repaid or offset.

Each loan shall bear a reasonable fixed rate of interest to be determined by the Loan Administrator. In determining the interest rate, the Loan Administrator shall take into consideration fixed interest rates currently being charged by commercial lenders for loans of comparable risk on similar terms and for similar durations, so that the interest will provide for a return commensurate with rates currently charged by commercial lenders for loans made under similar circumstances. The Loan Administrator shall not discriminate among Participants in the matter of interest rates; but loans granted at different times may bear different interest rates in accordance with the current appropriate standards.

The loan shall by its terms require that repayment (principal and interest) be amortized in level payments, not less frequently than quarterly, over a period not extending beyond five years from the date of the loan.

The Participant shall make an application for a loan in such manner and in accordance with such rules as the Employer shall prescribe for this purpose (including by means of voice response or other electronic means under circumstances the Employer permits). The application must specify the amount and duration requested.

Information contained in the application for the loan concerning the income, liabilities, and assets of the Participant will be evaluated to determine whether there is a reasonable expectation that the Participant will be able to satisfy payments on the loan as due.

Each loan shall be fully documented in the form of a promissory note signed by the Participant for the face amount of the loan, together with interest determined as specified above.

There will be an assignment of collateral to the Plan executed at the time the loan is made.

In those cases where repayment through payroll deduction is available, installments are so payable, and a payroll deduction agreement shall be executed by the Participant at the time the loan is made.

Where payroll deduction is not available, payments in cash are to be timely made. Any payment that is not by payroll deduction shall be made payable to the Employer or the Trustee, as specified in the promissory note, and delivered to the Loan Administrator, including prepayments, service fees and penalties, if any, and other amounts due under the note.

The promissory note may provide for reasonable late payment penalties and service fees. Any penalties or service fees shall be applied to all Participants in a nondiscriminatory manner. If the promissory note so provides, such amounts may be assessed and collected from the Account of the Participant as part of the loan balance.

Each loan may be paid prior to maturity, in part or in full, without penalty or service fee, except as may be set out in the promissory note.

The Plan may suspend loan payments for a period not exceeding one year during which an approved unpaid leave of absence occurs other than a military leave of absence. The Loan Administrator shall provide the Participant a written explanation of the effect of the suspension of payments upon his loan.

If a Participant separates from service (or takes a leave of absence) from the Employer because of service in the military and does not receive a distribution of his Vested Account, the Plan shall suspend loan

payments until the Participant's completion of military service or until the Participant's fifth anniversary of commencement of military service, if earlier, as permitted under Code Section 414(u). The Loan Administrator shall provide the Participant a written explanation of the effect of his military service upon his loan.

If any payment of principal and interest, or any portion thereof, remains unpaid for more than 90 days after due, the loan shall be in default. For purposes of Code Section 72(p), the Participant shall then be treated as having received a deemed distribution regardless of whether or not a distributable event has occurred.

Upon default, the Plan has the right to pursue any remedy available by law to satisfy the amount due, along with accrued interest, including the right to enforce its claim against the security pledged and execute upon the collateral as allowed by law. The entire principal balance whether or not otherwise then due, along with accrued interest, shall become immediately due and payable without demand or notice, and subject to collection or satisfaction by any lawful means, including specifically, but not limited to, the right to enforce the claim against the security pledged and to execute upon the collateral as allowed by law.

In the event of default, foreclosure on the note and attachment of security or use of amounts pledged to satisfy the amount then due shall not occur until a distributable event occurs in accordance with the Plan, and shall not occur to an extent greater than the amount then available upon any distributable event which has occurred under the Plan.

All reasonable costs and expenses, including but not limited to attorney's fees, incurred by the Plan in connection with any default or in any proceeding to enforce any provision of a promissory note or instrument by which a promissory note for a Participant loan is secured, shall be assessed and collected from the Account of the Participant as part of the loan balance.

If payroll deduction is being utilized, in the event that a Participant's available payroll deduction amounts in any given month are insufficient to satisfy the total amount due, there will be an increase in the amount taken subsequently, sufficient to make up the amount that is then due. If any amount remains past due more than 90 days, the entire principal amount, whether or not otherwise then due, along with interest then accrued, shall become due and payable, as above.

If no distributable event has occurred under the Plan at the time that the Participant's Vested Account would otherwise be used under this provision to pay any amount due under the outstanding loan, this will not occur until the time, or in excess of the extent to which, a distributable event occurs under the Plan. An outstanding loan will become due and payable in full 60 days after a Participant has a Severance from Employment or after complete termination of the Plan.

ARTICLE VI

DISTRIBUTION OF BENEFITS

SECTION 6.01--AUTOMATIC FORMS OF DISTRIBUTION.

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

- (a) Retirement Benefits. The automatic form of retirement benefit for a Participant who does not die before his Annuity Starting Date shall be the Normal Form.
- (b) Death Benefits. The automatic form of death benefit for a Participant who dies before his Annuity Starting Date shall be a single sum payment to the Participant's Beneficiary.

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SECTION 6.02--OPTIONAL FORMS OF DISTRIBUTION.

- (a) Retirement Benefits. The optional forms of retirement benefit shall be the following: (i) a straight life annuity; (ii) single life annuities with certain periods of 5, 10, or 15 years; (iii) a single life annuity with installment refund; (iv) survivorship life annuities with installment refund and survivorship percentages of 50%, 66 2/3%, 75%, or 100%; (v) fixed period annuities for any period of whole months that is not less than 60; (vi) a fixed period installment option; and (vii) a fixed payment installment option. A single sum payment is also available.

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The fixed period installment option is an optional form of benefit under which the Participant elects to receive substantially equal annual payments over a fixed period of whole years. The annual payment may be paid in annual, semi-annual, quarterly, or monthly installments --as elected by the Participant. The Participant may elect to receive additional payments.

The fixed payment installment option is an optional form of benefit under which the Participant elects to receive a specified dollar amount each year. The annual payment may be paid in annual, semi-annual, quarterly, or monthly installments as elected by the Participant. The Participant may elect to receive additional payments.

Under the installment options the amount payable in the Participant's first Distribution Calendar Year, as defined in the DEFINITIONS SECTION of Article VII, must satisfy the minimum distribution requirements of Article VII for such year. Distributions for later Distribution Calendar Years must satisfy the minimum distribution requirements of Article VII for such years. If the Participant's Annuity Starting Date does not occur until his second Distribution Calendar Year, the amount payable for such year must satisfy the minimum distribution requirements of Article VII for both the first and second Distribution Calendar Years.

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

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Any annuity contract distributed shall be nontransferable.

- (b) Death Benefits. The optional forms of death benefit are a single sum payment and any annuity that is an optional form of retirement benefit, except for survivorship annuities.

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

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SECTION 6.03--ELECTION PROCEDURES.

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

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

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

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

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

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

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

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ARTICLE VII

REQUIRED MINIMUM DISTRIBUTIONS

SECTION 7.01--APPLICATION.

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

SECTION 7.02--DEFINITIONS.

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

Distribution Calendar Year means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year that contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin under (b)(2) of the REQUIRED MINIMUM DISTRIBUTIONS SECTION of this article. The required minimum distribution for the Participant's first Distribution Calendar Year will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other Distribution Calendar Years, including the required minimum distribution for the Distribution Calendar Year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that Distribution Calendar Year.

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

Participant's Account Balance means the Account balance as of the last Valuation Date in the calendar year immediately preceding the Distribution Calendar Year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the Account as of dates in the valuation calendar year after the Valuation Date and decreased by distributions made in the valuation calendar year after the Valuation Date. The Account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the Distribution Calendar Year if distributed or transferred in the valuation calendar year.

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

SECTION 7.03--REQUIRED MINIMUM DISTRIBUTIONS.

(a) General Rules.

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

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- (2) All distributions required under this article shall be determined and made in accordance with the regulations under Code Section 401(a)(9), including the incidental death benefit requirement in Code Section 401(a)(9)(G), and the regulations thereunder.

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(b) Time and Manner of Distribution.

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

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- (2) Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

- (i) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70 1/2, if later, except to the extent that an election is made to receive distributions in accordance with the 5-year rule under (e) below. Under the 5-year rule, the Participant's entire interest will be distributed to the Designated Beneficiary by December 31 of the calendar year containing the fifth anniversary ~~of~~ the Participant's death.

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

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- (iii) If there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary ~~of~~ the Participant's death.

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- (iv) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse are required to begin, this (b)(2), other than (b)(2)(i), will apply as if the surviving spouse were the Participant.

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

- (3) Forms of Distribution. Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year distributions will be made in accordance with (c) and (d) below. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9) and the regulations thereunder.

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(c) Required Minimum Distributions During Participant's Lifetime.

- (1) Amount of Required Minimum Distribution For Each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the lesser of:

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- (i) the quotient obtained by dividing the Participant's Account Balance by the distribution period in the Uniform Lifetime Table set forth in Q&A-2 in section 1.401(a)(9)-9 of the regulations, using the Participant's age as of the Participant's birthday in the Distribution Calendar Year; or

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- (ii) If the Participant's sole Designated Beneficiary for the Distribution Calendar Year is the Participant's spouse, the quotient obtained by dividing the Participant's Account Balance by the number in the Joint and Last Survivor Table set forth in Q&A-3 in section 1.401(a)(9)-9 of the regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the Distribution Calendar Year.

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- (2) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this (c) beginning with the first Distribution Calendar Year and continuing up to, and including, the Distribution Calendar Year that includes the Participant's date of death.

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(d) Required Minimum Distributions After Participant's Death.

- (1) Death On or After Date Distributions Begin.

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- (i) Participant Survived by Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the longer of the remaining Life Expectancy of the Participant or the remaining Life Expectancy of the Participant's Designated Beneficiary, determined as follows:

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- A. The Participant's remaining Life Expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

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- B. If the Participant's surviving spouse is the Participant's sole Designated Beneficiary, the remaining Life Expectancy of the surviving spouse is calculated for each Distribution Calendar Year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For Distribution Calendar Years after the year of the

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surviving spouse's death, the remaining Life Expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

- C. If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, the Designated Beneficiary's remaining Life Expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

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- (ii) No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no Designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the Participant's remaining Life Expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

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(2) Death Before Date Distributions Begin.

- (i) Participant Survived by Designated Beneficiary. If the Participant dies before the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance by the remaining Life Expectancy of the Participant's Designated Beneficiary, determined as provided in (d)(1) above, except to the extent that an election is made to receive distributions in accordance with the 5-year rule under (e) below. Under the 5-year rule, the Participant's entire interest will be distributed to the Designated Beneficiary by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

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- (ii) No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

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- (iii) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole Designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under (b)(2)(i) above, this (d)(2) will apply as if the surviving spouse were the Participant.

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

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

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

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

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

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

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

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

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

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

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

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

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ARTICLE VIII

TERMINATION OF THE PLAN

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

The Account of each Participant shall be 100% vested and nonforfeitable as of the effective date of complete termination of the Plan. Further, the Account of each Participant who is included in the group of Participants deemed to be affected by the partial termination of the Plan (as determined by the Plan Administrator or a governmental entity authorized to make such determination) shall be 100% vested and nonforfeitable as of the effective date of such event. The Participant's Vested Account shall continue to participate in the earnings credited, expenses charged, and any appreciation or depreciation of the Investment Fund until his Vested Account is distributed.

A Participant's Vested Account may be distributed to the Participant after the effective date of the complete termination of the Plan. A distribution under this article shall be a retirement benefit and shall be distributed to the Participant according to the provisions of Article VI.

However, the fixed period and fixed payment installment options shall not be available. If a Participant or Beneficiary is receiving payments under an installment option, the Vested Account shall be paid to such person in a single sum.

The Participant's entire Vested Account shall be paid in a single sum to the Participant as of the effective date of complete termination of the Plan if the Participant's Vested Account is \$5,000 or less. This is a small amounts payment. The small amounts payment is in full settlement of all benefits otherwise payable.

Upon complete termination of the Plan, no more Employees shall become Participants and no more Contributions shall be made.

The assets of this Plan shall not be paid to the Employer at any time, except that, after the satisfaction of all liabilities under the Plan, any assets remaining may be paid to the Employer. The payment may not be made if it would contravene any provision of law.

ARTICLE IX

ADMINISTRATION OF THE PLAN

SECTION 9.01--ADMINISTRATION.

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

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

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

SECTION 9.02--EXPENSES.

Expenses of the Plan, to the extent that the Employer does not pay such expenses, may be paid out of the assets of the Plan provided that such payment is consistent with any law to which the Plan is subject. Expenses of the Plan will be paid in accordance with the most recent service and expense agreement or such other documents duly entered into by or with regard to the Plan that governs such matters. Such expenses include, but are not limited to, expenses for recordkeeping and other administrative services; fees and expenses of the Trustee or Annuity Contract; expenses for investment education service; and direct costs that the Employer incurs with respect to the Plan. Expenses that relate solely to a specific Participant or Alternate Payee may be assessed against such Participant or Alternate Payee as provided in the service and expense agreement or such other documents duly entered into by or with regard to the Plan that govern such matters.

SECTION 9.03--RECORDS.

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

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

SECTION 9.04--DELEGATION OF AUTHORITY.

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

SECTION 9.05--EXERCISE OF DISCRETIONARY AUTHORITY.

The Employer, Plan Administrator, and any other person or entity who has authority with respect to the management, administration, or investment of the Plan may exercise that authority in its/his full discretion, subject only to the duties imposed under any law to which the Plan is subject. This discretionary authority includes, but is not limited to, the authority to make any and all factual determinations and interpret all terms and provisions of the Plan documents relevant to the issue under consideration. The exercise of authority will be binding upon all persons.

SECTION 9.06--TRANSACTION PROCESSING.

Transactions (including, but not limited to, investment directions, trades, loans, and distributions) shall be processed as soon as administratively practicable after proper directions are received from the Participant or other parties. No guarantee is made by the Plan, Plan Administrator, Trustee, Insurer, or Employer that such transactions will be processed on a daily or other basis, and no guarantee is made in any respect regarding the processing time of such transactions.

Notwithstanding any other provision of the Plan, the Employer, the Plan Administrator, or the Trustee reserves the right to not value an investment option on any given Valuation Date for any reason deemed appropriate by the Employer, the Plan Administrator, or the Trustee, except that such investment option shall be valued as of the last day of the Plan Year as stated in the definition of Valuation Date in Article I.

Administrative practicality will be determined by legitimate business factors (including, but not limited to, failure of systems or computer programs, failure of the means of the transmission of data, force majeure, the failure of a service provider to timely receive values or prices, and correction for errors or omissions or the errors or omissions of any service provider) and in no event will be deemed to be less than 14 days. The processing date of a transaction shall be binding for all purposes of the Plan and considered the applicable Valuation Date for any transaction.

ARTICLE X

GENERAL PROVISIONS

SECTION 10.01--AMENDMENTS.

The Employer may amend this Plan at any time, including any remedial retroactive changes (within the time specified by Internal Revenue Service regulations), to comply with any law or regulation issued by any governmental agency to which the Plan is subject.

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

SECTION 10.02--DIRECT ROLLOVERS.

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

In the event of a Mandatory Distribution of an Eligible Rollover Distribution greater than \$1,000 in accordance with the SMALL AMOUNTS SECTION of this article (or which is a small amounts payment under Article VIII at complete termination of the Plan), if the Participant does not elect to have such distribution paid directly to an Eligible Retirement Plan specified by the Participant in a Direct Rollover or to receive the distribution directly, the Plan Administrator will pay the distribution in a Direct Rollover to an individual retirement plan designated by the Plan Administrator.

In the event of any other Eligible Rollover Distribution to a Distributee in accordance with the SMALL AMOUNTS SECTION of this article (or which is a small amounts payment under Article VIII at complete termination of the Plan), if the Distributee does not elect to have such distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover or to receive the distribution directly, the Plan Administrator will pay the distribution to the Distributee.

SECTION 10.03--PROVISIONS RELATING TO THE INSURER AND OTHER PARTIES.

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

Any issuer or distributor of investment contracts or securities is governed solely by the terms of its policies, written investment contract, prospectuses, security instruments, and any other written agreements entered into with the Trustee with regard to such investment contracts or securities.

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

Until notice of any amendment or termination of this Plan or a change in Trustee has been received by the Insurer at its home office or an issuer or distributor at their principal address, they are and shall be fully protected in assuming that the Plan has not been amended or terminated and in dealing with any party acting as Trustee according to the latest information which they have received at their home office or principal address.

SECTION 10.04--EMPLOYMENT STATUS.

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

SECTION 10.05--RIGHTS TO PLAN ASSETS.

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

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

SECTION 10.06--BENEFICIARY.

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

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

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

SECTION 10.07--CONSTRUCTION.

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

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

SECTION 10.08--LEGAL ACTIONS.

No person employed by the Employer; no Participant, former Participant, or their Beneficiaries; nor any other person having or claiming to have an interest in the Plan is entitled to any notice of process. A final judgment entered in any such action or proceeding shall be binding and conclusive on all persons having or claiming to have an interest in the Plan. Should any Participant, Beneficiary or other person claiming an interest in the Plan pursue a legal action against the Plan, such legal action may not be brought more than two years following the date such cause of action or proceeding arose.

SECTION 10.09--SMALL AMOUNTS.

If the value of the Participant's Vested Account does not exceed \$5,000, his entire Vested Account shall be distributed as of the earliest of his Retirement Date, the date he dies, or the date he has a Severance from Employment for any other reason (the date the Employer provides notice to the record keeper of the Plan of such event, if later). This is a small amounts payment.

In the event a Participant does not elect to have a small amounts payment paid directly to an Eligible Retirement Plan specified by the Participant in a Direct Rollover or to receive the distribution directly and his Vested Account is greater than \$1,000, a Mandatory Distribution will be made in accordance with the DIRECT ROLLOVERS SECTION of this article. If his Vested Account is \$1,000 or less, the Participant's entire Vested Account shall be paid directly to him.

If a small amounts payment is made on or after the date the Participant dies, the small amounts payment shall be made to the Participant's Beneficiary. If a small amounts payment is made while the Participant is living, the small amounts payment shall be made to the Participant.

A small amounts payment is in full settlement of all benefits otherwise payable. No other small amounts payment shall be made.

SECTION 10.10--WORD USAGE.

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

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

SECTION 10.11--MILITARY SERVICE.

Notwithstanding any provision of this Plan to the contrary, the Plan shall provide contributions, benefits, and service credit with respect to Qualified Military Service in accordance with Code Section 414(u). Loan repayments may be suspended under this Plan as permitted under Code Section 414(u).

A Participant who dies on or after January 1, 2007 while performing Qualified Military Service is treated as having resumed and then terminated employment on account of death, in accordance with Code Section 401(a)(37) and any subsequent guidance. The survivors of such Participant are entitled to any additional benefits provided under the Plan on account of death of the Participant.

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

Executed this _____ day of _____.

CITY OF FRANKLIN

By: _____

Title

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Your plan is an important legal document. This sample plan has been prepared based on our understanding of the desired provisions and is written to comply with federal laws and regulations. It may not fit your situation. You should consult with your lawyer on the plan's legal and tax implications, and to determine if additional provisions need to be added or existing provisions changed in order to comply with state and local laws or statutes. If any such additions or corrections are needed to the wording in this draft, we ask that your lawyer provide the appropriate wording. Neither Principal Life Insurance Company nor its agents can be responsible for the legal or tax aspects of the plan or its appropriateness for your situation. If you wish to change the provisions of this sample plan, you may ask us to prepare new sample wording for you and your lawyer to review, or your lawyer may provide the wording to us.

**CITY OF FRANKLIN
DEFINED BENEFIT RETIREMENT PLAN**

Defined Benefit Plan CL2014

Restated January 1, 2015 2019

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PLAN EXECUTION

INTRODUCTION

The Employer previously established a defined benefit plan on January 1, 1967.

The Plan is being restated effective January 1, 2019. This restated document is substituted in lieu of the prior document with the exception of any interim amendment and any model amendment that have not been incorporated into this restatement. Such amendment(s) shall continue to apply to this restated Plan until such provisions are integrated into the Plan or such amendment(s) are superseded by another amendment.

It is intended that the restated Plan qualify as a governmental defined benefit plan under the Internal Revenue Code of 1986, including any later amendments to the Code. The Employer agrees to operate the Plan according to the terms, provisions, and conditions set forth in this document.

The restated Plan continues to be for the exclusive benefit of employees of the Employer. All persons covered under the Plan before the effective date of this restatement shall continue to be covered under the restated Plan with no loss of benefits.

The Plan includes the statutory, regulatory, and guidance changes specified in the 2014 Cumulative List of Changes in Plan Qualification Requirements (2014 Cumulative List) contained in Internal Revenue Service Notice 2014-77 and the qualification requirements and guidance published before the issuance of such list. The provisions of this Plan apply as of the effective date of the restatement unless otherwise specified.

The Plan was amended effective December 31, 2018, to reflect a freeze on new Participants, a cessation of accrual of additional service for certain Participants and certain other technical changes associated with the Employer's decision to move most employees into the Wisconsin Retirement System effective January 1, 2019. No individual who is not already a Participant in this Plan on December 31, 2018 will be allowed to become a Participant at any time thereafter. Existing Participants who join the Wisconsin Retirement System on January 1, 2019, will have their Accrual Service frozen under this Plan as of December 31, 2018, but their Average Compensation will continue to be adjusted to reflect Monthly Compensation received from the Employer after such date and service performed after that date will still be credited to determine a Participant's vested status. Nothing in these amendments shall limit the Employer's ability to further amend, freeze or terminate this Plan at any time in the future.

ARTICLE I

FORMAT AND DEFINITIONS

SECTION 1.01--FORMAT.

Words and phrases defined in the DEFINITIONS SECTION of Article I shall have that defined meaning when used in this Plan, unless the context clearly indicates otherwise. These words and phrases will have initial capital letters to aid in identifying them as defined terms.

SECTION 1.02--DEFINITIONS.

Accrual Service means the total of an Employee's Continuous Service. This total is expressed in whole years and fractional parts of a year (counting a complete month as a fractional part of a year).

However, Accrual Service is modified as follows:

Service while not an Eligible Employee excluded:

Service while an Employee was not an Eligible Employee is excluded, including, but not limited to service performed while a member of the Wisconsin Retirement System.

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Voluntary discontinuance service excluded:

Service while a Participant, who became an Active Participant on January 1, 1971, who first became eligible to become an Active Participant on January 1, 1967, failed or refused to make a Contribution, required under the prior plan is excluded. This provision also applies to an Employee's service while Contributions were not made because he failed or refused to complete a written agreement to make such Contributions.

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Period of Military Duty included:

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

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

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

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

For purposes of determining the amount of a distribution other than an annual benefit that is nondecreasing for the life of the Participant or, in the case of a preretirement survivor annuity, the life of the Participant's spouse; or that decreases during the life of the Participant merely because of the death

of the surviving annuitant (but only if the reduction is to a level not below 50% of the annual benefit payable before the death of the surviving annuitant) or merely because of the cessation or reduction of Social Security supplements or qualified disability payments, Actuarial Equivalent shall be determined on the basis of the interest on 30-year Treasury securities for the look-back month for the stability period and the 1994 Group Annuity Reserve (GAR) Mortality Table. The look-back month applicable to the stability period is the second calendar month preceding the first day of the stability period. The stability period is the successive period of one calendar month that contains the Annuity Starting Date for the distribution, and for which the interest rate remains constant.

For purposes of determining benefits not described in the preceding paragraph, Actuarial Equivalent for benefits shall be determined on the basis of 7.5 percent interest and the 1983 Group Annuity Mortality Table as set forth in Revenue Ruling 95-6, 1995-1 C.B. 80.

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

Affiliated Service Group means any group of corporations, partnerships or other organizations of which the Employer is a part and that is affiliated within the meaning of Code Section 414(m) and the regulations thereunder. The term Controlled Group, as it is used in this Plan, shall include the term Affiliated Service Group.

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

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

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

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

Applicable Interest Rate means, on any given date, the rate of interest set forth in Code Section 417(e)(3) for the look-back month for the stability period.

The Applicable Interest Rate shall be the adjusted first, second, and third segment rates applied under Code Section 430(h)(2)(C) (without the 24-month averaging under Code Section 430(h)(2)(D) and determined without regard to the adjustment for the 25-year average segment rates provided in Code Section 430(h)(2)(C)(iv)) for the look-back month before the first day of the stability period, or such other time as the Secretary may by regulations prescribe. For this purpose, the first, second, and third segment rates are the first, second, and third segment rates which would be determined under Code Section 430(h)(2)(C) if:

- (a) Code Section 430(h)(2)(D) were applied by substituting the average yields for the month described above for the average yields for the 24-month period described in such section, and

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(b) Code Section 430(h)(2)(G)(i)(II) were applied by substituting "Section 417(e)(3)(A)(ii)(II)" for "Section 412(b)(5)(B)(ii)(II)", and

(c) The applicable percentage under Code Section 430(h)(2)(G) is treated as being 20% in 2008, 40% in 2009, 60% in 2010, and 80% in 2011.

The look-back month applicable to the stability period is the second calendar month preceding the first day of the stability period. The stability period is the successive period of one calendar month that contains the Annuity Starting Date for the distribution, and for which the interest rate remains constant.

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

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

Average Compensation means, on any given date, the average of an Employee's Monthly Compensation for those three consecutive Compensation Years (all Compensation Years, if less than three) that give the highest average out of the 10 latest Compensation Years (all Compensation Years, if less than 10).

In computing Average Compensation, the Plan will exclude the Compensation Year in which the Employee terminates employment with the Employer. The Plan will also exclude Compensation Years in which an Employee performs no hours of service.

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

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

Compensation means the total earnings, except as modified in this definition, from the Employer during any specified period.

"Earnings" in this definition means wages, salaries, Differential Wage Payments, and fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the Plan to the extent that the amounts are includible in gross income (including, but not limited to, commissions paid to salespersons, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan (as described in section 1.62-2(c) of the regulations)), and excluding the following:

(a) employer contributions (other than elective contributions described in Code Section 402(e)(3), 408(k)(6), 408(p)(2)(A)(i), or 457(b)) to a plan of deferred compensation (including a simplified employee pension described in Code Section 408(k) or a simple retirement account described in Code Section 408(p), and whether or not qualified) to the extent such contributions are not includible in the Employee's gross income for the taxable year in which contributed, and any

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distributions (whether or not includible in gross income when distributed) from a plan of deferred compensation (whether or not qualified);

- (b) amounts realized from the exercise of a nonstatutory stock option (that is, an option other than a statutory stock option as defined in section 1.421-1(b) of the regulations), or when restricted stock (or property) held by the Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;
- (c) amounts realized from the sale, exchange or other disposition of stock acquired under a statutory stock option;
- (d) other amounts that receive special tax benefits, such as premiums for group-term life insurance (but only to the extent that the premiums are not includible in the gross income of the Employee and are not salary reduction amounts that are described in Code Section 125); and
- (e) other items of remuneration that are similar to any of the items listed in (a) through (d) above.

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

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

Any payments not described above shall not be considered Compensation if paid after Severance from Employment, even if they are paid by the later of 2 1/2 months after the date of Severance from Employment or the end of the Plan Year that includes the date of Severance from Employment.

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

Compensation paid or made available during a specified period shall include amounts that would otherwise be included in Compensation, but for an election under Code Section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b).

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

Provided, however, with respect to an eligible Participant, the reduced dollar limitation in the preceding paragraph does not apply to the extent that the amount of Compensation allowed to be taken into account under the Plan is reduced below the amount that was allowed to be taken into account under

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the Plan as in effect on July 1, 1993. For this purpose, "eligible Participant" means an individual who first became a Participant in the Plan during a Plan Year beginning before the first Yearly Date in 1996.

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

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

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

Compensation Year means the period used to determine Compensation. The Compensation Year is the one-year period ending on each December 31.

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

Continuous Service means, for an Employee, any period of uninterrupted service with the Employer. However, unless the context clearly indicates otherwise, Continuous Service means his latest period of uninterrupted service.

For purposes of this definition, no interruption in service will occur because of approved periods of absence from the Employer due to temporary lay-off; leave of absence (not to exceed one year), a temporary absence due to illness or injury, pregnancy, or disability.

When necessary, the Employer shall use uniform, nondiscriminatory guidelines for determining an approved leave of absence.

Contributions means Employer Contributions as set out in Article III.

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

required to be aggregated with the Employer under Code Section 414(o) and the regulations thereunder.

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

Differential Wage Payments means any payments that are made by an Employer to an individual with respect to any period during which the individual is performing Qualified Military Service while on active duty for a period of more than 30 days. Such payments shall be made in accordance with Code Section 3401(h) and represent all or a portion of the wages the individual would have received from the Employer if the individual were performing service for the Employer.

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

Distributee means an Employee or former Employee. In addition, the Employee's (or former Employee's) surviving spouse and the Employee's (or former Employee's) spouse or former spouse who is the Alternate Payee under a qualified domestic relations order, as defined in Code Section 414(p), are Distributees with regard to the interest of the spouse or former spouse. For distributions made after December 31, 2006, a Distributee includes the Employee's (or former Employee's) nonspouse Designated Beneficiary, in which case, the distribution can only be transferred to a traditional IRA or Roth IRA established on behalf of the nonspouse Designated Beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Code Section 402(c)(11).

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

- (a) He has attained age 55.
- (b) He has completed 10 years of Accrual Service.

Eligibility Service means the total of an Employee's Continuous Service counting a complete month as a fractional part of a year.

However, Eligibility Service is modified as follows:

Period of Military Duty included:

A Period of Military Duty shall be included as service with the Employer to the extent it has not already been credited.

Eligible Employee means any Employee of the Employer who is in one of the following categories: was a Participant in this Plan on or before December 31, 2018, who was an active Participant in the Plan on December 31, 2018, and who does not participate in the Wisconsin Retirement System due to employment with the Employer at any time on or after January 1, 2019.

- (a) an individual who is employed in a laborer-type position (i.e. non-clerical employees) for the Department of Public Works and the Sewer and Water Department (as defined by the Common Council) who regularly works 30 or more hours per week and also 7 months or more per year (periods of service that are not at least two consecutive weeks in length do not count toward satisfying the 7-months eligibility standard); or

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- ~~(b) an individual who is employed in a position of Custodian and who was also an Active Participant in the Plan prior to January 1, 2012, as evidenced by receipt of a benefit statement under this Plan for a period of service that includes a date prior to January 1, 2012; or~~
- ~~(c) an individual who was an Active Participant in the Plan on December 31, 2012, as evidenced by receipt of a benefit statement under this Plan for a period of service that includes December 31, 2012; or~~
- ~~(e) an individual who meets each of the two following conditions: (i) is a Supervisor for the Department of Public Works or the Sewer and Water Department; and (ii) previously participated in the Plan as a laborer (includes those promoted to Supervisor status on or before January 1, 2013).~~

No other Employee of the Employer shall be eligible to participate in this Plan and, notwithstanding the preceding eligibility classes, ~~no protective occupation Employee or any other Employee may be an Active Participant in this Plan for any period of time when such Employee is an active participant in the Wisconsin Retirement System, the City of Franklin Defined Contribution Retirement Plan (formerly known as the City of Franklin Certain Employees' Retirement Plan) (and any successor thereto) or any other retirement plan maintained by the Employer and accruing benefits or contributions under such plan for the same service.~~

No service, except service as an Eligible Employee, shall be considered Accrual Service under this Plan. The Employer retains the sole right and authority to interpret the terms of the Plan and determine eligibility hereunder.

Eligible Retirement Plan means an eligible plan under Code Section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan, a traditional IRA, a Roth IRA, an annuity plan described in Code Section 403(a), an annuity contract described in Code Section 403(b), or a qualified plan described in Code Section 401(a), that accepts the Distributee's Eligible Rollover Distribution. The definition of Eligible Retirement Plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the Alternate Payee under a qualified domestic relations order, as defined in Code Section 414(p).

Eligible Rollover Distribution means any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: (i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's Designated Beneficiary, or for a specified period of 10 years or more; (ii) any distribution to the extent such distribution is required under Code Section 401(a)(9); (iii) the portion of any other distribution(s) that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); and (iv) any other distribution(s) that is reasonably expected to total less than \$200 during a year.

A portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income. However, such portion may be transferred only to (i) a traditional individual retirement account or annuity described in Code Section 408(a) or (b) (a "traditional IRA"); (ii) a Roth individual retirement account or annuity described in Code Section 408A (a "Roth IRA"); or (iii) a qualified defined contribution, defined benefit, or annuity plan described in Code Section 401(a) or 403(a) or to an annuity contract described in Code Section 403(b), if such plan or contract agrees to separately account for amounts so transferred

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_(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.

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

The term Employee shall include any individual receiving Differential Wage Payments.

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

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An independent contractor is not an Employee. If the Internal Revenue Service determines that an individual who the Employer considered to be an independent contractor, or the employee of an independent contractor, is an Employee, such individual shall be an Employee as of the reclassification date.

Employer means, except for purposes of the BENEFIT LIMITATION SECTION of Article IV, The City of Franklin.

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

Employment Commencement Date means the date an Employee first performs an hour of service for the Employer.

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

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

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

Investment Manager means any fiduciary (other than a trustee)

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

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Late Retirement Date means the first day of any month that is after a Participant's Normal Retirement Date and on which retirement benefits begin. If a Participant continues to work for the Employer after his Normal Retirement Date, his Late Retirement Date shall be the earliest first day of the month on or after the date he has a Severance from Employment. In modification of the foregoing, a Participant may elect to begin his retirement benefits before he has a Severance from Employment. A later Retirement Date (after a Severance from Employment) may apply if the Participant so elects. See the WHEN BENEFITS START SECTION of Article VI.

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

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

- (a) such employee is covered by a money purchase pension plan providing (i) a nonintegrated employer contribution rate of at least 10 percent of compensation, as defined in Code Section 415(c)(3), (ii) immediate participation, and (iii) full and immediate vesting, and
- (b) Leased Employees do not constitute more than 20 percent of the recipient's nonhighly compensated work force.

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

Monthly Compensation means, for any Compensation Year, 1/12th of an Employee's Compensation for such year.

The Compensation Year in which an Employee terminates employment with the Employer shall be excluded in the determination of Monthly Compensation.

To determine Monthly Compensation if an Employee is an Employee for only part of a Compensation Year, his Compensation for that Compensation Year shall be converted to an annual basis as though he were employed for the full Compensation Year.

If an Employee is an Employee for less than one month during the latest Compensation Year before his Entry Date or Reentry Date, whichever applies, his fixed rate of annual pay on such date shall be treated as his Compensation for the Compensation Year.

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

Normal Form means a single life annuity with certain period, where the certain period is 10 years.

Normal Retirement Date means the earliest first day of the month on or after the date the Participant reaches his 60th birthday. Unless otherwise provided in this Plan, a Participant's retirement benefits shall begin on his Normal Retirement Date if he has had a Severance from Employment on such date.

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Even if the Participant is an Employee on his Normal Retirement Date, he may choose to have his retirement benefit begin on such date.

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Participant means either an Active Participant or an Inactive Participant.

Period of Military Duty means, for an Employee

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

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

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

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

The Plan Administrator is the Employer.

Plan Year means a consecutive 12-month period beginning on a Yearly Date and ending on the day before the next Yearly Date. If the Yearly Date changes, the change will result in a short Plan Year.

Preretirement Survivor Annuity means a straight life annuity payable to the surviving spouse of a Participant who dies before his Annuity Starting Date. Benefits shall be determined as if the Participant had a Severance from Employment on the date of his death (date he last had a Severance from Employment, if earlier) and survived to retire on the earliest date on or after the date of his death on which he could have elected to retire. The monthly benefit payable to the spouse shall be equal to the survivorship benefit that would have been payable to the spouse if the Participant retired under an immediate survivorship life annuity, with a survivorship percentage of 100% and a Contingent Annuitant who is the Participant's spouse, on such date and died. A former spouse will be treated as the surviving spouse to the extent provided under a qualified domestic relations order as described in Code Section 414(p).

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Present Value means the Actuarial Equivalent of another benefit, expressed as a single sum amount.

Prior Deferred Benefit means the monthly amount of any deferred retirement benefit payable on a Participant's Normal Retirement Date under the Normal Form to which he was entitled because of a quit or discharge that occurred before January 1, 1984.

Qualified Military Service means any service in the uniformed services (as defined in Chapter 43 of Title 38 of the U.S. Code) by any individual if such individual is entitled to reemployment rights under such chapter with respect to such service.

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

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

Severance from Employment means, except for purposes of the BENEFIT LIMITATION SECTION of Article IV, an Employee has ceased to be an Employee. An Employee does not have a Severance from Employment if, in connection with a change of employment, the Employee's new employer maintains this Plan with respect to the Employee. The Plan Administrator shall determine if a Severance from Employment has occurred in accordance with the regulations that are applicable to such determination.

Totally and Permanently Disabled means that a Participant is disabled, as a result of sickness or injury, to the extent that he is prevented from engaging in any substantial gainful activity, and is eligible for and receives a disability benefit under Title II of the Federal Social Security Act.

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

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

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

VESTING PERCENTAGE	
VESTING SERVICE (whole years)	
Less than 5	0
5	50
10 or more	100
(whole years)	
Less than 5	0%
5 or More, But Less Than 10	50%
10 or More	100%

The Vesting Percentage for a Participant who is an Employee on or after his Normal Retirement Date shall be 100%.

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

Vesting Service means the total of an Employee's Continuous Service. This total is expressed in whole years and fractional parts of a year (counting a complete month as a fractional part of a year).

However, Vesting Service is modified as follows:

Voluntary discontinuance service excluded:

Service while a Participant, who became an Active Participant on January 1, 1971, who first became eligible to become an Active Participant on January 1, 1967, failed or refused to make a Contribution required under the prior plan is excluded. This provision also applies to an Employee's service while Contributions were not made because he failed or refused to complete a written agreement to make such Contributions.

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Period of Military Duty included:

A Period of Military Duty shall be included as service with the Employer to the extent it has not already been credited.

If a Participant dies, while performing Qualified Military Service, such service shall be included as service with the Employer.

Yearly Date means January 1, 1967, and the same day of each following year.

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

ARTICLE II

PARTICIPATION

SECTION 2.01--ACTIVE PARTICIPANT.

~~(a) An Employee shall first become an Active Participant (begin active participation in the Plan) on the earliest Monthly Date on which he is an Eligible Employee and has met the eligibility requirement set forth below. This date is his Entry Date.~~

~~(1) He has completed 6 months of Eligibility Service before his Entry Date.~~

~~If the Plan's eligibility requirements are changed, an Employee who was an Active Participant immediately prior to the effective date of the change is deemed to satisfy the new requirements and his Entry Date shall not change.~~

~~(a) No Employee who was not an Active Participant in the Plan on December 31, 2018 will be allowed to become an Active Participant at any time thereafter. Each Employee who was an Active Participant on the day before the effective date of this restatement (as determined in the Introduction) shall continue to be an Active Participant if he is still an, provided that only those Participants who continue to be Eligible Employee on Employees after such restatement effective date and his will earn additional Accrual Service after such date. The Entry Date shall not change for any individual who was an Active Participant in this Plan before January 1, 2019.~~

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

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

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

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

SECTION 2.02--INACTIVE PARTICIPANT.

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

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

~~(a) The date he ceases to be an Eligible Employee, provided that an Employee who elects to participate in the Wisconsin Retirement System on or after January 1, 2019, shall not become an Inactive Participant for all purposes, but rather, such Employee will not be credited with any Accrual Service for service performed on or after January 1, 2019.~~

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

An Employee or former Employee who was an Inactive Participant on the day before the effective date of this restatement (as determined in the Introduction) shall continue to be an Inactive Participant on such restatement effective date. Eligibility for any benefits payable to the Participant or on his behalf and the amount of the benefits shall be determined according to the provisions of the prior document, unless otherwise stated in this document or any subsequent documents.

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SECTION 2.03--CESSATION OF PARTICIPATION.

A Participant shall cease to be a Participant on the earlier of the following:

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

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

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ARTICLE III

CONTRIBUTIONS

SECTION 3.01--EMPLOYER CONTRIBUTIONS.

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

A portion of the Employer Contributions may consist of mandatory, non-elective and non-discretionary employee contributions that may be facilitated through the mandatory, non-elective and non-discretionary employee wage reductions. The amount, if any, of such mandatory wage reductions shall be set, from time to time, by the Employer's Common Council. Such contributions will be processed as employer pick-up contributions as described in Code Section 414(h)(2).

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

SECTION 3.02--INVESTMENT OF CONTRIBUTIONS.

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

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

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

ARTICLE IV

RETIREMENT BENEFITS

SECTION 4.01--ACCRUED BENEFIT.

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

- (a) An amount equal to 1.98% of his Average Compensation.
- (b) His Accrual Service on such date.

However, Accrued Benefit is modified as follows:

Minimum Accrued Benefit:

An Active Participant's monthly Accrued Benefit will be increased by his Prior Deferred Benefit.

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

SECTION 4.02--BENEFIT LIMITATION.

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

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

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

No actuarial adjustment to the benefit shall be made for (i) survivor benefits payable to a surviving spouse under a qualified joint and survivor annuity to the extent such benefits would not be payable if the Participant's benefit were paid in another form; (ii) benefits that are not directly related to retirement benefits (such as a qualified disability benefit, preretirement incidental death benefits, and post-retirement medical benefits); or (iii) the inclusion in the form of benefit of an

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automatic benefit increase feature, provided the form of benefit is not subject to Code Section 417(e)(3) and would otherwise satisfy the limitations of this section, and the Plan provides that the amount payable under the form of benefit in any Limitation Year shall not exceed the limits of this section applicable at the Annuity Starting Date, as increased in subsequent years pursuant to Code Section 415(d). For this purpose, an automatic benefit increase feature is included in a form of benefit if the form of benefit provides for automatic periodic increases to the benefits paid in that form.

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

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

- (1) Benefit Forms Not Subject to Code Section 417(e)(3): The Straight Life Annuity that is actuarially equivalent to the Participant's form of benefit shall be determined under this (1) if the form of the Participant's benefit is either (i) a nondecreasing annuity (other than a Straight Life Annuity) payable for a period of not less than the life of the Participant (or, in the case of a qualified preretirement survivor annuity, the life of the surviving spouse), or (ii) an annuity that decreases during the life of the Participant merely because of (a) the death of the survivor annuitant (but only if the reduction is not below 50% of the benefit payable before the death of the survivor annuitant), or (b) the cessation or reduction of Social Security supplements or qualified disability payments (as defined in Code Section 401(a)(11)).

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

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- A. the interest rate and the mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form; and
- B. a 5 percent interest rate assumption and the Applicable Mortality Table for that Annuity Starting Date.

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

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

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- B. the annual amount of the Straight Life Annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using a 5 percent interest rate assumption and the Applicable Mortality Table for that Annuity Starting Date.
- (2) Benefit Forms Subject to Code Section 417(e)(3): The Straight Life Annuity that is actuarially equivalent to the Participant's form of benefit shall be determined under this (2) if the form of the Participant's benefit is other than a benefit form described in (1) above. In this case, the actuarially equivalent Straight Life Annuity shall be determined as follows:
- (i) Annuity Starting Date in Plan Years Beginning After 2005. If the Annuity Starting Date of the Participant's benefit occurs during a Plan Year beginning after 2005, the actuarially equivalent Straight Life Annuity is equal to the greatest of:
- A. the annual amount of the Straight Life Annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using the interest rate and the mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form;
- B. the annual amount of the Straight Life Annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using a 5.5 percent interest rate assumption and the Applicable Mortality Table; and
- C. the annual amount of the Straight Life Annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using the Applicable Interest Rate and the Applicable Mortality Table, divided by 1.05.
- However, for an Employer that is an eligible employer as defined in Code Section 408(p)(2)(C)(i), the actuarially equivalent Straight Life Annuity is equal to the greater of A. or B. above.
- (ii) Annuity Starting Date in Plan Years Beginning In 2004 and 2005. If the Annuity Starting Date of the Participant's form of benefit is in a Plan Year beginning in 2004 or 2005, the actuarially equivalent Straight Life Annuity is equal to the annual amount of the Straight Life Annuity commencing at the same Annuity Starting Date that has the same actuarial present value as the Participant's form of benefit, computed using whichever of the following produces the greater annual amount:
- A. the interest rate and the mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form; and
- B. a 5.5 percent interest rate assumption and the Applicable Mortality Table.
- If the Annuity Starting Date of the Participant's benefit is on or after the first day of the first Plan Year beginning in 2004 and before December 31, 2004, the application of this (2)(ii) shall not cause the amount payable under the Participant's form of benefit to be less than the benefit calculated under the Plan taking into account the limitations of this section, except that the actuarially equivalent Straight Life Annuity is equal to the annual amount of the Straight Life Annuity commencing at the same

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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 greatest annual amount:

- C. the interest rate and the mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form (as provided under the terms of the Plan in effect as of the date of distribution);
- D. the Applicable Interest Rate and the Applicable Mortality Table (as provided under the terms of the Plan in effect as of the date of distribution); and
- E. the Applicable Interest Rate (as in effect on the last day of the last Plan Year beginning before January 1, 2004, under the provisions of the Plan then adopted and in effect) and the Applicable Mortality Table.

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

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

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

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

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

- (1) Adjustment for Less Than 10 Years of Participation: If the Participant has less than 10 Years of Participation in the Plan, the Defined Benefit Dollar Limitation shall be multiplied by a fraction, (i) the numerator of which is the number of Years of Participation (or part thereof, but not less than one year) in the Plan, and (ii) the denominator of which is 10.

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

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

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

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- A. Limitation Years Beginning Before July 1, 2007. If the Annuity Starting Date for the Participant's benefit is prior to age 62 and occurs in a Limitation Year beginning before July 1, 2007, the Defined Benefit Dollar Limitation for the Participant's Annuity Starting Date is the annual amount of a benefit payable in the form of a Straight Life Annuity commencing at the Participant's Annuity Starting Date that is the actuarial equivalent of the Defined Benefit Dollar Limitation (adjusted under (1) above for Years of Participation less than 10, if required) with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (i) the interest rate and the mortality table (or other tabular factor) specified in the Plan for purposes of determining actuarial equivalence for early retirement benefits; or (ii) a 5 percent interest rate assumption and the Applicable Mortality Table. To the extent the Plan does not specify an interest rate and mortality table (or other tabular factor) or for ages for which no tabular factor is specified, a 5 percent interest rate and the Applicable Mortality Table shall be used to determine actuarial equivalence.

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

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- I. Plan Does Not Have Immediately Commencing Straight Life Annuity Payable at Both Age 62 and the Age of Benefit Commencement. If the Annuity Starting Date for the Participant's benefit is prior to age 62 and occurs in a Limitation Year beginning on or after July 1, 2007, and the Plan does not have an immediately commencing Straight Life Annuity payable at both age 62 and the age of benefit commencement, the Defined Benefit Dollar Limitation for the Participant's Annuity Starting Date is the annual amount of a benefit payable in the form of a Straight Life Annuity commencing at the Participant's Annuity Starting Date that is the actuarial equivalent of the Defined Benefit Dollar Limitation (adjusted under (1) above for Years of Participation less than 10, if required) with actuarial equivalence computed using a 5 percent

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interest rate assumption and the Applicable Mortality Table for the Annuity Starting Date (and expressing the Participant's age based on completed calendar months as of the Annuity Starting Date).

- II. Plan Has Immediately Commencing Straight Life Annuity Payable at Both Age 62 and the Age of Benefit Commencement. If the Annuity Starting Date for the Participant's benefit is prior to age 62 and occurs in a Limitation Year beginning on or after July 1, 2007, and the Plan has an immediately commencing Straight Life Annuity payable at both age 62 and the age of benefit commencement, the Defined Benefit Dollar Limitation for the Participant's Annuity Starting Date is the lesser of the limitation determined under (2)(i)B.I. above and the Defined Benefit Dollar Limitation (adjusted under (1) above for Years of Participation less than 10, if required) multiplied by the ratio of the annual amount of the immediately commencing Straight Life Annuity under the Plan at the Participant's Annuity Starting Date to the annual amount of the immediately commencing Straight Life Annuity under the Plan at age 62, both determined without applying the limitations of this section.

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- C. The adjustments in this (i) do not apply in the case of a Participant who is a qualified participant (as defined in Code Section 415(b)(H)). The adjustments in this (i) do not apply to survivor and disability benefits as provided in Code Section 415(b)(2)(I).
- D. Notwithstanding any other provision of this (i), the age adjusted -Defined Benefit Dollar- Limitation applicable to a Participant shall not decrease on account of an increase in age or the performance of additional service.

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

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- A. Limitation Years Beginning Before July 1, 2007. If the Annuity Starting Date for the Participant's benefit is after age 65 and occurs in a Limitation Year beginning before July 1, 2007, the Defined Benefit Dollar Limitation for the Participant's Annuity Starting Date is the annual amount of a benefit payable in the form of a Straight Life Annuity commencing at the Participant's Annuity Starting Date that is the actuarial equivalent of the Defined Benefit Dollar Limitation (adjusted under (1) above for Years of Participation less than 10, if required) with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (i) the interest rate and the mortality table (or other tabular factor) specified in the Plan for purposes of determining actuarial equivalence for late retirement benefits; or (ii) a 5 percent interest rate assumption and the Applicable Mortality Table.

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

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- I. Plan Does Not Have Immediately Commencing Straight Life Annuity Payable at Both Age 65 and the Age of Benefit Commencement. If the Annuity Starting Date for the Participant's benefit is after age 65 and occurs in a Limitation Year beginning on or after July 1, 2007, and the

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Plan does not have an immediately commencing Straight Life Annuity payable at both age 65 and the age of benefit commencement, the Defined Benefit Dollar Limitation at the Participant's Annuity Starting Date is the annual amount of a benefit payable in the form of a Straight Life Annuity commencing at the Participant's Annuity Starting Date that is the actuarial equivalent of the Defined Benefit Dollar Limitation (adjusted under (1) above for Years of Participation less than 10, if required) with actuarial equivalence computed using a 5 percent interest rate assumption and the Applicable Mortality Table for that Annuity Starting Date (and expressing the Participant's age based on completed calendar months as of the Annuity Starting Date).

- II. Plan Has Immediately Commencing Straight Life Annuity Payable at Both Age 65 and the Age of Benefit Commencement. If the Annuity Starting Date for the Participant's benefit is after age 65 and occurs in a Limitation Year beginning on or after July 1, 2007, and the Plan has an immediately commencing Straight Life Annuity payable at both age 65 and the age of benefit commencement, the Defined Benefit Dollar Limitation at the Participant's Annuity Starting Date is the lesser of the limitation determined under (2)(ii)B.I. above and the Defined Benefit Dollar Limitation (adjusted under (1) above for Years of Participation less than 10, if required) multiplied by the ratio of the annual amount of the adjusted immediately commencing Straight Life Annuity under the Plan at the Participant's Annuity Starting Date to the annual amount of the adjusted immediately commencing Straight Life Annuity under the Plan at age 65, both determined without applying the limitations of this section. For this purpose, the adjusted immediately commencing Straight Life Annuity under the Plan at the Participant's Annuity Starting Date is the annual amount of such annuity payable to the Participant, computed disregarding the Participant's accruals after age 65 but including actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing Straight Life Annuity under the Plan at age 65 is the annual amount of such annuity that would be payable under the Plan to a hypothetical Participant who is age 65 and has the same accrued benefit as the Participant.

- (iii) Notwithstanding the other requirements of this (2), in adjusting the Defined Benefit Dollar Limitation for the Participant's Annuity Starting Date under (2)(i)A., (2)(i)B.I., (2)(ii)A., and (2)(ii)B.I. above, no adjustment shall be made to the Defined Benefit Dollar Limitation to reflect the probability of a Participant's death between the Annuity Starting Date and age 62, or between age 65 and the Annuity Starting Date, as applicable, if benefits are not forfeited upon the death of the Participant prior to the Annuity Starting Date. To the extent benefits are forfeited upon death before the Annuity Starting Date, such an adjustment shall be made. For this purpose, no forfeiture shall be treated as occurring upon the Participant's death if the Plan does not charge Participants for providing a preretirement survivor annuity upon the Participant's death.

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

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

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

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

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

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

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

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

- (1) the Participant is credited with Continuous Service for benefit accrual purposes, and
- (2) the Participant is included as a Participant under the eligibility provisions of the Plan for at least one day of the Plan Year.

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

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(b) The Annual Benefit otherwise payable to a Participant at any time will not exceed the Maximum Permissible Benefit. If the benefit the Participant would otherwise accrue in a Limitation Year would produce an Annual Benefit in excess of the Maximum Permissible Benefit, the benefit shall be limited (or the rate of accrual reduced) to the extent necessary so that the benefit does not exceed the Maximum Permissible Benefit.

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

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

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

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(f) Other Rules.

(1) Benefits under Terminated Plans. If a defined benefit plan maintained by the Employer has terminated with sufficient assets for the payment of benefit liabilities of all plan participants and a participant in the plan has not yet commenced benefits under the plan, the benefits provided pursuant to the annuities purchased to provide the participant's benefits under the terminated plan at each possible annuity starting date shall be taken into account in applying the limitations of this section. If there are not sufficient assets for the payment of all participants' benefit liabilities, the benefits taken into account shall be the benefits that are actually provided to the participant under the terminated plan.

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

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transfer with sufficient assets to pay all participants' benefit liabilities under the plan. If a participant's benefits under a defined benefit plan maintained by the Employer are transferred to another defined benefit plan in a transfer of distributable benefits pursuant to section 1.411(d)-4, Q&A-3(c), of the regulations, the amount transferred is treated as a benefit paid from the transferor plan.

- (3) Formerly Affiliated Plans of the Employer. A Formerly Affiliated Plan of the Employer shall be treated as a plan maintained by the Employer, but the Formerly Affiliated Plan shall be treated as if it had terminated immediately prior to the cessation of affiliation with sufficient assets to pay participants' benefit liabilities under the plan and had purchased annuities to provide benefits.
- (4) Plans of a Predecessor Employer. If the Employer maintains a defined benefit plan that provides benefits accrued by a participant while performing services for a Predecessor Employer, the participant's benefits under a plan maintained by a Predecessor Employer shall be treated as provided under a plan maintained by the Employer. However, for this purpose, the plan of the Predecessor Employer shall be treated as if it had terminated immediately prior to the event giving rise to the Predecessor Employer relationship with sufficient assets to pay participants' benefit liabilities under the plan, and had purchased annuities to provide benefits; the Employer and the Predecessor Employer shall be treated as if they were a single employer immediately prior to such event and as unrelated employers immediately after the event; and if the event giving rise to the predecessor relationship is a benefit transfer, the transferred benefits shall be excluded in determining the benefits provided under the plan of the Predecessor Employer.
- (5) Special Rules. The limitations of this section shall be determined and applied taking into account the rules in section 1.415(f)-1(d), (e), and (h) of the regulations.
- (6) Aggregation with Multiemployer Plans.
 - (i) If the Employer maintains a multiemployer plan, as defined in Code Section 414(f), and the multiemployer plan so provides, only the benefits under the multiemployer plan that are provided by the Employer shall be treated as benefits provided under a plan maintained by the Employer for purposes of this section.
 - (ii) Effective for Limitation Years ending after December 31, 2001, a multiemployer plan shall be disregarded for purposes of item (1) of the Maximum Permissible Benefit definition in subparagraph (a) above to a plan which is not a multiemployer plan.

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SECTION 4.03--AMOUNT OF BENEFIT AT RETIREMENT.

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

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

Early Retirement Date. An Active Participant's retirement benefit on his Early Retirement Date shall be equal to his Accrued Benefit on such date, multiplied by the factor shown below corresponding to the number of years his Early Retirement Date precedes his Normal Retirement Date.

NUMBER OF YEARS
EARLY RETIREMENT DATE
PRECEDES NORMAL
RETIREMENT DATE

FACTOR

1	.95
2	.90
3	.85
4	.80
5	.75
6	.70
7	.65
8	.60
9	.55
10	.50

The above factors shall be prorated for a partial year (counting a partial month as a complete month).

Late Retirement Date. An Active Participant's retirement benefit on his Late Retirement Date shall be equal to the greater of (a) or (b) below:

- (a) His Accrued Benefit on his Late Retirement Date.
- (b) His Accrued Benefit on his Normal Retirement Date, -multiplied by the factor shown below corresponding to the number of years his Late Retirement Date follows his Normal Retirement Date.

NUMBER OF YEARS
LATE RETIREMENT DATE
FOLLOWS NORMAL
RETIREMENT DATE

FACTOR

1	1.0600
2	1.1200
3	1.1800
4	1.2600
5	1.3400
6	1.4200
7	1.5000
8	1.5900
9	1.6900
10	1.7900

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partial The above factors shall be prorated for a partial year (counting a partial

NUMBER OF YEARS
LATE RETIREMENT DATE
FOLLOWS NORMAL
RETIREMENT DATE

FACTOR

1	1.0600
2	1.1200
3	1.1800
4	1.2600
5	1.3400
6	1.4200
7	1.5000
8	1.5900
9	1.6900
10	1.7900

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ARTICLE IV (4-55559)

The above factors shall be prorated for a partial year (counting a partial month as a complete month). Factors for years beyond 10 shall be determined using a consistently applied reasonable actuarially equivalent method.

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The Participant's retirement benefits shall be distributed to the Participant according to the distribution of benefits provisions of Article VI and the small amounts provisions of the SMALL AMOUNTS SECTION of

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

SECTION 4.04--BENEFITS UPON EMPLOYMENT AFTER RETIREMENT DATE.

If a Participant is employed by the Employer after his Retirement Date, any monthly retirement benefit payment he is receiving shall continue unchanged.

If such Participant continues to be or again becomes an Active Participant after his Retirement Date, his benefits under this Plan shall not be duplicated. The retirement benefit from the Accrued Benefit resulting from such additional period of Accrual Service shall be payable according to the provisions of Article IV and Article VI. Any death benefit from the Accrued Benefit he accrued during his latest period as an Active Participant shall be determined as provided in the DEATH BENEFITS SECTION of Article V.

ARTICLE V

OTHER BENEFITS

SECTION 5.01--DEATH BENEFITS.

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

(a) Preretirement Survivor Annuity:

A Preretirement Survivor Annuity shall be payable if the following requirements are met:

- (1) The Participant is survived by a spouse to whom he was continuously married throughout the one-year period ending on the date he dies.
- (2) The Participant's Vesting Percentage on the date of his death was greater than zero.

If the requirements above are met on the date the Participant dies, the Preretirement Survivor Annuity shall become payable on the earliest date on or after the date of his death on which he could have elected to retire if he had a Severance from Employment on the date of his death (the date he last had a Severance from Employment, if earlier) and survived to retire. The spouse may elect to start benefits on any later first day of the month. If the spouse chooses to start benefits later, the Preretirement Survivor Annuity shall be the Actuarial Equivalent of the Preretirement Survivor Annuity that would have been payable on the date the Preretirement Survivor Annuity would otherwise have been payable. Benefits must start by the date the Participant would have been age 70 1/2. If the spouse dies before the Preretirement Survivor Annuity starts, no death benefits are payable.

If a Participant dies on or after his Normal Retirement Date and before his Annuity Starting Date, the death benefit shall be payable in like manner as provided under (a) above.

Any death benefit after a Participant's Annuity Starting Date will be determined by the form of retirement benefit in effect on such date.

SECTION 5.02--VESTED BENEFITS.

A Participant who becomes an Inactive Participant before retirement or death (and, if applicable, before the date a disability payment begins under the DISABILITY BENEFITS SECTION of this article) will be entitled to one of the following vested benefits whichever is applicable. Any distribution of vested benefits shall be a retirement benefit and shall be subject to the distribution of benefits provisions of Article VI and the provisions of the SMALL AMOUNTS SECTION of Article X.

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

- (1) The Participant's Accrued Benefit on the day before he became an Inactive Participant.

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- (2) The Participant's Vesting Percentage on the date he had a Severance from Employment.
- (b) A deferred monthly retirement benefit under the Normal Form to begin on his Early Retirement Date. The deferred retirement benefit shall be equal to the amount under (a) above multiplied by the applicable early retirement factor in the AMOUNT OF BENEFIT AT RETIREMENT SECTION of Article IV.
- (c) A deferred monthly retirement benefit under the Normal Form to begin on his Late Retirement Date. The deferred retirement benefit shall be determined as follows:
 - (1) For a Participant who became an Inactive Participant on or before his Normal Retirement Date, an amount equal to the amount under (a) above multiplied by the late retirement factor in the AMOUNT OF BENEFIT AT RETIREMENT SECTION of Article IV that corresponds to the number of years his Late Retirement Date follows his Normal Retirement Date.
 - (2) For a Participant who became an Inactive Participant after his Normal Retirement Date, an amount equal to the greater of (i) or (ii) below:
 - (i) The Participant's Accrued Benefit on the day before the date he became an Inactive Participant.
 - (ii) His Accrued Benefit on his Normal Retirement Date multiplied by the late retirement factor in the AMOUNT OF BENEFIT AT RETIREMENT SECTION of Article IV that corresponds to the number of years his Late Retirement Date follows his Normal Retirement Date.

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

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

SECTION 5.03--DISABILITY BENEFITS.

If an Active Participant becomes disabled (and such disability is determined to meet the definition of Totally and Permanently Disabled) before his Retirement Date (Normal Retirement Date, if earlier), a disability benefit shall be payable to him if the disability occurs on or after he has met the following requirement(s):

- (b) He has completed five years of Accrual Service.

The disability benefit payable to a Participant who meets the requirements above is an immediate monthly benefit equal to his expected Accrued Benefit at his Normal Retirement Date assuming his Average Compensation remains the same. In no event will this benefit be more than 50% of his Average Compensation.

Monthly disability benefit payments shall begin on the earliest first day of the month on or after the date the Participant meets the requirements under this section. Such payments shall continue through the last monthly payment made before the earliest of his Retirement Date (Normal Retirement Date, if earlier), the date of his death, or the day following the date he is no longer Totally and Permanently Disabled.

If the payments continue through the month immediately preceding the Participant's Retirement Date (Normal Retirement Date, if earlier), retirement benefits shall be provided for him on his Retirement Date under the provisions of Article IV as if he were an Active Participant. His Accrued Benefit shall be equal to his Accrued Benefit as of the day before the disability benefit began. However, such Accrued Benefit shall not be less than the amount of monthly disability payment paid to him under this section. If, before the Participant's Retirement Date (Normal Retirement Date, if earlier), he recovers and returns to active work for the Employer within one month of his recovery, the payments shall stop and he shall again become an Active Participant under the ACTIVE PARTICIPANT SECTION of Article II. If, before the Participant's Retirement Date (Normal Retirement Date, if earlier), he recovers and does not return to active work for the Employer within one month of his recovery, the payments shall stop and his benefits shall be redetermined, on the date he had a Severance from Employment, under the VESTED BENEFITS SECTION of this article.

ARTICLE VI

WHEN BENEFITS START AND DISTRIBUTION OF BENEFITS

SECTION 6.01--WHEN BENEFITS START.

Any provision herein to the contrary notwithstanding, no benefit payments shall be made under this Plan until after the applicable forms are completed and filed with the Plan Administrator. Except as expressly provided in the Plan, a Participant may not make an election to change the form of payment after the Annuity Starting Date. The Participant shall not elect a date for beginning benefits or a form of distribution that would result in a benefit payable when he dies which would be more than incidental within the meaning of governmental regulations.

Benefits shall begin on an earlier date if otherwise provided in the Plan (e.g., the Participant's Retirement Date or Required Beginning Date, as defined in the DEFINITIONS SECTION of Article VII). In modification of the foregoing, benefits shall not begin on a Participant's Early Retirement Date unless he has had a Severance from Employment on or before that date.

SECTION 6.02--AUTOMATIC FORMS OF DISTRIBUTION.

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

- (a) Retirement Benefits. The automatic form of retirement benefit for a Participant who does not die before his Annuity Starting Date shall be the Normal Form.
- (b) Death Benefits. The automatic form of death benefit for a Participant who dies before his Annuity Starting Date is determined according to the provisions of the DEATH BENEFITS SECTION of Article V.

SECTION 6.03--OPTIONAL FORMS OF DISTRIBUTION.

- (a) Retirement Benefits. The optional forms of retirement benefit shall be the following: (i) a straight life annuity; (ii) single life annuities with certain periods of 5, 10, or 15 years; and (iii) survivorship life annuities with survivorship percentages of 50%, 66 2/3%, 75%, or 100%.

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

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

Any annuity contract distributed shall be nontransferable.

- (b) Death Benefits. The optional forms of death benefit are any of the optional forms of retirement benefit stated in (a) above that are not survivorship life annuities.

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

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SECTION 6.04--ELECTION PROCEDURES.

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

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

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- (b) Death Benefits. In lieu of the Preretirement Survivor Annuity described in the DEATH BENEFITS SECTION of Article V, the spouse may, for his own benefit, waive the Preretirement Survivor Annuity by electing to have the benefit distributed under any of the optional forms of death benefit available in the OPTIONAL FORMS OF DISTRIBUTION SECTION of this article.

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

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

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- (2) Election Period for Death Benefits. The spouse's election period begins on the date the Participant dies and ends on the date benefits begin.

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ARTICLE VII

REQUIRED MINIMUM DISTRIBUTIONS

SECTION 7.01--APPLICATION.

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

SECTION 7.02--DEFINITIONS.

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

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

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

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

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

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

SECTION 7.03--REQUIRED MINIMUM DISTRIBUTIONS.

(a) General Rules.

- (1) Precedence. The requirements of this article shall apply to any distribution of a Participant's interest and will take precedence over any inconsistent provisions of this Plan.
- (2) Requirements of Regulations Incorporated. All distributions required under this article shall be determined and made in accordance with Code Section 401(a)(9), including the incidental death benefit requirement in Code Section 401(a)(9)(G), and the regulations

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thereunder. Any annuity distribution option provided under the terms of the plan as in effect on April 17, 2002 will not fail to satisfy Code Section 401(a)(9), provided the distribution option satisfies Code Section 401(a)(9) based on a reasonable and good faith interpretation of the provisions of Code Section 401(a)(9).

(b) Time and Manner of Distribution.

- (1) Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, no later than the Participant's Required Beginning Date.
- (2) Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:
 - (i) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70 1/2, if later, except to the extent that an election is made to receive distributions in accordance with the 5-year rule under (f) below. Under the 5-year rule, the Participant's entire interest will be distributed to the Designated Beneficiary by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
 - (ii) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, distributions to the Designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, except to the extent that an election is made to receive distributions in accordance with the 5-year rule under (f) below. Under the 5-year rule, the Participant's entire interest will be distributed to the Designated Beneficiary by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
 - (iii) If there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
 - (iv) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse are required to begin, this (b)(2), other than (b)(2)(i), will apply as if the surviving spouse were the Participant.

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

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

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(c) Determination of Amount to be Distributed Each Year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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- H. to pay increased benefits resulting from a plan amendment.

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- (2) Amount Required to be Distributed by Required Beginning Date and Later Payment Intervals. The amount that must be distributed on or before the Participant's Required Beginning Date (or, if the Participant dies before distributions begin, the date distributions are required to begin under (b)(2)(i) or (ii) above) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. All of the Participant's benefit accruals as of the last day of the first Distribution Calendar Year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's Required Beginning Date.

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- (3) Additional Accruals After First Distribution Calendar Year. Any additional benefits accruing to the Participant in a calendar year after the first Distribution Calendar Year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such benefit accrues.

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

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 - (1) Joint Life Annuities Where the Beneficiary Is Not the Participant's Spouse. If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a nonspouse Beneficiary, annuity payments to be made on or after the Participant's Required Beginning Date to the Designated Beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity

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payment for such period that would have been payable to the Participant, using the table set forth in Q&A-2(c)(2), in the manner described in Q&A-2(c)(1), in section 1.401(a)(9)-6 of the regulations, to determine the applicable percentage. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a nonspouse Beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the Designated Beneficiary after the expiration of the period certain.

- (2) Period Certain Annuities. Unless the Participant's spouse is the sole Designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Q&A-2 in section 1.401(a)(9)-9 of the regulations for the calendar year that contains the Annuity Starting Date. If the Annuity Starting Date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Q&A-2 in section 1.401(a)(9)-9 of the regulations plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the Annuity Starting Date. If the Participant's spouse is the Participant's sole Designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this (d)(2), or the joint life and last survivor expectancy of the Participant and the Participant's spouse as determined under the Joint and Last Survivor Table set forth in Q&A-3 in section 1.401(a)(9)-9 of the regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the calendar year that contains the Annuity Starting Date.

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

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

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- (2) Death Before Distributions Begin.

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

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- 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

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- B. if the Annuity Starting Date is before the first Distribution Calendar Year, the Life Expectancy of the Designated Beneficiary determined using the

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Beneficiary's age as of the Beneficiary's birthday in the calendar year that contains the Annuity Starting Date.

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

- (ii) **No Designated Beneficiary.** If the Participant dies before the date distributions begin and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (iii) **Death of Surviving Spouse Before Distributions to Surviving Spouse Begin.** If the Participant dies before the date distribution of his interest begins, the Participant's surviving spouse is the Participant's sole Designated Beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this (e) will apply as if the surviving spouse were the Participant, except that the time by which distributions must begin will be determined without regard to (b)(2)(i) above.
- (f) **Election of 5-year Rule.** Participants or Beneficiaries may elect on an individual basis whether the 5-year rule in (b)(2) and (e) above applies to distributions after the death of a Participant who has a Designated Beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which the distribution would be required to begin under (b)(2) above if no such election is made, or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, surviving spouse's) death.
- (g) **Changes to Annuity Payment Period.**
- (1) **Permitted Changes.** An annuity payment period may be changed only in association with an annuity payment increase described in (c)(1)(iv) above or in accordance with (2) below.
- (2) **Reannuitization.** An annuity payment period may be changed and the annuity payments modified in accordance with that change if the conditions in (3) below are satisfied and:
- (i) the modification occurs when the Participant retires or in connection with a plan termination;
- (ii) the payment period prior to modification is a period certain without life contingencies; or
- (iii) the annuity payments after modification are paid under a qualified joint and survivor annuity over the joint lives of the Participant and a Designated Beneficiary, the Participant's spouse is the sole Designated Beneficiary, and the modification occurs in connection with the Participant's becoming married to such spouse.
- (3) **Conditions.** The conditions in this (3) are satisfied if:
- (i) the future payments after the modification satisfy the requirements of Code Section 401(a)(9), section 1.401(a)(9) of the regulations, and this article (determined by treating the date of the change as a new Annuity Starting Date and the actuarial

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present value of the remaining payments prior to modification as the entire interest of the Participant);

- (ii) for purposes of Code Sections 415 and 417, the modification is treated as a new Annuity Starting Date;
- (iii) after taking into account the modification, the annuity (including all past and future payments) satisfies Code Section 415 (determined at the original Annuity Starting Date, using the interest rates and mortality tables applicable to such date); and
- (iv) the end point of the period certain, if any, for any modified payment period is not later than the end point available to the Participant at the original Annuity Starting Date under Code Section 401(a)(9) and this article.

(h) Payments to a Surviving Child.

- (1) Special Rule. For purposes of this article, payments made to a Participant's surviving child until the child reaches the age of majority (or dies, if earlier) shall be treated as if such payments were made to the surviving spouse to the extent the payments become payable to the surviving spouse upon cessation of the payments to the child.
- (2) Age of Majority. For purposes of this (h), a child shall be treated as having not reached the age of majority if the child has not completed a specified course of education and is under the age of 26. In addition, a child who is disabled within the meaning of Code Section 72(m)(7) when the child reaches the age of majority shall be treated as having not reached the age of majority so long as the child continues to be disabled.

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

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

- (1) The distribution by the Plan is one that would not have disqualified such Plan under Code Section 401(a)(9) as in effect prior to amendment by the Deficit Reduction Act of 1984.
- (2) The distribution is in accordance with a method of distribution designated by the Participant whose interest in the Plan is being distributed or, if the Participant is deceased, by a Beneficiary of such Participant.
- (3) Such designation was in writing, was signed by the Participant or the Beneficiary, and was made before January 1, 1984.
- (4) The Participant had accrued a benefit under the Plan as of December 31, 1983.
- (5) The method of distribution designated by the Participant or the Beneficiary specifies the time at which distribution will commence, the period over which distributions will be made, and in the case of any distribution upon the Participant's death, the Beneficiaries of the Participant listed in order of priority.

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

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

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

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

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ARTICLE VIII

TERMINATION OF THE PLAN

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

In the event of a partial termination of this Plan, the rights of all affected Participants to benefits accrued as of the date of such partial termination (to the extent funded as of such date) shall be nonforfeitable.

In the event of the complete termination of this Plan, the rights of all affected Participants to benefits accrued as of the date of such termination shall be nonforfeitable. Upon complete termination of the Plan, no more Employees shall become Participants, and no more Contributions shall be made except as required by any governmental agency to which the Plan's termination is subject.

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

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

ARTICLE IX

ADMINISTRATION OF THE PLAN

SECTION 9.01--ADMINISTRATION.

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

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

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

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SECTION 9.02--EXPENSES.

Expenses of the Plan, to the extent that the Employer does not pay such expenses, may be paid out of the assets of the Plan provided that such payment is consistent with any law to which the Plan is subject. Expenses of the Plan will be paid in accordance with the most recent service and expense agreement or such other documents duly entered into by or with regard to the Plan that govern such matters. Such expenses include, but are not limited to, expenses for recordkeeping and other administrative services; fees and expenses of the Annuity Contract; expenses for investment education service; and direct costs that the Employer incurs with respect to the Plan.

SECTION 9.03--RECORDS.

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

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

SECTION 9.04--DELEGATION OF AUTHORITY.

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

SECTION 9.05--EXERCISE OF DISCRETIONARY AUTHORITY.

The Employer, Plan Administrator, and any other person or entity who has authority with respect to the management, administration, or investment of the Plan may exercise that authority in its/his full discretion, subject only to the duties imposed under any laws to which the Plan is subject. This discretionary authority includes, but is not limited to, the authority to make any and all factual determinations and interpret all terms and provisions of the Plan documents relevant to the issue under consideration. The exercise of authority will be binding upon all persons.

ARTICLE X

GENERAL PROVISIONS

SECTION 10.01--AMENDMENTS.

The Employer may amend this Plan at any time, ~~including. This right includes the right to adopt any~~ remedial ~~or~~ retroactive changes (within the time specified by Internal Revenue Service regulations), to comply with any law or regulation issued by any governmental agency to which the Plan is subject.

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

SECTION 10.02--DIRECT ROLLOVERS.

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

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

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

SECTION 10.03--PROVISIONS RELATING TO THE INSURER.

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

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

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

SECTION 10.04--EMPLOYMENT STATUS.

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

SECTION 10.05--RIGHTS TO PLAN ASSETS.

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

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

SECTION 10.06--BENEFICIARY.

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

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

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

SECTION 10.07--CONSTRUCTION.

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

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

SECTION 10.08--LEGAL ACTIONS.

No person employed by the Employer; no Participant, former Participant, or their Beneficiaries; nor any other person having or claiming to have an interest in the Plan is entitled to any notice of process. A final judgment entered in any such action or proceeding shall be binding and conclusive on all persons having or claiming to have an interest in the Plan. Should any Participant, Beneficiary or other person claiming an interest in the Plan pursue a legal action against the Plan, such legal action may not be brought more than two years following the date such cause of action or proceeding arose.

SECTION 10.09--SMALL AMOUNTS.

If the Present Value of the Participant's Vested Accrued Benefit does not exceed \$5,000, and the Participant has not had an Annuity Starting Date with respect to any portion of such Vested Accrued Benefit, the Present Value of the Participant's entire Vested Accrued Benefit shall be distributed as of the earliest of his Retirement Date or the date he has a Severance from Employment for any reason other than death (the date the Employer provides notice to the record keeper of the Plan of such event, if later). For purposes of this section, if the Present Value of the Participant's Vested Accrued Benefit is zero, the Participant shall be deemed to have received a distribution of such Present Value. This is a small amounts payment.

In the event a Participant has a Severance from Employment (for any reason other than death or retirement) and does not elect to have a small amounts payment paid directly to an Eligible Retirement Plan specified by the Participant in a Direct Rollover or to receive the distribution directly and the Present Value of his Vested Accrued Benefit is greater than \$1,000, a Mandatory Distribution will be made in accordance with the DIRECT ROLLOVERS SECTION of this article. If the Present Value of his Vested Accrued Benefit is \$1,000 or less, the Present Value of the Participant's entire Vested Accrued Benefit shall be paid directly to him.

If the Present Value of the Preretirement Survivor -Annuity derived from the Participant's- Accrued Benefit does not exceed \$5,000, on the date of the Participant's death, the Present Value of the Preretirement Survivor Annuity shall be distributed as of the date the Participant dies. This is a small amounts payment. Such small amounts payment shall be made to the Participant's spouse.

A small amounts payment is in full settlement of all benefits otherwise payable. No other small amounts payments shall be made.

SECTION 10.10--WORD USAGE.

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

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

SECTION 10.11--MILITARY SERVICE.

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

A Participant who dies on or after January 1, 2007 while performing Qualified Military Service is treated as having resumed and then terminated employment on account of death, in accordance with Code Section

401(a)(37) and any subsequent guidance. The survivors of such Participant are entitled to any additional benefits (other than an Accrued Benefit relating to the period of Qualified Military Service) provided under the Plan on account of death of the Participant.

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


Executed this _____ day of _____,

THE CITY OF FRANKLIN

By: _____

Title

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APPROVAL 	REQUEST FOR COUNCIL ACTION	MEETING DATE 12/04/2018
REPORTS & RECOMMENDATIONS	Reallocation of Remaining Funds for 2018 Windows 10 & Office License Upgrade Project to Purchase 6 Additional Computer Replacements for the Police Department Detectives	ITEM NUMBER <i>G. 26.</i>

The 2018 Capital Outlay Fund budget had a major project funded for a Windows 10 Desktop Replacement and Office 2016 License Upgrade project. The budget for this project was distributed across the departmental budgets which totaled \$36,600 for the desktop replacement portion. Sixty-one (61) desktop computers have been purchased at a total of \$31,322, leaving a remaining balance of \$5,278 allocated for hardware.

Recently, the Police Department (PD) is requesting that the universal specifications that had been ordered for all the replacement desktop computers be changed for the PD Detectives to be more aggressive machines due to the constant video editing and exporting of video files that is done by the Detectives. The PD has requested that the detectives be moved off of aging Asus laptops and be placed on new desktop computers; however, the PD originally assumed that these converted computers would be placed on a different hardware standard than the enterprise baseline desktop computer. Paragon Development Systems, Inc. (PDS), the company from which we had purchased the 61 replacement PC's, has quoted a price of \$819 for a more aggressive PC. Six (6) of these more aggressive machines would be needed for the Detectives, for a total of \$4,914. The IT Director is requesting that the remaining \$5,278 balance from the 2018 Capital Outlay budget for the Windows 10 Desktop Replacement project be used to purchase the 6 additional, more aggressive desktop replacements for the Police Department Detectives unit.


Absent an emergency need, the 6 computers previously purchased for the Detectives will be used to replace 6 computers within the 2019 capital replacement budget, most likely 6 of the 36 allocated for the Police Department. In 2019, these existing computers will be deployed first before any new computers are purchased. This will follow a "First In/First Out" deployment method, so there will be no wasted resources.

With it already being the beginning of December, timing for the delivery might be tight for receipt of these 6 computers by December 31, 2018. As such, a request to encumber and carryforward the funds would be processed by Finance should the additional desktops not be received by the end of the year.

COUNCIL ACTION REQUESTED

Motion to authorize the IT Director to order 6 additional more aggressive HP desktop computers from PDS for the Police Department Detectives at a total cost of \$4,914 using the remaining balance of the 2018 Capital Outlay funds for the Windows 10 Desktop Replacement Project.

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APPROVAL <i>slw</i> 	REQUEST FOR COUNCIL ACTION	MEETING DATE 12/04/2018
REPORTS & RECOMMENDATIONS	Menard, Inc. v. City of Franklin, Milwaukee County Circuit Court, Case Nos. 16-CV-8734 and 17-CV-12923 (Consolidated) and Case No. 18-CV-008640: Claims of Excessive Property Assessment for 2016, 2017, and 2018. The Common Council may enter closed session pursuant to Wis. Stat. §19.85(1)(g), to confer with Legal Counsel for the Common Council who is rendering advice concerning strategy to be adopted by the body with respect to the subject litigations, and to reenter open session at the same place thereafter to act on such matters discussed therein as it deems appropriate.	ITEM NUMBER <i>G.27.</i>
<p>Menards, Inc. filed claims for 2016, 2017, and 2018 Excessive Property Assessments with the Milwaukee County Circuit Court. The League of Wisconsin Municipalities Mutual Insurance Company is providing defense of the claim and has assigned Attorney Ryan Braithwaite with Crivello Carlson, S.C. to the defense. As a regular part of the claim resolution process, mediation was recently held relative to the claim. Attorney Braithwaite and Mark Link, City Assessor, will be present to discuss the claim and the matter in detail.</p> <p>The Common Council may enter closed session pursuant to Wis. Stat. §19.85(1)(g), to confer with legal counsel for the Common Council who is rendering advice concerning strategy to be adopted by the body with respect to the subject litigations, and to reenter open session at the same place thereafter to act on such matters discussed therein as it deems appropriate.</p> <p style="text-align: center;">COUNCIL ACTION REQUESTED</p> <p>Motion to enter closed session pursuant to Wis. Stat. §19.85(1)(g), to confer with legal counsel for the Common Council who is rendering advice concerning strategy to be adopted by the body with respect to the subject litigations, and to reenter open session at the same place thereafter to act on such matters discussed therein as it deems appropriate.</p>		

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APPROVAL <i>slw</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE 12/04/18
LICENSES AND PERMITS	MISCELLANEOUS LICENSES	ITEM NUMBER H.1.
<p>See attached listing from meeting of December 4, 2018.</p> <p>COUNCIL ACTION REQUESTED</p>		

414-425-7500

**License Committee
Agenda*
Aldermen's Room
December 4, 2018 – 6:00 pm**

1.	Call to Order & Roll Call	Time:		
2.	Applicant Interviews & Decisions			
License Applications Reviewed		Recommendations		
Type/ Time	Applicant Information	Approve	Hold	Deny
Operator	Nicole M Schilcher 10509 W South County Line Rd Franksville, WI 53126 Root River Center			
People Uniting for the Betterment of Life and Investment in the Community (PUBLIC) Grant	Franklin Health Dept - Bike Safety Event, Family Movie Night Fee Waivers: Park Permits Date of the Event(s): June 8, 2019 (Bike Safety Event); June 14, 2019 (Movie Night); and Location: Lions Legend Park 1			
People Uniting for the Betterment of Life and Investment in the Community (PUBLIC) Grant	Franklin Lions Club – Meetings & Fund Raisers Fee Waivers: St Martins Fair Permit, Park Permits, Temporary Class B Beer, and Operator's License Date of Events: 04/20/19, 7/9/19, 7/23/19, 8/13/19 9/1-9/2/19 Locations: St Martins Fair, Lions Legend Park 1			
People Uniting for the Betterment of Life and Investment in the Community (PUBLIC) Grant	Franklin Police Department – National Night Out Fee Waivers: Temporary Entertainment & Amusement, Food License Date of Event: 8/5/19 Location: Franklin Public Library, 9151 W Loomis Rd			
People Uniting for the Betterment of Life and Investment in the Community (PUBLIC) Grant	St Martin Of Tours Church – Fundraisers & Fair Fee Waivers: Labor Day Fair Permit, Temporary Class B Beer & Wine, Temporary Entertainment & Amusement, and Operator's Licenses Date of Event(s): 02/03/19, 02/16/19 or 04/16/19, 04/27/19, 09/01 – 09/02/19 and 09/19 or 10/19 Location: St Martins Fair and St Martin of Tours Church or School, 7963 S 116 th St			
People Uniting for the Betterment of Life and Investment in the Community (PUBLIC) Grant	VFW Post 10394 (Franklin/Hales Corners) – St Martins Fair Fee Waivers: Temporary Entertainment & Amusement, Temporary Class B Beer, St Martin's Fair Permit Dates of events: St Martins Fair Mondays and September 1 & 2, 2019. Location: Post Property, 11300 W Church St			
People Uniting for the Betterment of Life and Investment in the Community (PUBLIC) Grant	Xaverian Missionaries – Annual Mission Festival Fee waivers: Extraordinary Event License, Temporary Class B Beer and Wine License, Operator Licenses, Temporary Food Licenses, and Sign Permits. Date of Event: 6/22-6/23/19 Location: Xaverian Missionaries, 4500 Xavier Dr			
3.	Adjournment			
		Time		

*Notice is given that a majority of the Common Council may attend this meeting to gather information about an agenda item over which they have decision-making responsibility. This may constitute a meeting of the Common Council per State ex rel. Badke v. Greendale Village Board, even though the Common Council will not take formal action at this meeting.

APPROVAL 	REQUEST FOR COUNCIL ACTION	MEETING DATE 12/4/18
Bills	Vouchers and Payroll Approval	ITEM NUMBER I. 1

Attached are vouchers dated November 16, 2018 through December 3, 2018 Nos. 171069 through Nos. 171210 in the amount of \$ 4,094,831.94. Included in this listing are EFT's Nos. 3897 through Nos. 3905, Library vouchers totaling \$ 16,106.71, Water Utility vouchers totaling \$ 23,490.58 and Ballpark Commons payment to Knight Barry in the amount of \$ 2,711.586.90. Voided checks in the amount of \$ (4,296.40) are separately listed.

Early release disbursements dated November 16, 2018 through November 29, 2018 in the amount of \$ 3,311,209.49 is provided on a separate listing and is also included in the complete disbursement listing. These payments have been released as authorized under Resolution 2013-6920.

The net payroll dated November 23, 2018 is \$ 402,937.43 previously estimated at \$ 388,000.00. Payroll deductions dated November 23, 2018 are \$ 392,609.45 previously estimated at \$ 400,000.00.

The estimated payroll for December 7, 2018 is \$ 414,000.00 with estimated deductions and matching payments of \$ 214,000.00.

There were no Property Tax refunds.

COUNCIL ACTION REQUESTED

Motion approving the following:

- City vouchers with an ending date of December 3, 2018 in the amount of \$ 4,094,831.94 and
- Payroll dated November 23, 2018 in the amount of \$ 402,937.43 and payments of the various payroll deductions in the amount of \$ 392,609.45 plus City matching payments and
- Estimated payroll dated December 7, 2018 in the amount of \$ 414,000.00 and payments of the various payroll deductions in the amount of \$ 214,000.00, plus City matching payments.

ROLL CALL VOTE NEEDED