

DEPARTMENT OF THE ARMY

U.S. ARMY INSTALLATION MANAGEMENT COMMAND

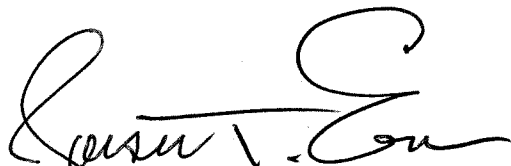
JOINT BASE SAN ANTONIO FORT SAM HOUSTON, TEXAS

THE UNITED STATES ARMY NONAPPROPRIATED FUND

EMPLOYEE 401(k) SAVINGS PLAN

RESOLUTION

Pursuant to the authority of the Secretary of the Army and as prescribed by Army Regulation 215-1, the attached United States Army Nonappropriated Fund Employee 401(k) Savings Plan Restated Effective 1 January 2014 is hereby adopted.



JASON T. EVANS
Brigadier General, USA
Deputy Commanding General, Support

20131206

Date

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Effective as Restated January 1, 2014

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INSTALLATION MANAGEMENT COMMAND
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EMPLOYEE 401(k) SAVINGS PLAN

RESTATED EFFECTIVE
1 JANUARY 2014

Pursuant to the authority of the Secretary of the Army and as prescribed in DOD 1401.1M, Personnel Policy Manual for Nonappropriated Fund Instrumentalities, and in Army Regulation 215-1, the Commander, Family and Morale, Welfare and Recreation Command, established a 401(k) plan for civilian employees of the United States Army Nonappropriated Fund Instrumentalities, effective 1 JANUARY, 1992. The United States Army Nonappropriated Fund Employee 401(k) Savings Plan (the "Plan") is hereby restated in its entirety effective as of 1 January 2014.

The Plan is intended to satisfy the rules of the Internal Revenue Code of 1986, as it may be amended, concerning the retirement plans of governmental employers.

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ARTICLE I

DEFINITIONS

Section 1.1 "Accounts" shall mean, with respect to any Participant, his Employee Account, Rollover Account, and Employer Account. "Account" shall mean any one (1) of the foregoing "Accounts."

Section 1.2 "Beneficiary" shall mean the person, persons, entity or estate of a deceased Participant designated to receive benefits under Section 9.6 of Article IX.

Section 1.3 "Benefits Program Manager" shall mean the individual appointed by the Commander for purposes of administering the Plan, including any functions not specifically the responsibility of the Trustees.

Section 1.4 "Break in Service" shall mean a twelve (12) month period ending on an anniversary of the Employee's date of employment during which the Employee does not perform services.

Section 1.5 "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

Section 1.6 "Commander" shall mean the Commanding General, U.S. Army Installation Management Command, or his designated representative.

Section 1.7 "Contribution Percentage" shall mean, for any Plan Year, the ratio for each Eligible Employee of Employer Contributions, if any, made to the Plan and allocated to such Eligible Employee for such Plan Year in accordance with Article IV, to such Eligible Employee's Earnings for such Plan Year. "Average Contribution Percentage" shall mean, for any Plan Year, the average of the ratios determined under this Section 1.7 for (i) the group of Eligible Employees who are Highly Compensated Employees and (ii) the group of Eligible Employees who are Nonhighly Compensated Employees.

Section 1.8 "Deferral Percentage" shall mean, for any Plan Year, the ratio for each Eligible Employee of Pretax Contributions, if any, made to the Plan by the Employer on behalf of such Eligible Employee for such Plan Year to such Eligible Employee's Earnings for such Plan Year. "Average Deferral Percentage" shall mean, for any Plan Year, the average of the ratios determined under this Section 1.8 for (i) the group of Eligible Employees who are Highly Compensated Employees and (ii) the group of Eligible Employees who are Nonhighly Compensated Employees.

Section 1.9 "Disability" shall mean a physical or mental condition that renders a Participant unable to perform useful and efficient service in his position or any other position offered by the Employer of the same grade or class, as determined by a qualified medical authority who has been approved by the Benefits Program Manager. "Disabled Participant" shall mean a Participant who has incurred a "Disability".

Section 1.10 "Earnings" shall mean a Participant's annual compensation paid by the Employer, as reported to the Internal Revenue Service on the Form W-2 for income tax purposes, plus Pretax Contributions for the year and any pre-tax contributions for health benefits but excluding taxable special duty and location allowances and imputed income taxable under Code section 79. Effective as of 1 January 1997, Earnings shall not include lump sum payments of annual leave, separation incentives or severance pay. Effective as of 1 July 1999, Earnings shall not include retention allowances, recruitment bonuses, or relocation allowances. In the case of an individual who has made the election to remain covered by the Plan pursuant to Section 2.5 of Article II, Earnings shall mean the compensation reported to the Benefits Program Manager by the individual's employing agency.

Notwithstanding anything herein to the contrary, effective for Plan Years beginning after 31 December 1995, the annual compensation of a Participant for the foregoing purposes shall be subject to the maximum limits imposed under Section 401(a)(17) of the Code; provided that for a person who becomes a Participant before 1 January 1996, the annual compensation limit of Section 401(a)(17) of the Code shall not apply to the extent that the application of the limit would reduce the amount of Compensation that is allowed to be taken into account under the Plan as in effect on 1 July 1993.

Section 1.11 "Effective Date" shall mean 1 January 1992. The effective date of this Restated Plan is 1 January 2014.

Section 1.12 "Eligible Employee" shall mean an Employee who is eligible to participate in the Plan in accordance with Article II.

Section 1.13 "Employee" shall mean a civilian employee occupying a regular position, as defined by Army Regulation 215-3, of any Employer. A person is not an "Employee" at any given time unless, at such time, the Employer, in accordance with its standard personnel policies, treats that person as a common-law employee. Any later determination that the person was a common-law employee of the Employer during such period shall not control.

Section 1.14 "Employee Account" shall mean the account established for a Participant in accordance with Section 6.1 of Article VI.

Section 1.15 "Employer" shall mean a NAFI participating in this Plan.

Section 1.16 "Employer Account" shall mean the account established for a Participant in accordance with Section 6.3 of Article VI.

Section 1.17 "Employer Contribution" shall mean the contribution made by the Employer, if any, under Section 4.1 of Article IV.

Section 1.18 "Entry Date" shall mean the first day of the payroll period coincident with or immediately following the first day of each calendar quarter during which the Plan is in effect.

Section 1.19 "NAFI" shall mean a United States Army Nonappropriated Fund Instrumentality established by authority of the Secretary of the Army, pursuant to Army Regulation 215-1, for the purpose of administering monies not appropriated by the Congress for the benefit of military personnel or civilian employees of the Army. Additionally, "NAFI" shall mean NAFIs of the Department of Defense and other agencies for which the Army

has executive agent responsibilities; these are the Defense Logistics Agency, Defense Mapping Agency, Defense Intelligence Agency, the Department of Defense Concessions Committee, civilian NAFIs on Army installations such as post restaurants and civilian welfare funds controlled by the board of directors, Army and Air Force Civilian Welfare Fund.

Section 1.20 "Normal Retirement Date" shall mean the later of age sixty-two (62) or completion of three (3) Years of Service.

Section 1.21 "Participant" shall mean an Employee who meets the eligibility requirements of Article II or an Employee or former Employee for whom an Employee Account, a Rollover Account and/or an Employer Account is maintained. "Participant" shall also mean an individual who has elected to be covered under the Plan pursuant to Section 2.5 of Article II hereof. Solely for purposes of Section 3.1 of Article III and Section 4.1 of Article IV, the term "Participant" shall not include an Employee who is a Participant solely because a Rollover Account is being maintained on his behalf.

Section 1.22 "Plan" shall mean the United States Army Nonappropriated Fund Employee 401(k) Savings Plan, as provided herein.

Section 1.23 "Plan Year" shall mean the twelve (12) consecutive calendar month period beginning 1 January of any year.

Section 1.24 "Pretax Contribution" shall mean the portion of a Participant's Earnings which the Employer contributes to the Plan on his behalf in accordance with Section 3.1 of Article III.

Section 1.25 "Rollover Account" shall mean the account established for a Participant in accordance with Section 6.2 of Article VI.

Section 1.26 "Spouse" shall mean the legally married wife or husband of a Participant.

Section 1.27 "Trust" shall mean the Trust established in accordance with Section 12.3 of Article XII to hold and invest Plan assets.

Section 1.28 "Trustee" shall mean the individuals or entity with whom or with which the Commander enters into an agreement to establish the Trust to hold Plan assets.

Section 1.29 "Valuation Date" shall mean the last business day of each Plan Year and any interim date during the Plan Year on which Plan assets are valued.

Section 1.30 "Year of Service" shall mean a twelve (12) month period of employment calculated as follows:

- (a) For periods of employment prior to 1 January 1966, one (1) Year of Service shall be earned for each twelve (12) consecutive calendar month period of employment beginning with an Employee's date of employment as a full-time employee with a NAFI other than the Army and Air Force Exchange and Motion Picture Services, and ending with the earlier of termination of employment, death or retirement, provided that no break in employment in excess of ninety (90) days occurred.
- (b) For periods of employment after 1 January 1966, one (1) Year of Service shall be earned for each twelve (12) consecutive calendar months of employment beginning with an Employee's date of employment and ending with earliest of termination of employment, death or retirement.
- (c) A Participant who was a full-time employee at a DOD NAFI other than the Army and terminated employment and was employed by a NAFI as defined in Section 1.19 within ninety (90) days, such Participant shall be credited with Years of Service for service with the former NAFI.

- (d) If a Participant has made an election to continue coverage under this Plan pursuant to Section 2.5 and the laws referenced thereunder during periods of service that would otherwise be covered as service with the current employer of such individual ("Employing Agency"), service rendered as an employee covered by the Employing Agency shall be credited as Years of Service under the Plan to the extent stipulated in the applicable statute or regulations.
- (e) Notwithstanding any provision to the contrary, Years of Service shall not include service completed by an Employee who has made an election pursuant to Section 2.6 to remain covered by a retirement plan of a former employer.
- (f) Effective October 13, 1996, with respect to reemployments initiated on or after December 12, 1994, notwithstanding any provision of the Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u) of the Code, but unless otherwise provided under the Plan, only to the extent that Section 414(u) requires such contributions,

benefits or credits. Effective January 1, 2007, if the Participant dies while performing qualified military service (as defined in Code Section 414(u) of the Code), the Participant's Beneficiaries shall be entitled to any additional benefits not otherwise provided under the Plan that are required under Section 414(u) (other than benefit accruals relating to the period of qualified military service that are not otherwise credited under the Plan), as determined under the Plan as if the Participant had returned to employment on the day preceding his death and then terminated on the date of his death.

ARTICLE II

ELIGIBILITY FOR PLAN PARTICIPATION

Section 2.1 Eligibility

Each Employee, except an Employee described in Section 2.2, shall be eligible to participate in the Plan.

Section 2.2 Employees Not Eligible

An Employee shall not be eligible to participate in the Plan if:

- (a) He is domiciled outside of the fifty (50) states of the United States, the District of Columbia, or Puerto Rico, and is neither a United States citizen nor the wife or child of a United States citizen;
- (b) He is an employee of the Army and Air Force Exchange Service;
- (c) He is a "leased employee" as defined in Code Section 414(n);
- (d) He has made an election pursuant to the Portability of Benefits for Nonappropriated Fund Employees Act Of 1990 (P.L. 101-508) or the National Defense Authorization Act for Fiscal Year 1996 (P.L. 104-106) and regulations of the office of Personnel Management at Title 5, Code

of Federal Regulations Part 847 and in accordance with Section 2.6 of Article II to remain covered by the Civil Service Retirement System (CSRS) or the Federal Employee Retirement System (FERS); or

(e) He was a Nonappropriated Fund employee of the Military Services, including US Air Force, US Navy, and US Marine Corps, in a position covered by the respective NAF Employee Retirement Plans of those services other than this Plan, and such an employee has made an election pursuant to regulations of the Department of Defense and the policy included in the Supplemental Guidance for Department of Defense Nonappropriated Fund Civilian Human Resources at Joint Bases and in accordance with Section 2.6 of Article II, to continue coverage under the respective NAF Retirement Plans of the Military Services.

Section 2.3 Eligibility Upon Reemployment

A former-Participant who is reemployed by the Employer and who is otherwise eligible to participate in this Plan shall be eligible to participate in the Plan as soon as practicable following his reemployment.

Section 2.4 Notification of Eligible Employees and Entry into Plan

The Benefits Program Manager shall notify each Employee of the eligibility requirements and benefits under the Plan prior to the Entry Date on which he first becomes eligible to participate. Each Employee, including a former Participant who is reemployed, who has satisfied the eligibility requirement specified in this Article II shall become a Participant by filing an election with the Benefits Program Manager to have Pretax Contributions made on his behalf in accordance with Section 3.1 of Article III. The Employee's participation shall become effective on the Entry Date coincident with or next following the date on which such Employee files his election or as soon as practicable thereafter. An Employee shall also be required to make investment elections pursuant to Section 7.2 of Article VII and to designate a Beneficiary pursuant to Section 9.6 of Article IX.

Section 2.5 Individuals Electing Coverage

(a) A Participant in the Plan who becomes an employee of the Federal Government in a position covered by the Thrift Savings Plan (TSP), who has made an election pursuant to the Portability of Benefits for Non-Appropriated Fund Employees Act of 1990 (P.L.101-508), the National Defense

Authorization Act for Fiscal Year 1996 (P.L. 104-106), or the National Defense Authorization Act of 2002 (P.L. 107-107), and any amendments or regulations thereunder, to continue coverage under this Plan during periods of service that would otherwise be covered by TSP, shall be considered to have continued employment as an Employee for purposes of this Plan for such period of service.

- (b) A Participant in the Plan who becomes a Nonappropriated Fund employee of the Military Services, including US Air Force, US Navy, and US Marine Corps, in a position covered by the respective NAF Employee 401(k) Savings Plans of those services, and who has made an election pursuant to regulations of the Department of Defense and the policy included in the Supplemental Guidance for Department of Defense Nonappropriated Fund Civilian Human Resources at Joint Bases to continue coverage under this Plan during periods of service that would otherwise be covered by the respective NAF 401(k) Savings Plans of the Military Services, shall be considered to have continued employment as an

Employee for purposes of this Plan for such period of service.

- (c) In testing the contributions on behalf of any such individual under the Plan, the Benefits Program Manager shall deem the Earnings of such individual to be the compensation reported as Plan Earnings by the benefits program manager of the Employing Agency.

Section 2.6 Employees Electing Out of Coverage

Notwithstanding anything herein to the contrary, any Employee who elects, pursuant to the National Defense Authorization Act of Fiscal Year 1996 (P.L. 104-106), the Portability of Benefits for Non-Appropriated Fund Employees Act of 1990 (P.L. 101-508), the National Defense Authorization Act of 2002 (P.L. 107-107), or the regulations of the Department of Defense and the policy included in the Supplemental Guidance for Department of Defense Nonappropriated Fund Civilian Human Resources of Joint Bases, to remain covered under the plans of his former employer following a qualifying move to a NAFI position, shall be treated as having never been eligible to participate in the Plan. Within a reasonable period of time after the Participant's election, the

Electing Participant shall receive an amount equal to the sum of:

- (a) The dollar amount of the Electing Participant's Pretax Contributions; and
- (b) The value, including gains and losses, of the Electing Participant's Rollover Account, if any, less applicable income or employment tax withholding, based on the inclusion of such amounts in wages or income in the year of distribution. All remaining amounts, after such distribution, in the Employee and Employer Accounts of such Electing Participant shall be forfeited and, notwithstanding Section 4.3, shall reduce the Employer Contribution of the Employer or Employers, as determined by the Benefits Program Manager, for whom the Electing Participant performed services.

ARTICLE III

PRETAX AND ROLLOVER CONTRIBUTIONS

Section 3.1 Pretax Contributions

Subject to the provisions of Subsection 8.1(d) of Article VIII, a Participant may direct the Employer, on forms or by procedures prescribed by the Benefits Program Manager, to make contributions to the Plan on his behalf of a stated whole percentage of his Earnings. Effective as of 1 January 2002, such "Pretax Contributions" shall not exceed one-hundred percent (100%) of his Earnings minus mandatory deductions; furthermore, a Participant's Pretax Contributions shall not exceed such amount as may be permitted under Code Section 402(g) for any Plan Year. Pretax Contributions shall be made from the Participant's Earnings prior to withholding for any Federal and state income tax other than state income tax in states where contributions to plans qualified under Code Section 401(k) are subject to income tax withholding. Any pretax contributions made in excess of the amount permitted under Section 402(g) of the Code for a Plan Year ("excess deferrals") shall be returned to the Participant no later than April 1 following the close of the taxable year in which the excess deferral occurred, and for years after 2006, with any income attributable to the excess deferrals through the Valuation Date prior to the date of

distribution, but after 2007, no income with respect to excess deferrals shall be distributed for the period between the end of the taxable year in which the excess deferral occurred and the date of distribution.

Section 3.2 Change of Contribution Level

A Participant may, on forms or by procedures prescribed by the Benefits Program Manager, change his rate of Pretax Contributions. Changes may be made at least quarterly during the Plan Year as prescribed by the Benefits Program Manager and shall become effective on the Entry Date coincident with or next following the election or as soon as practicable thereafter.

Section 3.3 Suspension of Contributions

A Participant may, on forms or by procedures prescribed by the Benefits Program Manager, elect to suspend his Pretax Contributions. Suspensions may be made at any time during the Plan Year and shall become effective as soon as practicable. A Participant who elects to suspend his Pretax Contributions may resume such Contributions in accordance with procedures prescribed by the Benefits Program Manager. Resumption of Contributions shall commence on the Entry Date coincident with or next following the election or as soon as practicable thereafter.

Section 3.4 Manner of Pretax Contributions

All Pretax Contributions shall be in the form of Employee-authorized payroll deductions. Such deductions shall be made each payroll period, subject to the change and suspension of contribution provisions of Sections 3.2 and 3.3.

Section 3.5 Remittance and Allocation of Pretax Contributions

Pretax Contributions shall be remitted to the Trustee as soon as practicable after the end of the payroll period during which such Contributions are made and shall be allocated to each Participant's Employee Account.

Section 3.6 Rollover Contributions and Transfers

An Employee may, subject to such uniform and nondiscriminatory terms and conditions as the Benefits Program Manager may establish from time to time, request the Benefits Program Manager to instruct the Trustee to accept, directly or indirectly, a rollover distribution and/or a transfer of the value of the Employee's accounts from the plan of a former employer.

A rollover distribution shall be accepted provided the Employee submits written evidence from the former employer's plan

administrator, satisfactory to the Benefits Program Manager, that such rollover distribution is an "eligible rollover distribution," as defined in Code Section 402(c)(4), except that effective January 1, 2002, the Plan will not accept rollovers of after-tax contributions or "Roth" accounts or IRAs. The Benefits Program manager shall be entitled to rely upon such written evidence.

A transfer of accounts shall be accepted only from a plan that is qualified under Code Section 401(a) and that has a trust exempt from taxation under Code Section 501(a). The Plan shall only accept a rollover distribution or transfer in cash. The amount of such distribution or transfer shall be held in the Participant's Rollover Account. Such Account shall be invested in accordance with Article VII and shall be adjusted for debits and credits in accordance with Section 6.5 of Article VI.

Section 3.7 Catch-up Contributions

All Employees who are eligible to make elective deferrals under this Plan and who have attained age 50 before the close of the calendar year shall be eligible to make catch-up contributions in accordance with, and subject to the limitations of section 414(v) of the Code. Such catch-up contributions shall not be taken into account for purposes of the provisions of the Plan implementing the required limitations of sections 402(g) and 415

of the Code. This Section applies as of January 1, 2002 but shall only be effective after administrative procedures, which the Benefits Managers considers to be sufficient, have been implemented to account for and process catch-up contributions under Code section 414(v) (including, but not limited to, the adoption of appropriate payroll processing procedures).

ARTICLE IV

EMPLOYER CONTRIBUTIONS

Section 4.1 Employer Contributions

The Employer shall contribute "Employer Contributions" for each Participant of an amount equal to:

- (a) One hundred percent (100%) of the Participant's Pretax Contributions up to two percent (2%) of the Participant's Earnings for such payroll period; and
- (b) Fifty percent (50%) of the Participant's Pretax Contributions in excess of two percent (2%) but not in excess of four percent (4%) of the Participant's Earnings for such payroll period.

Section 4.2 Remittance of Employer Contributions

Employer Contributions shall be remitted to the Trustee as soon as practicable after each payroll period for which such Contributions are made and shall be allocated to each Participant's Employer Account.

Section 4.3 Disposition of Forfeitures

Amounts forfeited by Participants in accordance with Section 9.4 of Article IX, less any forfeitures used to restore reemployed Participants' Employer Accounts under such Section until the individual liabilities to restore these accounts expire, and any excess amounts resulting from the limitations in Article V shall be used first to fund expenses of the Plan and then to reduce Employer Contributions made under Section 4.1.

Section 4.4 Return of Employer Contributions

In the event an Employer Contribution is:

- (a) made under a mistake of fact, or
- (b) conditioned upon qualification of the Plan under Code Section 401(a) and the Plan does not so qualify,

the Contribution may be returned to the Employer within one (1) year after the payment of the mistaken Contribution, or the date of denial of the qualification of the Plan, whichever is applicable. All Employer Contributions shall be deemed to be conditioned upon the qualification of the Plan under Code Section 401(a).

ARTICLE V

NONDISCRIMINATION REQUIREMENTS AND MAXIMUM ANNUAL ADDITION

Section 5.1 Nondiscrimination Requirements for Pretax Contributions

Pursuant to Section 1505 of the Taxpayer Relief Act of 1997 and Section 861 of the Pension Protection Act of 2006, the nondiscrimination requirements for pre-tax contributions do not apply to this Plan.

Section 5.2 Nondiscrimination Requirements for Employer Contributions

Pursuant to Section 1505 of the Taxpayer Relief Act of 1997 and Section 861 of the Pension Protection Act of 2006, the nondiscrimination requirements of Section 401(m) applicable to Employer matching contributions do not apply to this Plan.

Section 5.3 Annual Addition Limitation

(a) In no event shall the annual addition made on behalf of a Participant during any Plan Year exceed the lesser of:

(1) Forty thousand dollars (\$40,000) for Plan Years commencing on or after January 1, 2002, as adjusted for increases in the cost-of-living under Code section 415(d), and

(2) 100% of the amount of the Participant's compensation for the Plan Year.

- (b) For purposes of this Section 5.3, the term "annual addition" shall mean the sum, for any given Plan Year, of Pretax Contributions and Employer Contributions to this Plan and Employee contributions, if any, to a defined benefit plan maintained by the Employer.
- (c) Effective with respect to limitation years after 1997, for purposes of this Section 5.3, the term "compensation" shall have the meaning set forth in Code section 415(c)(3), including all deferrals set forth in subsection 415(c)(3)(D), and for years after 2007, will be limited pursuant to Code Section 401(a)(17) (as adjusted under Section 401(a)(17)(B), will reflect cost of living adjustments to the extent applicable under Code Section 415(d), and will include payments made by the later of 2 ½ months after severance from employment or the end of the limitation year that includes the date of severance from employment if, absent such severance from employment, such payments would have been paid to the Participant while the Participant continued

in employment with the Employer and are regular compensation for services during the Participant's regular working hours, compensation for services outside the Participant's regular working hours (such as overtime or shift differential) commissions, bonuses or other similar compensation. Effective after December 31, 2007, for this purpose, "compensation" will be compensation as defined in Treasury regulation 1.415(c)-2(d)(4).

(d) Any excess resulting from these limits that, effective January 1, 2002, are not treated as catch-up contributions under Code section 414(v), shall be treated as forfeitures and shall be treated in accordance with Section 4.3 of Article IV.

(e) In all events, the annual additions made to this Plan for a Plan Year (the limitation year) will not exceed the limitations of Section 415 of the Code and underlying regulations, as applied to government plans, which will hereinafter be incorporated by reference as permitted under Treasury regulation 1.415(a)-1(d)(3).

ARTICLE VI

PARTICIPANT ACCOUNTS

Section 6.1 Employee Account

The value of a Participant's Pretax Contributions shall be accounted for in his Employee Account.

Section 6.2 Rollover Account

The value of any rollover contributions or transfers made under Section 3.6 of Article III by an Employee from the plan of a former employer shall be accounted for in his Rollover Account. Effective with respect to rollover contributions or transfers made from such a plan after December 31, 2001, the Plan will not accept rollover contributions or transfers of any after-tax amounts, including Roth 401(k) accounts or Roth IRAs established pursuant to Section 408A of the Code.

Section 6.3 Employer Account

The value of Employer Contributions allocated to the Participant shall be accounted for in his Employer Account.

Section 6.4 Valuation of Assets

The Trustee shall determine the fair market value of Plan assets as of the close of business on each Valuation Date.

Section 6.5 Allocation of Investment Results

As of each Valuation Date, Plan assets and the Accounts of each Participant shall be valued by the Trustee. The Benefits Program Manager shall maintain or shall cause to be maintained records so that, as of each Valuation Date, the Accounts of each Participant shall, in an equitable manner, appropriately reflect investment results and Plan expenses, to the extent not paid by the Employer in accordance with Section 12.5 of Article XII.

ARTICLE VII

INVESTMENT OF CONTRIBUTIONS

Section 7.1 Investment Funds

The agreement entered into between the Commander and the Trustee pursuant to Section 12.3 of Article XII to invest and retain Plan assets shall provide at least one investment fund option for the period from January 1, 1992 through March 31, 1992 and at least three (3) investment fund options thereafter, with a minimum of five (5) investment fund options being offered as soon as practical, in which Participants can invest the value of their Employee, Rollover, and Employer Accounts. The investment fund options shall be chosen by the Trustee. At any time, the Trustee may add or delete options or close options to future contributions, provided that the minimum number of options prescribed by this Section is maintained. The Trustee is also authorized, after providing appropriate notice to the affected Participants, to reallocate Employee and Employer Contributions and a Rollover Account (and earnings thereon) from any deleted option to one or more remaining or new options that are reasonably similar to the deleted option or to the default investment option specified from time to time by the Trustee.

Section 7.2 Election of Investment Fund for Contributions

A Participant shall direct, at the time he becomes a Participant in the Plan, or at such other appropriate time permitted by the Benefits Program Manager, on forms or in a manner prescribed by the Benefits Program Manager, the manner in which his Employee and Employer Contributions and/or Rollover Account are to be invested. Investments shall be made in one (1) or more of the investment funds available under Section 7.1. To the extent that a Participant does not direct the manner in which his Employee or Employer Contributions and/or Rollover Account are to be invested, the Trustee shall invest such Employee or Employer Contributions and/or Rollover Account in the default investment option specified from time to time by the Trustee.

Section 7.3 Change in Election of Investment Fund for Future Contributions

At the discretion of the Benefits Program Manager and subject to any limitations imposed by the Trustee, each Participant may, on forms or in a manner prescribed by the Benefits Program Manager, change his investment election for future Employee and Employer Contributions. Changes may be made at any time during the Plan Year and shall become effective on the Entry Date coincident with or next following the filing of the forms or as soon as practicable thereafter.

Section 7.4 Change in Election of Investment Fund for Past Contributions

At the discretion of the Benefits Program Manager and subject to any limitations imposed by the Trustee, each Participant may, on forms or in a manner prescribed by the Benefits Program Manager, transfer all or a portion of the value of his Employee, Employer, and Rollover Accounts, from one fund to another fund. Transfers may be made at any time during the Plan Year and shall become effective on the Entry Date coincident with or next following the filing of the forms or as soon as practicable thereafter.

ARTICLE VIII

WITHDRAWALS

Section 8.1 Hardship Withdrawals

- (a) A Participant who is an Employee (or who is a former Employee who has elected to continue participation pursuant to Section 2.5 of Article II) may, in the event of hardship, be permitted to make a withdrawal from his Employee and Rollover Accounts. For purposes of this Section 8.1, the term "hardship" shall mean
- (1) Medical expenses described in Code Section 213(d) incurred by the Participant, the Participant's Spouse or any dependents of the Participant, or, effective January 1, 2009, by the Participant's primary beneficiary named in the Plan;
 - (2) Purchase (excluding mortgage payments) of a principal residence for the Participant;
 - (3) Payment of tuition, related educational fees and room and board expenses for the next twelve (12) months of post-secondary education for the Participant, his Spouse, children or dependents, or, effective

- January 1, 2009, for the Participant's primary beneficiary named in the Plan;
- (4) The need to prevent the eviction of the Participant from his principal residence or foreclosure on the mortgage of the Participant's principal residence;
 - (5) Payments for burial or funeral expenses for the Participant's deceased parent, spouse, children or dependents, or, effective January 1, 2009, for the Participant's primary beneficiary named in the Plan;
 - (6) Expenses for the repair of damage to the Participant's principal residence that would qualify for a casualty deduction under Section 165 of the Code (without regard to whether the loss exceeds 10% of gross income); and
 - (7) Any other circumstances of sufficient severity that the Internal Revenue Service announces as being a "hardship" under Code Section 401(k).
- (b) A request for a withdrawal under this Section 8.1 shall be made on forms and in a manner prescribed

by the Benefits Program Manager. The Benefits Program Manager shall establish a uniform and nondiscriminatory policy for viewing withdrawal applications and any determination made by the Benefits Program Manager shall be final but subject to appeal under Section 13.1 of Article XIII.

- (c) The amount necessary to fund the withdrawal shall be debited first from the value of the Participant's Rollover Account. Any further amounts necessary shall next be debited from the value of the Participant's Employee Account to the extent such Account represents Pretax Contributions and not earnings on those Contributions.
- (d) Notwithstanding Section 3.1 of Article III, a Participant who receives a hardship withdrawal that consists in whole or part of Pretax Contributions shall not be permitted to have Pretax Contributions made on his behalf during the twelve (12) months following his receipt of such withdrawal. Furthermore, the maximum Pretax Contributions such Participant is permitted to have made on his behalf under Code Section 402(g)

for the Plan Year following the Plan Year of the hardship withdrawal shall be reduced by the amount of Pretax Contributions made on behalf of the Participant in the Plan Year of the hardship withdrawal. Effective with respect to distributions of elective deferrals after December 31, 2001, the post-hardship contribution limit in Treasury Regulation section 1.401(k)-1(d)(2)(iv)(B)(3), and outlined in the second sentence of Section 8.1(d), is eliminated.

Notwithstanding the foregoing, a Participant who receives a hardship distribution of Pretax Contributions after 31 December 2001 shall be prohibited from making Pretax Contributions under this and all other plans of the Employer for 6 months after receipt of the distribution. A Participant who receives a hardship distribution of Pretax Contributions in calendar year 2001 shall be prohibited from making Pretax Contributions under this and all other plans of the Employer for 6 months after receipt of the distribution or until January 1, 2002, if later.

- (e) The value of a Participant's Employee and Rollover Accounts shall be determined by the

Trustee as of the Valuation Date coincident with or next following the date on which the Trustee receives the request for the withdrawal. The amount of a withdrawal shall be paid to the Participant in cash on the earliest practicable date following such Valuation Date.

Section 8.2 Loans from Accounts

The Benefits Program Manager is authorized to establish and administer a loan program as provided herein.

- (a) A vested Participant who is an active Employee may request a loan from the Plan. Loans will be processed weekly unless the Benefits Program Manager determines otherwise. Any such loan will be made from the assets of, and will be charged against the borrower's Plan Account, and shall be charged first against the borrower's Rollover Account and then, if necessary, against the borrower's Employee Account and finally, if necessary, charged against the borrower's Employer Account (if vested). Further, the loan will be withdrawn from the investment funds on a pro rata basis. A borrower may continue to make Pretax Contributions pursuant to Section 3.1(a)

of the Plan regardless of whether or not the borrower has an outstanding loan balance under the Plan so long as the borrower is not in default under the events of default set forth in Section (h) and the borrower's Loan Agreement.

- (b) A borrower must have a vested Plan Account balance of at least two thousand dollars (\$2,000.00) to borrow from the Plan.
- (c) The minimum amount which a borrower may borrow at any one time from the Plan, exclusive of interest, may be no less than one thousand dollars (\$1,000.00). The maximum amount which a borrower may borrow from the Plan may not exceed the lesser of:
 - (1) fifty thousand dollars (\$50,000.00), reduced by the excess, if any, of the highest outstanding balance of loans from the Plan to the borrower during the one (1) year period ending on the day before the date on which such loan was made, over the outstanding balance of loans from the Plan to the borrower on the date on which such loan was made; or

- (2) fifty percent of the borrower's combined vested interest in the borrower's Plan Account, determined as of the origination date of the loan. In no event will a loan be made which would be taxed under Code Section 72(p) as a distribution from the Plan.
- (d) Loans will be available to all Participants on a reasonably equivalent basis, without regard to an individual's race, color, religion, age, sex, national origin, ancestry, physical or mental disability or handicap. In approving loans, the Benefits Program Manager will not discriminate in favor of highly compensated employees (within the meaning of Code section 414(q) as to the general availability of loans, as to the terms of repayment, or as to the amount of such loans in proportion to the vested portion of the borrower's Plan Account. Notwithstanding anything in this Plan to the contrary, all loans will comply with the requirements of Code Section 4975 and the regulations issued thereunder to the extent Section 4975 applies to this Plan.

- (e) The Benefits Program Manager will not take the purpose of the loan into account in approving or disapproving a loan application, except as may be required for purposes of paragraph (h) below.
- (f) Each loan will bear a rate of interest to be no more than 1% over the prime rate, as published in the Wall Street Journal on the first business day of the calendar quarter, for that calendar quarter. The Benefits Program Manager will establish the interest rate on a quarterly basis. The Benefits Program Manager will not discriminate among borrowers in the matter of interest, but loans may bear different interest rates if, in the Benefits Program Manager's opinion, the difference is justified by different terms for repayment, the security of the collateral, or changes in economic conditions. No loans will be granted during any period in which the reasonable commercial interest rate for money loaned under similar circumstances exceeds the maximum legal rate that may be charged to individuals for loans of this nature under applicable usury laws.

(g) Each loan, to the extent of the amount of the indebtedness, including interest, will be secured by the assignment of the borrower's vested Plan Account, determined as of the origination date of the loan, supported by the borrower's collateral promissory note for the payment of the indebtedness, including interest, payable to the order of the Trust. No more than fifty percent (50%) of the borrower's vested Plan Account, determined as of the origination date of the loan, may be used as collateral for loans hereunder.

Subject to applicable provisions of law, each loan will be further supported by the borrower's execution of an agreement, in a form specified by the Benefits Program Manager, to repay the loan over a term and in a manner specified by the Benefits Program Manager. If this Plan becomes subject to Section 4975 of the Code, the assignment of any part of the borrower's Account provided for above will be void for any period of time during which the loan fails to comply with Code section 4975(d)(1).

(h) Except as provided in regulations or other formal guidance issued by the Secretary of the Treasury or by the Department of Labor, loans will be repaid by payroll deductions, or, if a Participant's pay is not processed by the Defense Finance and Accounting Service's NAF Financial Services, pursuant to a debit authorization arrangement agreed to by the Benefits Program Manager, with such repayments or debits established in the dollar amount required by the loan. Any loan to a borrower will be repaid in such manner and over such period as will constitute level amortization of such loan over the term of the loan (biweekly or monthly, except as defined in Section (o)). The term of the loan will be established in six month increments (i.e. 6 months, 12 months, 18 months, etc.) unless the Benefits Program Manager determines otherwise, and will not exceed such period (not to exceed five years (except in the case of a loan used to acquire the Participant's principal residence) or such longer period as may be allowed without causing the loan to be taxed under Code Section 72(p) as a distribution from

the Plan) as the Benefits Program Manager will determine. All payments by a borrower on any such loan, including interest, will be credited to such borrower's Plan Account. Funds will be reinvested into the investment funds according to the Participants' current investment elections.

Loans may not be repaid at an accelerated rate except in the case of lump sum repayments.

The events of default will be listed specifically in the borrower's Loan Agreement. The Loan Agreement provisions are deemed part of the Plan with respect to that borrower. Generally, a borrower is in default if one or more of the following events occurs:

- (1) failure to pay any loan obligation when due;
- or
- (2) the borrower's death or retirement.

If a borrower defaults in the repayment of the loan, the borrower's Plan Account will be charged with the full unpaid balance of the loan

including any accrued but unpaid interest, as of the distribution of a portion or all of his or her Plan Account, provided however there will be no foreclosure on the note and or attachment of the security until a distributable event occurs in the Plan. Any costs incurred by the Trust or Benefits Program Manager in collecting amounts due, including attorney's fees, will be added to the principal balance of the loan and treated accordingly.

- (i) No loan will be made to a Participant unless the Participant consents, in writing, to the loan and to the fact that, if the loan defaults, the Participant's Plan Account may be reduced as provided in Section (h), before the Participant attains the age of sixty-five (65), provided however there will be no foreclosure on the note and or attachment of the security until a distributable event occurs under the Plan. The deemed distribution in the event of default will not occur prior to the end of the quarter following the quarter of default. The consent of the Participant is made upon endorsement of the

loan check, drawn in agreement with the Participant's instructions.

- (j) Prior to January 1, 2002, no other loan distribution under the Plan will be made to any Participant unless all unpaid loans, including accrued interest, have been repaid or otherwise discharged. Notwithstanding the foregoing, effective 1 January 2002, a Participant may request up to three loans, one of which is a primary residence loan and two of which are general loans, provided that the loans collectively satisfy the dollar amount and multiple loan limitations for loans from qualified plans under Section 72(p) and Treasury Regulations (final or proposed) thereunder. Effective January 1, 2009, a Participant may not request a loan from the Plan if the Participant is in default on a loan as defined in Section (h), and this restriction shall apply for the 12-month period beginning after the Participant's most recent default on such Participant's loan.
- (k) A loan made to a borrower will not be treated as an assignment or alienation of any portion of the borrower's Plan Account due to the fact that the

loan will be secured by the borrower's Plan Account, and all loans made to Participants will be exempt from the tax imposed on prohibited transactions under Code section 4975(d)(1).

- (l) The Benefits Program Manager will ensure that every borrower receives a statement which describes the procedure for loan application, the events constituting default and the steps which will be taken by the Plan in the event of default, and a clear statement of the charges involved in each loan transaction. The statement of charges will include the dollar amount of the loan and the annual interest rate.
- (m) This Section 8.2 will become effective October 1, 1996.
- (n) Any loan origination fees and annual maintenance fees charged by the Investment Manager will be the responsibility of the Participant and will be made part of the loan amount.
- (o) An Employee active on the rolls will not be considered in default if it can be determined that said Employee is in a Leave Without Pay Status (LWOP) for one of the following reasons:

- (1) military furlough,
- (2) business based action furlough,
- (3) a condition which is compensable under worker's compensation, or
- (4) employees in LWOP under the Family Leave Act, until 12 months of LWOP have occurred.

The borrower will have the option of having the loan reamortized for the remainder of the original term of the loan or making one lump sum payment for the LWOP period at the end of the 12 month LWOP period. The total time period of the loan cannot exceed five years when combined with LWOP periods. This section does not apply to anyone who is separated from employment for any reason. In the case of a military leave, loan repayments will be suspended under this Plan as permitted under Section 414(u)(4) of the Code.

ARTICLE IX

ENTITLEMENT TO BENEFITS

Section 9.1 Retirement

A Participant who retires from employment with the Employer on or after his Normal Retirement Date shall be entitled to receive a retirement benefit equal to one-hundred percent (100%) of the value of his Accounts. The value of the Participant's Accounts shall be paid to the Participant as soon as practicable following the date he terminates employment, subject to the provisions of Section 10.2 of Article X. Elections shall be made on forms and in a manner prescribed by the Benefits Program Manager.

Section 9.2 Disability

A Disabled Participant shall be entitled to receive a disability benefit equal to one hundred percent (100%) of the value of his Accounts. A Disabled Participant may elect to receive the value of his Accounts as soon as practicable following the date on which he becomes a Disabled Participant or he may elect to delay the distribution of his Accounts subject to the provisions of Section 10.2 of Article X. Elections shall be made on forms and in a manner prescribed by the Benefits Program Manager.

Section 9.3 Termination of Employment and Vesting

Except as otherwise provided in Section 2.6 above, a Participant whose employment with the Employer is terminated for any reason other than retirement in accordance with Section 9.1, Disability in accordance with Section 9.2, or death in accordance with Section 9.5 shall be entitled to receive:

- (a) One hundred percent (100%) of the value of his Employee and Rollover Accounts; and
- (b) A percentage of the value of his Employer Account based on his Years of Service in accordance with the following schedule.

Years of Service	Nonforfeitable Percentage
Less than 3	0%
3 or more	100%

A Participant may elect to receive the value of his Accounts as soon as practicable after his termination of employment or he may elect to delay the distribution of his Accounts, subject to the provisions of Section 10.2 of Article X. Elections shall be made on forms and in a manner prescribed by the Benefits Program Manager.

Section 9.4 Forfeitures

A Participant who does not have a one hundred percent (100%) nonforfeitable interest in his Employer Account and whose employment with the Employer is terminated under Section 9.3 shall forfeit his Employer Account. Such forfeiture shall be effective on the first day of the month following the month in which the Participant incurs a Break in Service. In the case of an Electing Participant pursuant to Section 2.6 of Article II, the amounts in his Account which are treated as never having been contributed pursuant to said Section 2.6 shall be handled in the same manner as a forfeiture. Forfeited amounts shall be treated in accordance with Section 4.3 of Article IV.

A Participant or former Participant who is subsequently reemployed by the Employer prior to incurring a five (5) consecutive year Break in Service from the date of his termination shall have his forfeited Employer Account restored to him as soon as practicable following his reemployment. Restoration shall be made by using forfeitures occurring during the Plan Year of reemployment and, if necessary, the Employer shall make a contribution on behalf of such Participant to restore the full amount of the forfeiture.

Section 9.5 Death

- (a) The Beneficiary of a Participant who dies while actively employed by the Employer shall be entitled to receive a death benefit equal to one hundred percent (100%) of the value of the Participant's Accounts.

- (b) The Beneficiary of a Participant who dies after terminating employment with the Employer but prior to receiving a distribution of his Accounts in accordance with Section 10.1 of Article X shall be entitled to receive as a death benefit the nonforfeitable portion of the Participant's Accounts to which the Participant was entitled under Section 9.1, 9.2 or 9.3, as the case may be, on the day he terminated employment.

- (c) A Beneficiary shall receive the value of the Participant's Accounts as soon as practicable following the Participant's death.

Notwithstanding the foregoing, if the Beneficiary is the Participant's Spouse, the Spouse may elect to delay the distribution of his Accounts, subject to the provisions of Section 10.2 of Article X. Elections shall be made on forms and

in a manner prescribed by the Benefits Program Manager.

Section 9.6 Beneficiary

Each Participant shall designate, on forms prescribed by the Benefits Program manager, one (1) or more Beneficiaries to receive any amounts that may be payable under the Plan because of such Participant's death. Such designation may be changed by the Participant at any time by giving written notice to the Benefits Program Manager. If there is no designated Beneficiary or the designated Beneficiary is not living at the time any amounts become payable, any such amounts will be paid to the surviving Spouse, or if there is no surviving Spouse, to the estate of the deceased Participant.

ARTICLE X

DISTRIBUTION OF BENEFITS

Section 10.1 Form of Benefit Payment

Except as provided in Section 10.2, any amounts payable under the Plan to a Participant or a Beneficiary shall be paid in cash in a single lump sum.

Section 10.2 Benefit Commencement

- (a) Distributions shall be made as soon as practicable after the Valuation Date coincident with or next following the event causing the distribution or the date the Participant or spousal Beneficiary, as the case may be, who elects to delay the distribution of his Accounts in accordance with Section 9.2, 9.3 or 9.5 of Article IX, elects to receive his Accounts; provided that a distribution from the Plan shall not commence later than the April 1st following the later of the calendar year in which a Participant attains age seventy and one-half (70-1/2) or retires (but in the case of a spousal Beneficiary, the calendar year in which the deceased Participant would have attained age seventy and one-half (70 ½) or in the year after the Participant's death, if later). Notwithstanding

any provision of the Plan to the contrary, distributions under the Plan shall meet the requirements of section 401(a)(9) as set forth in § 1.401(a)(9)-1 of the Income Tax Regulations and the incidental benefit rules thereto, to the extent such regulations apply to the distributions permitted under this Plan.

- (b) Effective 1 August 2007, if distributions have not been made (i) to Participants who have attained the age of seventy and one-half ($70 \frac{1}{2}$) and who have retired, or (ii) on or after the beginning of the calendar year in which a deceased Participant would have attained age seventy and one-half ($70 \frac{1}{2}$), to Spouses of deceased Participants if such Spouses elected under Section 9.5(c) to defer receipt of payments under the Plan until the year that the Participant attained age seventy and one-half ($70 \frac{1}{2}$), the Minimum Required Distribution (MRD) as required by IRS Regulations and Section 10.3 herein, will be distributed to the Participant or Spouse in such time and manner as is determined by the Benefits Program Manager, after the Benefits Program Manager informs the Participant or Spouse that he or she has a right

to a period of at least 30 days after receiving the notice to consider the method of distribution and if the Participant or Spouse does not inform the Benefits Program Manager in a timely manner that he or she elects instead a lump sum distribution payable on or before the date the MRD is required to be paid.

Section 10.3 Minimum Distribution Requirements

(a) This Section 10.3 shall apply for purposes of determining required minimum distributions on and after the 2003 calendar year. All distributions required under this Section 10.3 will be determined and made in accordance with the Treasury Regulations under Section 401(a)(9) of the Code, and the minimum distribution incidental benefit rules thereto, to the extent applicable, and shall take precedence over any inconsistent provisions of the Plan but will not override any provisions of the Plan requiring earlier distributions if such distributions are permitted under section 401(a)(9) of the Code; provided further, however, that this Section 10.3 shall not authorize any form of payment other than those permitted under the Plan.

(b) Time and Manner of Distribution

(i) 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.

(ii) 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:

(A) If the Participant's surviving Spouse is the Participant's sole designated beneficiary, then, distributions will begin by the 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 attained age 70 $\frac{1}{2}$, if later.

(B) If the Participant's surviving Spouse is not the Participant's beneficiary, then the Participant's entire interest will be distributed to the designated beneficiary as soon as practicable after the Participant's death as provided under the Plan, but no later than the December 31st of the calendar year containing the fifth (5th) anniversary of the Participant's death;

(C) If the Participant's surviving Spouse is the Participant's sole designated beneficiary and the surviving Spouse dies after the Participant but before distribution to the surviving Spouse begins, this subsection (b)(ii), other than subsection (b)(ii)(A) with respect to delaying benefits until the year the Participant would have attained age 70 $\frac{1}{2}$, will apply as if the surviving Spouse were the Participant.

(D) For purposes of this subsection (b)(ii) and subsection (d), unless subsection (b)(ii)(C) applies, distributions are considered to begin on the Participant's required beginning

date. If subsection (b)(ii)(C) applies, distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under subsection (b)(ii)(A).

(iii) Forms of Distribution. Unless the Participant's interest is distributed in the form of a single sum on or before the required beginning date, as of the first distribution calendar year, minimum distributions will be made in accordance with subsections (c) and (d) of this Section 10.3.

(c) Required Minimum Distributions During Participant's Lifetime

(i) 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 quotient obtained by dividing the Participant's account balance applicable factors set forth in Treas. Reg.

Section 1.401(a)(9)-1 to -9 of the Treasury Regulations.

(ii) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death.

Required minimum distributions will be determined under this subsection 10.3(c) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

(d) Required Minimum Distributions After Participant's Death

(i) Death On or After Date Distributions Begin.

(A) 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 applicable factors set forth in Section 1.401(a)(9)-1 to -9 of the Treasury Regulations.

(B) 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 must 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 year for each subsequent year.

(ii) Death Before Date Distributions Begin.

(A) 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 applicable factors set forth in Section 1.401(a)(9) of the Treasury Regulations.

(B) 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 as soon as possible in a lump sum as provided under the Plan, but in no event after December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(C) 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 subsection (b)(ii)(A), this subsection (d)(ii) will apply as if the surviving Spouse were the Participant.

(e) Definitions

(i) Designated Beneficiary. The individual who is designated as the beneficiary under the Plan and is the designated beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-1, Q&A-4 of the Treasury Regulations.

(ii) Distribution Calendar Year. 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 which 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 subsection (b)(ii). 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.

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

(iv) Participant's Account Balance. 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 balance 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.

(v) Required Beginning Date. The term "Required Beginning Date" shall mean the date specified in Section 10.2 of the Plan.

(f) 2009 Waiver of Minimum Distribution.

Notwithstanding the preceding subsections of this Section 10.3, for the 2009 Plan Year, a Participant or Beneficiary who would otherwise be required to receive a required minimum distribution for 2009 but for the provisions of Section 401(a)(9)(H) ("2009 RMD") will not receive a 2009 RMD for the 2009 Plan Year unless the Participant or Beneficiary chooses to receive such distribution. If the Participant or Beneficiary chooses to receive the distribution, such amounts will be treated as eligible rollover distributions to the extent permitted by law.

Section 10.4 Direct Rollovers

(a) This Section applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Article X, a distributee may elect, at the time and in the manner prescribed by the Benefits Program Manager, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover. For purposes of this section, the following terms shall be defined as follows:

- (1) Effective for post-1998 Plan Years, eligible rollover distribution has the meaning given to it under Code section 402(c)(4).
- (2) Eligible retirement plan has the meaning given to it under Section 402(c)(8)(B) of the Code. With respect to distributions commencing prior to 1 January 2002, in the case of an eligible rollover distribution to a surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity. Effective

January 1, 2008, an eligible retirement plan shall also mean a Roth IRA described in Code Section 408A(b) subject to the limitations described in Section 408A(c).

- (3) **Distributee:** A distributee includes 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 Section 414(p) of the Code, are distributees with regard to the interest of the Spouse or former Spouse. Effective January 1, 2008, a distributee shall also include a nonspouse "designated beneficiary" as defined in Section 401(a)(9)(E) of the Code, who may elect a direct rollover pursuant to the rules of Section 402(c)(11) of the Code.
- (4) **Direct rollover:** A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

(b) The Benefits Program Manager shall prescribe reasonable procedures for the election of direct rollovers under this section, including, but not limited to:

(1) Requirements that the distributee provide the Benefits Program Manager with adequate information, including, but not limited to, the name of the eligible retirement plan to which the rollover is to be made; a representation that the recipient plan is an individual retirement plan, a qualified plan, a 403(a) annuity, or any other arrangement or plan that qualifies as an eligible retirement plan (as applicable); acknowledgment from the recipient plan that it will accept the direct rollover; and any other information necessary to make the direct rollover;

(2) Requirements that direct rollover elections be made within the time periods permitted for electing optional forms of payment pursuant to this Article X;

(3) Requirements prohibiting the division of an eligible rollover distribution into separate

distributions to be paid to more than one eligible plan; and

- (4) Limitations on the amount of a direct rollover, providing that direct rollover may not be elected by a distributee whose eligible rollover distributions during a year are reasonably expected to be less than \$200 and providing that, in the case of a distributee who elects to receive part of his distribution in cash and to have the remainder paid to an eligible retirement plan, the portion to be directly rolled over must be equal to at least \$500.
- (c) Effective January 1, 2009 with respect to any portion of a distribution attributable to a deceased Participant, a nonspouse designated Beneficiary (as defined in Section 401(a)(9) E) of the Code) may authorize, pursuant to procedures established by the Benefit Program Manager, a direct trustee-to-trustee transfer of the eligible portion of the distribution to an individual retirement account or annuity described in section 408(a) or (b) of the Code ("IRA") that is established on behalf of the

designated Beneficiary and that will be treated as an inherited IRA in accordance with Section 402(c)(11) of the Code.

(d) If a distribution is one to which Sections 401(a)(11) and 417 of the Code do not apply, such distribution may commence less than 30 days after the notice required under Section 1.411(a)-11(c) of the Income Tax Regulations is given, provided that:

- (1) the Benefits Program manager clearly informs the Participant that the Participant has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and
- (2) the Participant, after receiving the notice, affirmatively elects a distribution.

Section 10.5 Consent to Distributions and Cash-Outs

(a) Unless subsection (b) applies, if a distribution is one to which Sections 401(a)(11) and 417 of the Code (the joint and survivor annuity notice requirements) do not apply, such distribution may

commence less than 30 days after the notice required under section 1.411(a)-11(c) of the Income Tax Regulations is given, provided that:

(1) the Benefits Program Manager clearly informs the Participant that the Participant has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and

(2) the Participant, after receiving the notice, affirmatively elects a distribution.

(b) If, on the date the Participant's benefit is distributable to him from the Plan, the Participant's account balance is less than or equal to \$1,000, notwithstanding subsection (a), above, and notwithstanding the ability of the Participant (or of the Participant's Spouse, upon death) to delay distributions under Article IX, the Participant will not have a choice as to the distribution of his benefits and they will be paid to him as soon as practicable in a lump sum.

ARTICLE XI

AMENDMENT AND TERMINATION

Section 11.1 Right to Amend or Terminate

The Commander intends to continue the Plan described herein as a permanent program. However, the Commander specifically reserves the right to amend, suspend or terminate the Plan described herein at any time and for any reason (in accordance with applicable laws and regulations), except that no amendment, suspension or termination of the Plan shall affect adversely any benefit theretofore accrued to Participants or Beneficiaries, and further provided that no amendment, suspension or termination of the Plan may be made which would permit any part of the Trust to be used for or diverted to purposes other than the exclusive benefit of the Participants of the Plan and their Beneficiaries and defraying reasonable expenses of administering the Plan. In the event of termination or partial termination of the Plan or complete discontinuance of Employer Contributions, the rights of each Participant to benefits accrued to the date of such termination or discontinuance shall be nonforfeitable with respect to each Participant affected by such termination or discontinuance.

Section 11.2 Asset Allocation

In the event of the final or partial termination of the Plan, the assets of the Trust, less any amounts constituting charges and expenses payable from such assets, together with any earnings produced by such assets following such termination shall be distributed by the Trustee to the Participants entitled thereto.

ARTICLE XII

ADMINISTRATION

Section 12.1 Appointment of Benefits Program Manager

The Commander shall appoint a Benefits Program Manager who shall be responsible for all administrative functions of the Plan other than those assigned to the Trustees.

Section 12.2 Powers and Duties of Benefits Program Manager

- (a) The Benefits Program Manager shall have the exclusive right to interpret the Plan and to decide any matters arising hereunder in the administration and operation of the Plan, and any interpretations or decisions so made shall be conclusive; provided that such interpretations and decisions shall be uniformly applied to all Employees similarly situated.
- (b) The Benefits Program Manager's duties and responsibilities shall include, but not be limited to, the following:
 - (1) To make and enforce such rules and regulations as he shall deem necessary for the efficient administration of the Plan;

- (2) To determine the eligibility of any Employee to participate in the Plan, compute the amount of benefits which shall be payable to any Participant or Beneficiary in accordance with the provisions of the Plan and to authorize payment;
- (3) To permit Participants to direct the investment of all or a portion of Trust assets credited to the Accounts of such Participants in accordance with Section 7.1 of Article VII.

Section 12.3 Trust

The Commander shall enter into an agreement with the Trustees to establish a Trust which shall hold contributions made under the Plan and earnings thereon. The agreement shall contain provisions governing the authority of the Trustees with respect to the Plan and Plan assets, the authority of the Commander to amend the agreement and to terminate the agreement, and such other provisions as the Commander may deem appropriate. A Participant or Beneficiary or any other individual claiming the right to a payment under the Plan shall be entitled to look only to the Trust for such payment. No liability for the payment of

benefits under the Plan shall be imposed upon the Employer, the Commander, the Benefits Program Manager or the Trustees.

Section 12.4 Investment of Plan Assets

The Trustee shall have exclusive responsibility for investment of Plan assets unless the Benefits Program manager permits Participants to direct the investment of all or any of their Accounts pursuant to Subsection 12.2(b)(3).

Section 12.5 Expenses

All reasonable fees and expenses of administration, including without limitation, fees of legal counsel, consultants, and the Trustees, shall be paid from the assets of the Plan to include unencumbered balances in the forfeiture account pursuant to Section 4.3 of Article IV, to the extent not paid by the Employer, except that former Employees for whom an Employee Account, a Rollover Account and/or an Employer Account is maintained shall be responsible for payment of account maintenance charges imposed by the Plan's recordkeeper; such charges shall firstly be subtracted from the value of the former Employee's Employee Account, secondly from the former Employee's Employer Account, but only if such Participant was vested in the Employer Account in accordance with Article IX at the time the Employee became a former Employee. No individual carrying out

Plan functions who receives full-time compensation from the Employer shall be compensated for his service rendered under the Plan.

ARTICLE XIII

MISCELLANEOUS

Section 13.1 Claims Procedure

In the event of any dispute arising out of any condition of this Plan, the dispute shall be stated in writing by the Participant or his Beneficiary and submitted for resolution to:

Department of the Army

Attn: IMCOM, G9-HRB

2455 Reynolds Road

Joint Base San Antonio Fort Sam Houston TX 78234

The judgment of the duly designated official of the Department of the Army shall be binding on all concerned.

Section 13.2 Assignment or Alienation

Except to the extent permitted by law, benefits under this Plan may not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge. Any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge the same shall be void; and no such benefit shall in any manner be liable for, or subject to the debts, contracts, liabilities, engagements or torts of any such person, nor shall it be subject to attachment or legal process for or

against such person. Anything in the foregoing to the contrary notwithstanding, the Benefits Program Manager may authorize payments to an alternate payee under an approved qualified domestic relations order which meets the requirements of Code section 414(p) and ERISA section 206(d)(3) as well as such uniform and nondiscriminatory requirements as may be established by the Benefits Program Manager and approved by the Commander.

Section 13.3 No Guarantee of Employment

Nothing contained in this Plan shall be construed or interpreted as granting to any Employee the right to be retained in the service of the Employer, or as limiting or affecting adversely the right of the Employer to control its Employees or to terminate the service of any Employee at any time or for any reason.

Section 13.4 Number and Gender

Wherever used in this Plan, the singular shall include the plural and the masculine gender shall include the feminine, unless the context clearly indicates otherwise.

Section 13.5 Use of Subheadings

Subheadings are used in this document for convenience only and shall not be binding.

Section 13.6 Governing Law

Except where preempted by Federal law, all questions of interpretation, construction, operation, and effect of this Plan shall be governed by the laws of the Commonwealth of Virginia.