

FIRST AMENDMENT

MICHIGAN STATE UNIVERSITY

457(b) DEFERRED COMPENSATION PLAN OF MICHIGAN STATE UNIVERSITY

The 457(b) Deferred Compensation Plan of Michigan State University Plan Document ("Plan Document"), effective January 1, 2003, is effectively amended January 1, 2011, as stated below.

1. The Name of the Plan is changed to the Michigan State University 457(b) Deferred Compensation Plan, effective November 1, 2011.
2. Attachment 1 is added to the Plan Document, as set forth in the attachment to this First Amendment to the Plan Document.

All other terms of the Plan Document are unchanged and remain in effect.

Name of Employer:

MICHIGAN STATE UNIVERSITY

Signed: \_\_\_\_\_

  
Fred L. Poston, Vice President for Finance and Operations

Date: \_\_\_\_\_

12.21.11

**ATTACHMENT 1**  
**MSU 457(b) Deferred Compensation Plan**

**Approved Vendor List\***

Effective January 1, 2012

**MSU 457(b) Deferred Compensation Plan**

Fidelity Investments P.O. Box 770002 Cincinnati, OH 45277-0090 800-343-0860	TIAA-CREF PO Box 1293 Charlotte, NC 28201-1293 800-842-2252
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\*Note: The Approved Vendors can accept contributions into the new accounts established with the new core investment menu options effective January 1, 2012. The Approved Vendors can also accept MSU 457(b) Deferred Compensation Plan intra-plan transfers/contract exchanges from both Approved Vendors and Former Approved Vendors (as set forth below) and non-MSU rollovers into the new accounts as of November 1, 2011.

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**The following Former Approved Vendors\*\* are terminated on December 31, 2011, and are still available to maintain accounts that were established with contributions and/or intra-plan transfers/contract exchanges on or prior to December 31, 2011:**

AXA Equitable EQUI-VEST Processing PO Box 4956 Syracuse, NY 13221 800-628-6673	VALIC Document Control PO Box 15648 Amarillo, TX 79105 800-448-2542
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\*\*Note: The Former Approved Vendors are no longer allowed to accept MSU 457(b) Deferred Compensation Plan contributions or MSU 457(b) Deferred Compensation Plan intra-plan transfers/contract exchanges from other Approved Vendors or Former Approved Vendors as of January 1, 2012. Participants can continue to maintain their accounts and work directly with the Former Approved Vendors on the servicing and administration of their accounts, including the available investment options.

**ADOPTION AGREEMENT**  
**FOR THE**  
**457(b) DEFERRED COMPENSATION PLAN**

12/31/2002

1. **General Information**

- (A) Name of Employer: Michigan State University
- (B) Address of Employer: 1407 S Harrison Rd  
East Lansing MI 48823
- (C) Name of Plan: 457(b) Deferred Compensation Plan of  
Michigan State University
- (D) Federal Tax ID  
Number of Employer: 38-6005984
- (E) Plan Administrator's  
Name and Address: Michigan State University  
C/O Director of Benefits, MSU Human Resources  
1407 S Harrison Rd, East Lansing MI 48823

2. **Compensation (Section 1.4)**

- Select this Box 2 and complete this Item only if it is desired that Compensation is to be defined as other than total cash remuneration. Instead, Compensation will be defined as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. **Effective Date / Restated Effective Date**  
(Sections 1.5 and 1.19)

- (A)  The Plan is a new plan. The Effective Date is January 1, 2003.
- (B)  The Plan is a restated plan. The Restated Effective Date is \_\_\_\_\_.  
The Plan's initial Effective Date was \_\_\_\_\_.

4. **Eligible Employee (Section 1.8)**

- (A)  All Employees of the Employer.
- (B)  All Employees of the Employer, other than the following excluded Employees:

- (1)  Leased Employees
- (2)  Salaried Employees
- (3)  Hourly Employees
- (4)  Employees whose employment is governed by the terms of a collective bargaining agreement between Employee representatives (within the meaning of Code Section 7701(a)(46)) and the Employer, under which retirement benefits were the subject of good faith bargaining.
- (5)  Other: Any individual who does not, at any given time, hold regular employment in a job which is scheduled to last at least 9 months and which is at least 50% time.

(C)  Notwithstanding the election(s) set forth in Box 4(A) and Box 4(B) above, if this Box 4(C) is selected Eligible Employee will include:

- (1)  Trustees of the Employer
- (2)  Independent Contractors

5. **Investment Options (Section 1.12)**

Investment Options shall include:

(A)  TIAA Group Supplemental Retirement Annuity Contract ("TIAA GSRA") and a CREF Group Supplemental Retirement Annuity Contract ("CREF GSRA"). AIG VALIC Group Fixed and Variable Deferred Annuity Contract, AXA Advisors/The Equitable Life Assurance Society of the United States.

(B)  By selecting this Box 5(B), all accounts offered under the TIAA GSRA and the CREF GSRA, AXA Advisors/Equitable, or AIG VALIC as of the date this Adoption Agreement is executed, and such accounts to be offered thereunder in the future, will not be made available under this Plan. Instead, the following limitations will apply:

6. **Normal Retirement Age (Section 1.14)**

- If this Box 6 is selected, Normal Retirement Age will not be age 65. Instead, Normal Retirement Age will be age \_\_\_\_\_.

7. **Plan Year (Section 1.18)**

Plan Year means:

- (A)  The calendar year.
- (B)  The Plan Year is a twelve (12) month period beginning on \_\_\_\_\_ and ending on the following \_\_\_\_\_.
- (C)  The initial Plan Year is a short Plan Year beginning on \_\_\_\_\_ ending on \_\_\_\_\_. Thereafter, the Plan Year will be the twelve (12) month period selected in Box 7(A) or Box 7(B) above.

8. **Elective Deferrals (Section 3.1)**

- (A)  Elective Deferrals may be made to the Plan up to the maximum amount permitted by law.
- (B)  Elective Deferrals may be made to the Plan up to a maximum amount equal to \_\_\_\_\_, provided that in no event may such deferrals exceed the maximum amount permitted by law.
- (C)  Elective Deferrals may not be made to the Plan.

9. **Employer Non-Elective Contributions (Section 3.4)**

- (A)  The Employer will make non-elective contributions to the Plan on behalf of each Active Participant in an amount equal to \_\_\_\_\_% of the Participant's Compensation.
- (B)  The Employer will make non-elective contributions to the Plan on behalf of each Active Participant in an amount equal to:
- \_\_\_\_\_
- \_\_\_\_\_

(C)  The Employer will make non-elective contributions to the Plan as follows:  
On a discretionary basis

(D)  The Employer will not make any non-elective contributions to the Plan.

10. **Employer Matching Contributions (Section 3.5)**

(A)  The Employer will make matching contributions to the Plan on behalf of each Active Participant who makes an Elective Deferral pursuant to a Voluntary Salary Deferral Agreement in an amount equal to \_\_\_\_\_% of the Participant's Compensation that is contributed to the Plan for the Plan Year.

(B)  The Employer will make matching contributions to the Plan on behalf of each Active Participant who makes an Elective Deferral pursuant to a Voluntary Salary Deferral Agreement in an amount equal to \_\_\_\_\_% of the first \_\_\_\_\_% of the Participant's Compensation that is contributed to the Plan for the Plan Year.

(C)  The Employer will make matching contributions to the Plan as follows:  
On a discretionary basis

(D)  The Employer will not make any matching contributions to the Plan.

11. **Transfers (Section 3.8)**

(A)  Transfers may be made to the Plan from any other eligible deferred compensation plan to the extent permitted by law.

(B)  Transfers may be made to the Plan from another eligible deferred compensation plan, subject to the following limitations:

(C)  Transfers may not be made to this Plan from any other eligible deferred compensation plan.

12. **Rollover Contributions (Section 3.9)**

(A)  Rollovers to the Plan are permitted to the extent permitted by law.

(B)  Rollovers to the Plan are permitted to the extent permitted by law, subject to the following limitations:

(i)  The following amounts may not be rolled over to the Plan:

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(C)  Rollovers to the Plan are not permitted.

13. **Unforeseeable Emergency (Section 4.2)** check one:

A Participant may receive a distribution due to Unforeseeable Emergency prior to Severance from Employment.

A Participant may not receive a distribution due to Unforeseeable Emergency prior to Severance from Employment.

14. **In-service Distribution (Section 4.1(c))** check one:

A participant may receive an in-service distribution of all or a part of his or her benefit if the total amount of the Participant's benefit is less than \$5000 (or the dollar limit under Section 411(a)(11) of the Code, if greater) and the requirements of Section 4.1(c) of the Plan are satisfied.

A Participant may not receive any in-service distributions of his or her benefit.

15. **Transfers to Purchase Service Credits (Section 4.5(c))** check one:

A Participant may request a transfer from this plan to a defined benefit governmental plan to purchase service credit.

A Participant may not request a transfer from this plan to a defined benefit governmental plan to purchase service credit.

16. **Loans** (Section 4.6) check one:

Loans will be available from this Plan.

Loans will not be available from this Plan.

By executing this Adoption Agreement, the Employer adopts the 457(b) Deferred Compensation Plan described herein and in the Plan document. The selections and specifications contained in this Adoption Agreement together with the terms, provisions and conditions provided in the Plan document constitute the Plan.

It is understood that TIAA-CREF, AXA Advisors/The Equitable and AIG VALIC are not parties to the plan and are not responsible for any tax or legal aspects of the Plan. The Employer assumes responsibility for these matters.

The Employer acknowledges that it has counseled, to the extent necessary, with its attorney or other tax advisor. The obligations of the Investment Sponsors shall be governed solely by the provisions of their respective contracts and policies. TIAA-CREF, AXA Advisors/Equitable and AIG VALIC shall not be required to inquire into any action taken by the Employer or the Plan Administrator and shall be fully protected in taking, permitting or omitting any action on the basis of the actions of the Employer or the Plan Administrator. TIAA-CREF, AXA Advisors/Equitable and AIG VALIC shall incur no liability or responsibility for carrying out actions as directed by the Employer or the Plan Administrator.

IN WITNESS WHEREOF, this Adoption Agreement has been executed this 14<sup>th</sup> day of January, 2003.

Employer: Michigan State University

By: [Signature]

Title: Vice President In Finance and Operations  
and Treasurer



**457(b) DEFERRED  
COMPENSATION PLAN  
OF**

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**Michigan State University**

**MSU Human Resources Benefits Office  
1407 S Harrison Rd, Ste 140A  
East Lansing MI 48823**

12/31/2002

## INTRODUCTION

The purpose of the Plan is to provide deferred compensation for employees covered under the Plan.

The Plan document and the Adoption Agreement are designated as constituting parts of a plan intended to constitute an eligible deferred compensation plan within the meaning of Section 457 of the Internal Revenue Code of 1986, as amended, regulations issued thereunder and other applicable law.

An employer shall be eligible to adopt this Plan provided the employer is a State or local government, or a political subdivision, agency or instrumentality thereof.

## ARTICLE I - DEFINITIONS

- 1.1 **Adoption Agreement** means the separate agreement that is executed by the Employer that sets forth the elective provisions of the Plan. The Adoption Agreement and this Plan document collectively constitute the Plan.
- 1.2 **Beneficiary** means the individual, trustee, estate or legal entity entitled to receive benefits under this Plan which become payable in the event of the Participant's death.
- 1.3 **Code** means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code includes not only the section but also any comparable section or sections of any future legislation that amends, supplements or supersedes the section.
- 1.4 **Compensation** means, unless otherwise set forth in the Adoption Agreement, the total amount of cash remuneration earned by an Employee for personal services rendered to the Employer for the calendar year. In all cases, Compensation shall include amounts deferred under this Plan and any reductions pursuant to a salary reduction agreement with the Employer with regard to any plan established under Code Section 457(b), 403(b), 401(k), 125 or 132(f)(4).
- 1.5 **Effective Date** means the date set forth in the Adoption Agreement if this is a new plan.
- 1.6 **Elective Deferral** means the annual amount of Compensation that a Participant elects to defer pursuant to a properly completed Voluntary Salary Deferral Agreement.
- 1.7 **Eligible Deferred Compensation Plan or Eligible Plan** means a plan that constitutes an eligible plan within the meaning of Section 457 of the Code.
- 1.8 **Eligible Employee** means any person who performs services for the Employer and who, pursuant to the terms of the Adoption Agreement, is eligible to participate in this Plan. Unless elected in Adoption Agreement, Eligible Employee shall not include any individual who is deemed to be an independent contractor, as determined by the Plan Administrator in its sole and absolute discretion, or a trustee of the Employer. Eligible Employee shall not include any individual who is performing services for the Employer pursuant to an agreement that provides that such individual shall not be eligible to participate in this Plan or other benefit plans of the

Employer. If any individual is not classified as an Eligible Employee by the Employer and is subsequently reclassified as an Eligible Employee by any overriding governmental or regulatory authority, such individual shall nevertheless be deemed to have become an Eligible Employee prospectively only, effective as of the date of such reclassification (and not retroactive to the date on which he or she was found to have first become eligible for any other purposes), and then only if he or she otherwise satisfies the requirements of this Plan.

- 1.9 **Employee** means any person who performs services for the Employer to whom compensation is paid on a regular basis. Employee shall not include any leased employee as defined in Section 414(n) of the Code. The term Employee shall not include any individual classified by the Employer as an independent contractor or a trustee of the Employer, in accordance with its general administrative policies.
- 1.10 **Employer** means the entity that has adopted this Plan and is named in the Adoption Agreement.
- 1.11 **Includible Compensation** means compensation for services performed for the Employer that is currently includible in the Employee's gross income for the taxable year for Federal income tax purposes (W-2 earnings). Such term shall include any amount excludible from gross income under this Plan or any other plan described in Section 457(b) of the Code, or any amount excludible from gross income under Section 403(b) of the Code, Section 401(k) of the Code, Section 125 of the Code or Section 132(f)(4) of the Code.
- 1.12 **Investment Options** means the accounts offered by Michigan State University under the 457(b) plan and designated pursuant to the terms of this Plan document and the Adoption Agreement as being available for the purpose of allocating contributions, rollovers and/or transfers under this Plan. Unless the Employer otherwise elects pursuant to the terms of the Adoption Agreement, all such accounts offered by approved options and any such accounts offered in the future will automatically be made available to all Participants.
- 1.13 **Investment Sponsors** means those investment sponsors (insurance company, regulated investment company, or other entity providing Investment Options) approved under the Plan.

- 1.14 **Normal Retirement Age** means age 65 unless otherwise provided in the Adoption Agreement, provided that in no event shall Normal Retirement Age be earlier than the earliest date on which a Participant may retire under the Employer's basic retirement plan, if any, without the Employer's consent and receive immediate retirement benefits without incurring an actuarial or similar reduction in benefits.
- 1.15 **Participant** means an Eligible Employee or former Eligible Employee who shall have become a Participant in the Plan in accordance with Article II hereof. An Employee shall cease to become a Participant at such time as he or she no longer has any interest in contracts or accounts under the Plan. An "Active Participant" means a Participant who is an Employee other than one who is no longer an Eligible Employee.
- 1.16 **Plan** means the 457(b) Deferred Compensation Plan set forth herein and in the Adoption Agreement, as amended from time to time.
- 1.17 **Plan Administrator** means the individuals or committee appointed by the Employer to administer the Plan. If the Employer fails to make such appointment, the Employer shall be the Plan Administrator.
- 1.18 **Plan Year** means the twelve consecutive month period designated by the Employer in the Adoption Agreement.
- 1.19 **Restated Effective Date** means the date set forth in the Adoption Agreement if this is a restated plan.
- 1.20 **Voluntary Salary Deferral Agreement** means the agreement between a Participant and the Employer to defer receipt by the Participant of Compensation not yet paid or otherwise made available. Such agreement shall state the Elective Deferral amount to be withheld from a Participant's Compensation and shall become effective no earlier than the first day of the month following execution of such agreement. Once completed, the Voluntary Salary Deferral Agreement shall be legally binding and irrevocable with regard to amounts paid or otherwise made available while the agreement is in effect.

## ARTICLE II – PARTICIPATION IN THE PLAN

### 2.1 *Eligibility.*

- (a) If this is a new plan, any Employee who is classified as an Eligible Employee as of the Effective Date shall be eligible to participate in the Plan on the Effective Date. If this is a restated plan, each present Participant shall continue to be a Participant in the Plan. Any other Employee who is classified as an Eligible Employee as of the Restated Effective Date shall be eligible to participate in the Plan on the Restated Effective Date.
- (b) If this is a new plan, any Employee who is not eligible to participate in the Plan as of the Effective Date pursuant to paragraph (a) above, shall be eligible to participate in the Plan upon classification as an Eligible Employee. If this is a restated plan, any Employee who is not eligible to participate in the Plan as of the Restated Effective Date pursuant to paragraph (a) above, shall be eligible to participate in the Plan upon classification as an Eligible Employee.

### 2.2

***Enrollment In Plan.*** To participate in the Plan, each Eligible Employee shall properly complete a Voluntary Salary Deferral Agreement, and other application requirements. Enrollment shall be effective on or after the first day of the month following the date enrollment is properly completed by the Employee and accepted by the Employer or its designee.

## ARTICLE III – DEFERRAL OF COMPENSATION

### 3.1

***Elective Deferrals.*** If elected pursuant of the terms of the Adoption Agreement, an Eligible Employee may elect to make Elective Deferrals to the Plan pursuant to a Voluntary Salary Deferral Agreement with the Employer. Any such Elective Deferrals may be made up to the amount set forth in the Adoption Agreement.

### 3.2

***Modifications to Amount Deferred.*** A Participant may elect to change his or her Elective Deferral rate with respect to future Compensation by properly executing a Voluntary Salary Deferral Agreement to the Employer or its designee. Such change shall take effect as soon as administratively practicable but not earlier than the first pay period commencing with or during the first month following acceptance by the Employer or its designee of such Voluntary Salary Deferral Agreement.

3.3 **Termination of Deferral.** A Participant may terminate his or her election to have Compensation deferred by properly notifying the Employer or its designee. Such termination shall take effect as soon as administratively practicable, but not earlier than the first pay period commencing with or during the first month following acceptance by the Employer or its designee of satisfactory notice of such revocation.

3.4 **Employer Non-Elective Contributions.** If elected pursuant to the terms of the Adoption Agreement, the Employer may make non-elective contributions (other than Employer matching contributions, if any, made pursuant to Section 3.5 below) to the Plan on behalf of an individual Participant. No Participant shall have the right to elect to receive any amount to be contributed pursuant to this Section 3.4 as cash in lieu of a contribution. All such non-elective contributions shall be made on a discretionary basis.

3.5 **Employer Matching Contributions.** If elected pursuant to the terms of the Adoption Agreement, the Employer may make matching contributions (other than Employer non-elective contributions, if any, made pursuant to Section 3.4 above) to the Plan on behalf of an individual Participant who makes Elective Deferrals to the Plan pursuant to a Voluntary Salary Deferral Agreement. No Participant shall have the right to elect to receive any amount to be contributed pursuant to this Section 3.5 as cash in lieu of a contribution. All such matching contributions shall be made on a discretionary basis and shall be based on the amount of Elective Deferrals properly made by an Active Participant to the Plan during the year.

3.6 **Maximum Deferral.**

- (a) **Primary Limitation.** Effective January 1, 2002, the maximum amount that may be contributed to the Plan pursuant to Sections 3.1, 3.4 and 3.5 hereof on behalf of any Participant, other than by means of a rollover or transfer, shall not exceed the lesser of: (1) the applicable dollar amount, as set forth in Code Section 457 (e)(15), or (2) 100% of the Participant's Includible Compensation for the taxable year.
- (b) **General Catch-Up Limitation.** For one or more of the last three taxable years ending before a Participant's attainment of Normal Retirement Age, the maximum amount that may be contributed to the Plan pursuant to Sections 3.1, 3.4 and 3.5 hereof on behalf of a Participant, other than by means of a rollover or transfer, shall be the lesser of X or Y. X shall be, for any taxable year beginning on or after January 1, 2002, twice the applicable dollar amount in effect under Code Section 457(b)(2)(A). Y shall be the sum of (i) the primary limitation amount determined under Section 3.6(a)

above for the year, and (ii) that portion of the primary limitation amount determined under Section 3.6(a) above not utilized by the Participant in prior taxable years (beginning after 1978) in which the Participant was eligible to participate in the Plan. The general catch-up limitation is available to a Participant during one three-year period only. If the Participant uses the general catch-up limitation and then postpones retirement or returns to work after retirement, the general catch-up limitation shall not be available again.

- (c) **Catch-Up Limitation For Individuals Age 50 or Over.** Effective January 1, 2002, to the extent permitted by law, in the case of any individual who has attained the age of 50 before the close of a taxable year, the maximum Elective Deferral amount that may be contributed pursuant to Section 3.1 hereof for such taxable year shall be increased by the applicable amount set forth in Section 414(v) of the Code. Notwithstanding the immediately preceding sentence, contributions shall not be made in accordance with this Section 3.6(c) during any year in which Section 3.6(b) hereof provides a higher limitation.
- (d) **Coordination With Other Plans.** If a Participant participates in more than one Code Section 457(b) plan, the maximum deferral under all such plans shall not exceed the applicable limit described in Section 3.6(a) above (subject to modification by the catch-up limitation described in Section 3.6(b) or (c) above). For years beginning before January 1, 2002, if a Participant participates in a plan described in Sections 403(b), 401(k), 408(k) or 501(c)(18) of the Code, amounts deferred by the Participant to any such plan or plans and excluded from his or her gross income in any such taxable year under such plan or plans shall reduce the primary limitation amount described in Section 3.6(a) hereof and the catch-up limitation described in Section 3.6(b) hereof.

3.7 **Vesting.** A Participant shall be fully vested at all times in his or her accrued benefits under this Plan. Such accrued benefits shall be non-forfeitable at all times.

3.8 **Transfers of Funds from Another Plan.** If so provided in the Adoption Agreement and subject to any limitations set forth in the Adoption Agreement, a Participant may elect to make, and each Investment Sponsor shall accept, subject to the rules of such Investment Sponsor, contributions that are transferred directly from any other eligible deferred compensation plan. Notwithstanding the foregoing, transfers shall be permitted only to the extent permitted by law. Such funds and the accumulation generated from them shall be fully vested and nonforfeitable

at all times.

3.9 **Acceptance of Rollover Contributions.** On or after January 1, 2002, if so provided in the Adoption Agreement and if a Participant is entitled to receive, and elects to receive, a distribution from another eligible deferred compensation plan maintained by a State, political subdivision of a State or any agency or instrumentality of a State or political subdivision of a State, or from a plan qualified under Section 401(a) or 403(a) of the Code, or a plan described in Section 403(b) of the Code, that is in each case an eligible rollover distribution under the Code, each Investment Sponsor shall, subject to the rules of such Investment Sponsor, accept such amount under this Plan, provided that the rollover to this Plan is made either directly from another such plan or by the Participant within sixty days of the receipt of the distribution. Any such amounts rolled over from any such plan shall be accounted for separately upon acceptance as a rollover under this Plan. Such funds and the accumulation generated from them shall be fully vested and nonforfeitable at all times.

3.10 **Uniformed Services.** Notwithstanding any provision of this Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Code.

#### ARTICLE IV – DISTRIBUTIONS

4.1 **Eligibility for Payment.** Distribution of benefits from the Plan shall be made no earlier than: (i) Severance from Employment, (ii) the calendar year in which the Participant attains age 70-1/2, or (iii) if elected in the Adoption Agreement, in the event of an approved financial hardship due to an Unforeseeable Emergency, as defined below.

- (a) "Severance from Employment" means the termination of a Participant's employment with the Employer for any reason including the Participant's death, disability or retirement. Effective for distributions on or after January 1, 2002, a Participant will be deemed to have incurred a Severance from Employment without regard to whether such Participant continues in the same job for a different employer following a liquidation, merger, consolidation or other similar transaction.
- (b) "Unforeseeable Emergency" means a severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent of the Participant, loss of the Participant's property due to casualty, or other similar

extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The circumstances that will constitute an Unforeseeable Emergency will depend upon the facts of each case, but, in any case, payment may not be made to the extent that such hardship is or may be relieved:

- (1) Through reimbursement or compensation by insurance or otherwise;
- (2) By liquidation of the Participant's assets, to the extent that liquidation of such assets would not itself cause severe financial hardship; or
- (3) By cessation of deferrals under the Plan.

The need to send a Participant's child to college or the desire to purchase a home shall not be considered to be an Unforeseeable Emergency.

#### 4.2

***Distribution Due to Unforeseeable Emergency.*** If elected in the Adoption Agreement, a Participant may request a distribution due to an Unforeseeable Emergency by submitting a properly completed request to the Employer or its designee, accompanied by evidence to demonstrate that the circumstances being experienced qualify as an Unforeseeable Emergency. The Employer or its designee shall have the authority to require such evidence, as it deems necessary to determine if a distribution shall be warranted. If an application for a distribution due to an Unforeseeable Emergency is approved, the distribution shall be limited to an amount sufficient to meet the Unforeseeable Emergency.

4.3

**Commencement of Distributions.**

- (a) For distributions on or after January 1, 2002, a Participant may commence distribution of benefits at any time following Severance from Employment.
- (b) Notwithstanding the provisions of Section 4.3(a) above, in no event shall distribution of benefits commence with respect to any Participant later than the April 1<sup>st</sup> of the calendar year following the calendar year in which the Participant attains age 70-½, or if later, the April 1<sup>st</sup> of the calendar year following the calendar year in which the Participant separates from service.
- (c) Notwithstanding anything in the Plan to the contrary, the Plan Administrator may authorize a single sum payment of a Participant's Account, if:
  - (1) such payout is permitted by the Sponsor; and
  - (2) the Participant Retires or Severs from Employment; and
  - (3) the amount credited to the Participant's Account is less than \$5,000

For purposes of paragraph (c) above, the amount of the Participant's Account attributable to rollover contributions permitted by Section 3.9 shall not be considered in determining whether the Participant's Account is less than \$5,000.

4.4

**Distribution Requirements.**

- (a) **General Rule.** This Section 4.4 is intended to comply with Code Section 457(d) and the regulations issued thereunder. To the extent that there is any conflict between the provisions of Code Section 457(d) and the regulations issued thereunder and any other provision in this Plan, the provisions of Code Section 457(d) and the regulations issued thereunder will control.
- (b) **Limits on Income Options.** Distributions, if not made in a single lump sum, shall be made over a period that does not exceed:
  - (1) the life of the Participant;

- (2) the lives of the Participant and his or her designated Beneficiary;
  - (3) a period certain not extending beyond the life expectancy of the Participant; or
  - (4) a period certain not extending beyond the life expectancies of the Participant and his or her designated Beneficiary.
- (c) **Minimum Amounts to be Distributed.** If a Participant's retirement payments are to be distributed in a form other than a single lump sum, the amount to be distributed each year, and the times those amounts are paid, shall satisfy the requirements specified in Section 401(a)(9) of the Code and the regulations issued thereunder.

(d) **Death Distribution Provisions.**

- (1) **Death After Distributions Begin.** If the Participant dies after distribution of his or her interest has commenced, the remaining portion of such interest shall continue to be distributed at least as rapidly as the method of distribution being used prior to the Participant's death.
- (2) **Death Before Distributions Begin.** If the Participant dies before distribution of his or her interest has commenced, distribution of the Participant's entire interest shall be completed by the December 31 of the calendar year containing the fifth anniversary of the Participant's death, except to the extent that the recipient of such benefits elects to receive distributions in accordance with (i) or (ii) below:
  - (i) If any portion of the Participant's interest is payable to a designated Beneficiary, distributions may be made in substantially equal annual payments over the life of the designated Beneficiary, or over a period certain not extending beyond the life expectancy of the designated Beneficiary, and commencing no later than the December 31 of the calendar year immediately following the calendar year in which the Participant died;
  - (ii) If the designated Beneficiary is the Participant's surviving spouse, the date distributions are required to begin in accordance with (i) above shall be the December 31 immediately following the calendar year in which the Participant died or, if later, the December 31 of the calendar year in which the Participant would have attained age 70-½.

If the Participant has not made an election pursuant to this Section 4.4 by the time of his or her death, the Participant's designated Beneficiary must elect the method of distribution no later than the earlier of (1) the December 31 of the calendar year in which distributions would be required to begin under this Section 4.4, or (2) the December 31 of the calendar year which contains the fifth anniversary of the date of death of the Participant. If the Participant has no designated Beneficiary, or if the designated Beneficiary does not elect a method of distribution, distribution of the Participant's entire interest must be completed by the

December 31 of the calendar year containing the fifth anniversary of the Participant's death.

- (3) For purposes of Section 4.4(d), if the surviving spouse dies after the Participant, but before payments to such spouse begins, the provisions of Section 4.4(d) with the exception of paragraph (ii) shall be applied as if the surviving spouse were the Participant.
- (4) For purposes of this Section 4.4, any amount paid to a child of the Participant will be treated as if it had been paid to the surviving spouse if the amount becomes payable to the surviving spouse when the child reaches the age of majority.
- (5) For the purposes of this Section 4.4, distribution of a Participant's interest is considered to begin on the Participant's required beginning date (or, if applicable, the date distribution is required to begin to the surviving spouse). If distribution in the form of an annuity irrevocably commences to the Participant before the required beginning date, the date distribution is considered to begin is the date distribution actually commences.

#### **4.5 *Plan-to-Plan Transfers/Direct Rollovers.***

- (a) Notwithstanding any provision of the Plan to the contrary, to the extent permitted by law, all or any part of the account balance of a Participant in the Plan shall be transferred to another eligible deferred compensation plan in which the former Participant has become a participant, if: (i) the plan receiving such amounts provides for acceptance of such transfers and (ii) the Participant gives properly completed direction to the Employer or its designee in a satisfactory form to make such transfer.
- (b) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section 4.5(b), a distributee may elect, to the extent permitted by law, at the time and in the manner prescribed by the Employer or its designee, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee as direct rollover in accordance with Section 457(e)(16) of the Code.

- (c) If elected in the Adoption Agreement, any Participant who participates in a defined benefit governmental plan (as defined in Code Section 414(d)) may request a direct transfer from this Plan to the defined benefit governmental plan if the transferred assets are used for the following purposes: (i) the purchase of service credit (as defined in Code Section 415(n)(3)(A)) under the defined benefit governmental plan; or (ii) the repayment of contributions and earnings related to a previous forfeiture of service credit under the defined benefit governmental plan. Such transfer may be made before Severance from Employment.

- 4.6 **Loans.** If elected in the Adoption Agreement, loans are available to Participants before the commencement of benefit payments, subject to the terms of the Investment Options available under the Plan.

## ARTICLE V – FORMS OF PAYMENTS

- 5.1 **Election.** Subject to the rules of the Investment Sponsor, a Participant or Beneficiary may elect the form of distribution of his or her benefits and may revoke that election, with or without a new election, at any time at least thirty days before his or her benefits begin, or such other time as permitted by the Employer or its designee, by properly executing notification to the Employer or its designee of his or her election.
- 5.2 **Forms of Payments.** The forms of benefit payments shall include:
- (a) **Lump Sum.** A single lump sum payment of the entire balance credited to a Participant's account.
  - (b) **Single Life Annuity.** An annuity payable in equal installments for the life of the Participant that terminates upon the Participant's death.
  - (c) **Joint Life Annuity.** An annuity payable in equal installments for the joint lives of the Participant and his or her Beneficiary.
  - (d) **Fixed Period Payments.** Payments for a fixed period of not less than five years and not more than thirty years.
  - (e) **Such other annuity and withdrawal options as provided under the Investment Options available under this Plan.**

All forms of payments shall be subject to the limitations of the applicable Investment Sponsor.

- 5.3 **Failure to Make Election.** If a Participant or Beneficiary fails to elect a form of payment in a timely manner, benefits shall be paid in a lump sum.

## ARTICLE VI – BENEFICIARY INFORMATION

- 6.1 **Designation.** A Participant shall have the right to designate a Beneficiary, and amend or revoke such designation at any time prior to commencement of benefits, in writing, in a form approved by the Employer or its designee. Such designation, amendment or revocation shall be effective upon satisfactory acceptance by the Employer or its designee.
- 6.2 **Failure to Designate a Beneficiary.** Benefits shall be paid to the Participant's estate if, the participant dies prior to the date a Participant commences to receive payment of benefits under the Plan, at a time when the Participant has not designated a Beneficiary or no designated Beneficiary survives the Participant and benefits are payable following the Participant's death.

## ARTICLE VII – PLAN ADMINISTRATION

- 7.1 **Plan Administration.** The Employer shall be responsible for appointing a Plan Administrator to administer the Plan. The Plan Administrator may authorize a committee comprised (to the extent possible) of not less than three persons, to act collectively with regard to administration of the Plan. The Plan Administrator shall have sole discretionary responsibility for the interpretation of the Plan, enrolling Participants in the Plan, sending contributions on behalf of each Participant to the applicable Investment Sponsor, and for performing other duties required for the operation of the Plan. Any action taken on any matter within the discretion of the Plan Administrator shall be made in its sole and absolute discretion based on this Plan document and the Adoption Agreement, and shall be final, conclusive, and binding on all parties. In order to discharge its duties hereunder, the Plan Administrator shall have the power and authority to delegate ministerial duties and to employ such outside professionals as may be required for prudent administration of the Plan. The Plan Administrator shall also have authority to enter into agreements on behalf of the Employer necessary to implement this Plan.

7.2

**Accounts and Expenses.** The Employer shall establish and maintain contracts and/or accounts on behalf of each Participant. Such Participant's contracts and/or accounts shall be valued in accordance with the rules of the Investment Option. Each Participant shall receive notice of his or her contract value or account balance following such valuation or valuations, provided that such notice shall not be required to be given more than one time per calendar quarter. Each Participant's contract value and account balance shall reflect the aggregate of his or her aggregate Elective Deferrals, Employer non-elective contributions, Employer matching contributions, transfers and rollovers, if any, and shall also reflect investment experience credited to such contracts and/or accounts and shall reflect expense charges applied to, and distributions made from, such contract and/or account.

7.3

**Investments.** A Participant may request that amounts contributed to the Plan on his or her behalf be allocated among the available Investment Options established under the Plan. The Investment Options shall include the Investment Options made available by Investment Sponsors approved under the plan. The initial allocation request must be made at the time of enrollment. Once made, an investment allocation request shall remain in effect for all subsequent contributions until changed by the Participant. A Participant may change his or her investment allocation by submitting a properly completed request to the Employer or its designee in the format required by the Employer or its designee. Such changes shall become effective as soon as administratively feasible after the Employer or its designee receives a satisfactory properly completed request. Although the Employer intends to invest contributions according to the Participant's requests, it reserves the right to invest without regard to such requests.

## ARTICLE VIII – AMENDMENT OR TERMINATION OF PLAN

8.1

**Amendment and Termination.** While it is expected that this Plan will continue indefinitely, the Employer reserves the right at any time to amend, otherwise modify, or terminate the Plan without any liability for such action. No amendment shall increase the duties or responsibilities of any Investment Sponsor without its prior consent thereto in writing. In the event of a termination of the Plan, the Employer shall notify Participants of the termination.

## ARTICLE IX – MISCELLANEOUS

- 9.1 **Plan Non-Contractual.** Nothing contained in this Plan will be construed as a commitment or agreement on the part of any person to continue his or her employment with the Employer, and nothing contained in this Plan will be construed as a commitment on the part of the Employer to continue the employment or the rate of compensation of any person for any period, and all Employees of the Employer will remain subject to discharge to the same extent as if the Plan had never been put into effect.
- 9.2 **Claims of Other Persons.** The provisions of the Plan will in no event be construed as giving any Participant or any other person, firm, corporation or other legal entity, any legal or equitable right against the Employer, its officers, employees, directors or trustees, except the rights as are specifically provided for in this Plan or created in accordance with the terms and provisions of this Plan.
- 9.3 **Assignments.** No benefit or interest available hereunder will be subject to assignment or alienation, either voluntarily or involuntarily, other than as provided under Section 401(a)(13) of the Code. The preceding sentence shall also apply to the creation, assignment, or recognition of a right to any benefit payable with respect to a Participant pursuant to a domestic relations order, unless, effective with respect to distributions made on or after January 1, 2002, such order is determined to be a qualified domestic relations order, as defined in Section 414(p) of the Code.
- 9.4 **Contracts.** The terms of each arrangement pursuant to which an Investment Option is offered hereunder, the terms of a trust in which an Investment Option may be held, and any contract issued on behalf of a Participant or certificate issued to a Participant, are a part of the Plan as if fully set forth in the Plan document and the provisions of which are hereby incorporated by reference into the Plan. In the case where there is any inconsistency or ambiguity between the terms of the Plan and those of any contract, certificate or trust, if any, funding the Plan, the terms of the Plan control.
- 9.5 **Pronouns.** Whenever used herein, the masculine pronoun is deemed to include the feminine. The singular form, whenever used herein, shall mean or include the plural form where applicable, and vice versa.

- 9.6. **Representations.** The Employer does not represent or guarantee that any particular Federal or State income, payroll, personal property or other tax consequence will result from participation in this Plan. A Participant should consult with professional tax advisors to determine the tax consequences of his or her participation. Furthermore, the Employer does not represent or guarantee investment returns with respect to any Investment Options and shall not be required to restore any loss which may result from such investment or lack of investment.
- 9.7. **Severability.** If a court of competent jurisdiction holds any provision of this Plan to be invalid or unenforceable, the remaining provisions of the Plan shall continue to be fully effective.
- 9.8. **Applicable Law.** This Plan shall be construed in accordance with applicable Federal law and, to the extent otherwise applicable, the laws of the State in which the Employer is located.
- 9.9. **Special Restrictions.** Notwithstanding any contrary provision of the Plan, including any annuity contract issued under the plan, in accordance with section 457(g) of the Internal Revenue Code, all amounts of compensation deferred pursuant to the Plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights shall be held in one or more annuity contracts, as defined in section 401(g) of such Code, issued by an insurance company qualified to do business in the state where the contract was issued, for the exclusive benefit of participants and beneficiaries under the Plan. For this purpose, the term "annuity contract" does not include a life, health or accident, property, casualty, or liability insurance contract.

All amounts of compensation deferred under the Plan shall be transferred to an annuity contract described in section 401(f) of the Internal Revenue Code within a period that is not longer than is reasonable for the proper administration of the accounts of participants. To comply with this requirement, all amounts of compensation deferred under the Plan shall be transferred to a contract described in section 401(f) of such Code not later than 15 business days after the end of the month in which the compensation would otherwise have been paid to the employee.

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This ensures transparency and allows for easy verification of the data. The text also mentions that regular audits are necessary to identify any discrepancies or errors in the accounting process.

Furthermore, it is noted that the accounting system should be designed to be user-friendly and efficient. This helps in reducing the time and effort required to enter and process data. The document also highlights the need for proper segregation of duties to prevent fraud and ensure the integrity of the financial information.

In addition, the text discusses the role of technology in modern accounting. It mentions that the use of accounting software can significantly improve the accuracy and speed of financial reporting. However, it also cautions against over-reliance on technology and stresses the importance of having a backup plan in case of system failures.

The document also touches upon the ethical aspects of accounting. It states that accountants have a moral obligation to provide accurate and unbiased information to their stakeholders. This includes being honest about any potential conflicts of interest and maintaining confidentiality of sensitive financial data. The text concludes by stating that a strong ethical foundation is essential for the success and credibility of any accounting profession.

Overall, the document provides a comprehensive overview of the key principles and practices of accounting. It serves as a valuable guide for anyone involved in financial management, whether in a small business or a large corporation. By following these guidelines, organizations can ensure that their financial records are accurate, reliable, and compliant with all relevant regulations.