

CHARTER TOWNSHIP OF WATERFORD

DEFERRED COMPENSATION PLAN AND TRUST

As Amended and Restated as of August 1, 2024

TABLE OF CONTENTS

I. DEFINITIONS		page
1.1	Accounts	1
1.2	Adjusted Balance	1
1.3	Administrator	1
1.4	Beneficiary	1
1.5	Board	1
1.6	Code	1
1.7	Compensation	1
1.8	Deferral	1
1.9	Deferral Account	1
1.10	Effective Date	1
1.11	Employee	2
1.12	Employee Deferrals	2
1.13	Employer	2
1.14	Investment Act	2
1.15	Investment Fund	2
1.16	Normal Retirement Age	2
1.17	Participant	2
1.18	Participation Agreement or Joinder Agreement	2
1.19	Plan	2
1.20	Plan Year	3
1.21	Provider	3
1.22	Required Beginning Date	3
1.23	Spouse	4
1.24	Transfer Contribution	4
1.25	Transfer Contribution Account	4
1.26	Trust or Trust Fund	4
1.27	Trust Agreement	4
1.28	Trustees	4
1.29	Valuation Date	4
 ARTICLE II. PARTICIPATION		
2.1	Eligibility	5
2.2	Enrollment	5
2.3	Effect on Participation of Leave of Absence	5
2.4	Effect on Participation While on Military Leave	5
 ARTICLE III. CONTRIBUTIONS		
3.1	Deferrals	6
3.2	Transfer to Annuity Contract	6
3.3	Maximum Deferral	6
3.4	Modification of Amount Deferred	8

		page
3.5	Revocation of Deferral	8
3.6	Transfer Contributions	8
3.7	Exclusive Benefit of Employees	9
 ARTICLE IV. ALLOCATIONS TO PARTICIPANTS' ACCOUNTS		
4.1	Separate Accounts	10
4.2	Allocation of Deferrals	10
4.3	Allocation of Transfer Contributions	10
4.4	Valuation of Funds and Allocation of Earnings	10
4.5	Special Allocation Provisions	11
 ARTICLE V. PAYMENT OF BENEFITS		
5.1	Eligibility for Payment	12
5.2	Distribution Due to an Unforeseeable Emergency	13
5.3	Cash-out Election Distribution	13
5.4	Distributions to Individuals Performing Service in Uniformed Services	13
5.5	Eligible Retired Public Safety Officer Distribution Deduction Election	13
5.6	Benefits upon Severance from Employment	14
5.7	Benefits upon Death after Distribution Begins	14
5.8	Benefits upon Death before Distribution Begins	15
5.9	Compliance with HEART Act	16
5.10	Methods of Payments	16
5.11	Automatic Cashout	17
5.12	Direct Rollovers	17
5.13	Incapacity of Participant, Joint Annuitant, Beneficiary or Alternate Payee	21
5.14	Minimum Distribution Requirements	21
 ARTICLE VI. BENEFICIARY DESIGNATION		
6.1	Beneficiary Designation	27
 ARTICLE VII. PLAN ADMINISTRATION		
7.1	Defined Contribution Plan Committee Responsibility	28
7.2	Powers and Duties of the Administrator	28
7.3	Organization and Operation of Defined Contribution Plan Committee	28
7.4	Records and Reports of the Administrator	29
7.5	Indemnity of Employees Performing Services as Administrator	29
7.6	Powers and Duties of the Employer	29
7.7	Claims Procedure/Appeal	29

		page
ARTICLE VIII. COMMITTEE		
8.1	Custody of Assets	31
8.2	Payment of Benefits and Expenses	31
8.3	Investments Authorized	31
8.4	Investment Manager	31
8.5	Additional Powers and Duties of the Committee	33
8.6	Meetings	34
8.7	Expenses and Compensation	34
8.8	Reports and Audits	34
8.9	Limitation on Duties and Liabilities	34
8.10	Succession of Committee Member	35
8.11	Rights of Successor Committee Member	35
ARTICLE IX. PARTICIPANT-DIRECTED INVESTMENTS		
9.1	Investment Funds	36
9.2	Initial Investment	36
9.3	Selection of Investment Funds	36
ARTICLE X. AMENDMENT AND TERMINATION		
10.1	Amendment of Plan	38
10.2	Prohibited Amendments	38
10.3	Voluntary Termination of the Plan	38
10.4	Payments on Termination of the Plan	38
ARTICLE XI. MISCELLANEOUS		
11.1	Duty to Furnish Information and Documents	39
11.2	Statements and Available Information	39
11.3	No Enlargement of Employment Rights	39
11.4	Applicable Law	39
11.5	No Guarantee	39
11.6	Unclaimed Funds	39
11.7	Interest Nontransferable	40
11.8	Prudent Person Rule	40
11.9	Limitations on Liability	40
11.10	Headings	41
11.11	Gender and Number	41
11.12	Severability	41

INTRODUCTION

The Charter Township of Waterford established a Deferred Compensation Plan intended to comply with the requirements of Internal Revenue Code Section 457, effective September 1979, which was last amended and restated on or about September 22, 2003. The Employer wishes to amend and restate the Plan into the form of this Plan to comply with changes in applicable federal income tax laws relating to eligible deferred compensation plans and trusts under Section 457(b) of the Internal Revenue Code. The Plan is therefore amended and restated in its entirety as hereinafter set forth. The provisions of the amended and restated Plan shall be effective as of August 1, 2024, except as otherwise specified herein.

The Plan as amended and restated applies to all Employees (as defined in the Plan) who have not terminated employment prior to August 1, 2024, and, to the extent provided with respect to distributions and rollovers, to Participants who terminated employment prior to August 1, 2024, but who have not yet received or begun to receive distributions under the Plan. In all other cases, benefits shall be determined and paid in accordance with the Plan as in effect as of the date the termination of employment occurred. All existing participants shall retain all service and account balances accrued to the date of adoption of this agreement.

ARTICLE I. DEFINITIONS

Whenever used in this Plan the following words and phrases shall have the meanings stated below unless a different meaning is plainly required by the context:

1.1 "Accounts" means for any Participant, all of the separate accounts maintained for a Participant pursuant to Section 4.1.

1.2 "Adjusted Balance" means the balance in a Participant's Account or Accounts, as adjusted in accordance with Sections 4.2, 4.3, 4.4 and 4.5 of the Plan as of the applicable Valuation Date.

1.3 "Administrator" means the Defined Contribution Plan Committee or Committee as provided in Section 7.1. Except as expressly provided herein, the Committee shall control and manage the operation and administration of the plan and make all decisions and determinations incident thereto.

1.4 "Beneficiary" means the person, persons, or entity designated or determined pursuant to the provisions of Article VI of this Plan.

1.5 "Board" means the Board of the Trustees of the Charter Township of Waterford.

1.6 "Code" means the Internal Revenue Code of 1986, as amended from time to time. Any reference to a section of the Code shall be deemed to include any applicable regulations and rulings pertaining to that section and any comparable section or sections of any future legislation that amends, supplements or supersedes said section.

1.7 "Compensation" means the annual amount of remuneration earned by an Employee for personal services rendered to the Employer for the calendar year. For purposes of the limitations of Section 3.3 of this Plan, Compensation includes any elective deferrals excludable from gross income under this Plan or any other Plan described in Code Sections 457 or 402(g)(3), or any elective salary reduction contribution excludable from gross income under Code Sections 125 or 132(f).

1.8 "Deferral" means the annual amount of Compensation not yet earned that a Participant elects to defer pursuant to a properly executed Participation Agreement.

1.9 "Deferral Account" means the record of money and assets held by the Trustees or Annuity Provider for an individual Participant or Beneficiary pursuant to the provisions of the Plan, derived from Employee Deferrals.

1.10 "Effective Date" means September 1, 1979. The effective date of this amended and restated Plan is August 1, 2024.

1.11 "Employee" means an individual employed by Waterford Township in a full-time permanent position.

1.12 "Employee Deferrals" means amounts deferred by the Employee pursuant to the provisions of Sections 3.1, 3.3 and 3.4 of the Plan.

1.13 "Employer" means the Charter Township of Waterford, or any successor thereto.

1.14 "Investment Act" means the Investment Funds of Public Employee Retirement Systems Act, P.A. 1965 No. 314, as amended (Michigan Compiled Laws Annotated Section 38.1132 et seq).

1.15 "Investment Fund" means any fund as selected by the Committee or Investment Manager from time to time, including the Annuity Contracts and the funds listed in the Participation or Joinder Agreement.

1.16 "Normal Retirement Age" means age 60, unless prior to that time, another Normal Retirement Age is elected in writing by the Participant. In selecting an alternate Normal Retirement Age, a Participant may choose any age which is (i) not earlier than the Participant's Normal Retirement Age under the Employer's basic pension plans which applies to such Participant and (ii) not later than the Participant's Required Beginning Date as defined herein.

Notwithstanding the above, a Participant who continues in the service of the Employer after the Participant's Required Beginning Date may elect a later Normal Retirement Age. Any such age elected, however, may not be later than the Participant's actual date of Severance from Employment with the Employer.

1.17 "Participant" means an Employee who enrolls in the Plan under the provisions of Article II and a former Employee who retains the rights to benefits under the Plan. An Employee who has deposited a Transfer Contribution pursuant to Section 3.6 of the Plan shall be deemed a Participant for purposes of the Plan to the extent that the provisions of the Plan apply to the Transfer Contribution Account of such Employee.

1.18 "Participation Agreement" or "Joinder Agreement" means a written agreement between the Participant and the Employer to defer receipt by the Participant of Compensation not yet earned. Such agreement shall state (i) the Deferral amount to be withheld from the Participant's pay effective as soon as administratively feasible, but in no event earlier than the first day of the month following the Administrator's receipt and execution of such agreement, (ii) the Participant's investment election for future Deferrals and existing Accounts effective as soon as administratively feasible but in no event earlier than the first business day of the calendar quarter following the Administrator's receipt and execution of such agreement and (iii) the Participant's Beneficiary Designation effective upon receipt by the Administrator.

1.19 "Plan" means the Charter Township of Waterford Deferred Compensation Plan and Trust as established September 1, 1979, and amended and restated in this

document approved to be effective August 1, 2024.

1.20 "Plan Year" means the twelve-consecutive-month period beginning with January 1 and ending on December 31 of each year, or any other twelve-consecutive-month period that may hereafter be designated as the Plan Year.

1.21 "Provider" means, with respect to any Annuity Contract, the commercial insurance or annuity company which issued each Annuity Contract, which company shall be licensed to do business in the State of Michigan, and with respect to any mutual fund, the regulated investment company which manages such mutual fund.

1.22 "Required Beginning Date" means,

(1) For those who turn 70 ½ on or before December 31, 2019 (i.e. whose birthdate is on or before June 30, 1949): The Required Beginning Date is April 1 of the calendar year following the later of:

(I) the year the employee attains age 70^{1/2}, or

(II) the year the employee retires.

Provided, however, the Required Beginning Date of a Participant who is a five-percent owner is April 1 of the calendar year following the year the employee attains age 70½.

(2) For those who turn 70½ after December 31, 2019 (i.e. whose birthdate is on or after July 1, 1949): The Required Beginning Date is April 1 of the calendar year following the later of:

(I) the year the employee attains age 72, or

(II) the year the employee retires.

Provided, however, the Required Beginning Date of a Participant who is a five-percent owner is April 1 of the calendar year following the year the employee attains age 72.

(3) For Participants who turn (or would have turned) 72 after December 31, 2022, and 73 before January 1, 2033 (i.e. whose birthday is on or after January 1, 1951 and on or before December 31, 1959): The Required Beginning Date is April 1 of the calendar year following the later of:

(I) the year the employee attains age 73, or

(II) the year the employee retires.

Provided, however, the Required Beginning Date of a Participant who is a five-percent owner is April of the calendar year following the year the

employee attains age 73.

- (4) For Participants who turn (or would have turned) 74 after December 31, 2032, (i.e. whose birthdate is on or after January 1, 1959): In accordance with Section 401(a)(9) of the Internal Revenue Code and the regulations thereunder, which are incorporated herein by reference, a member's pension shall be distributed to him or her not later than April 1 of the calendar year following the later of:

(I) The calendar year in which the member attains age 75, or

(II) The calendar year in which the member retires.

See Section 5.14.

1.23 "Spouse" means the Participant's legal spouse who has met all requirements of a valid marriage contract in the state of marriage of such parties on the earlier of (a) the date payments commence or (b) the date of death of the Participant.

1.24 "Transfer Contribution" means a contribution made by an Employee pursuant to Section 3.7.

1.25 "Transfer Contribution Account" means the record of money and assets held by the Trustees for an individual Participant or Beneficiary pursuant to the provisions of the Plan derived from Transfer Contributions and adjustments related thereto.

1.26 "Trust" or "Trust Fund" means, in accordance with Code Section 457(g), all amounts of Compensation deferred pursuant to the Plan and all Transfer Contributions transferred to the Plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights. As provided in Section 3.8 of this Plan, all such amounts shall be held under the Trust Agreement for the exclusive benefit of Participants and Beneficiaries under the Plan.

1.27 "Trust Agreement" means the agreement contained herein between the Employer and the Trustees governing the administration of the Trust, as it may be amended from time to time.

1.28 "Trustees" means the Board of Trustees of the Charter Township of Waterford, who administer the Trust as described in Article VIII.

1.29 "Valuation Date" means the last day of each calendar quarter and such other date, if any, as shall be selected by the Employer.

ARTICLE II. PARTICIPATION

2.1 Eligibility. Each Employee who was a Participant in the Plan on December 31, 2002, shall remain eligible to be a Participant on and after January 1, 2003. On and after January 1, 2003, Employees shall become eligible to become a Participant in the Plan upon the first day of the payroll period next following commencement of employment as an eligible Employee and enrollment pursuant to Section 2.2.

2.2 Enrollment. Employees may enroll in the Plan by completing a Participation Agreement and submitting it to the Employer. Enrollment shall be effective as soon as administratively feasible, but in no event earlier than the first day of the month following the date the Participation Agreement is properly completed by the Employee and received by the Employer.

2.3 Effect on Participation of Leave of Absence. A Participant on an approved leave of absence shall remain a Participant in the Plan subject to all the terms and conditions of the Plan. Compensation may be deferred for such Participant if Compensation continues while the Participant is on an approved leave of absence.

2.4 Effect on Participation While on Military Leave. This Plan will be administered in accordance with Code Section 414(u) for Employees who return to work after absences from employment due to military service including make-up Deferrals that were not made during the Employee's period of military service. Deferrals made up will be subject to the annual deferral limitations for the year in which they relate, rather than the year they are made.

ARTICLE III. CONTRIBUTIONS

3.1 Deferrals.

(a) Each Participant shall be entitled to authorize Deferrals to be made by the Employer on the Participant's behalf. Authorization for such Deferrals shall be made by executing and filing with the Administrator a Participation or Joinder Agreement and such other forms as may be required by the Administrator. Each Participant may elect to reduce his or her Compensation from the Employer in an amount expressed in dollars. Reductions to a Participant's Compensation pursuant to the Participant's Participation or Joinder Agreement shall be effected through payroll deductions. Participation or Joinder Agreements shall be subject to the special rules set forth in this Article.

(b) Deferrals shall be placed in a Deferral Account for the benefit of the Participant. The Participant shall have a fully vested interest in the Adjusted Balance of his or her Deferral Account at all times and such account shall share in the earnings, gains and losses of the Trust Fund as set forth in Section 4.4 of the Plan and may be distributed at the same times and in the manner set forth in Article V.

3.2 Transfer to Annuity Contract. All amounts of Compensation deferred under the Plan shall be transferred by the Employer to the Trustees or the Provider, as appropriate, within a period that is not longer than is reasonable for the proper administration of the Accounts of the Participants, not to exceed fifteen (15) business days after the end of the month in which the Compensation would otherwise have been paid to the Employee.

3.3 Maximum Deferral. Effective beginning January 1, 2024, the maximum deferral amounts are as follows:

(a) Primary Limitation. The maximum amount that may be deferred under this Plan by a Participant in a taxable year is the lesser of:

(i) 100% of the Participant's Compensation for such taxable year, or

(ii) the following amount:

Calendar Year	Limit
2024	\$23,000

For 2025 and after, the \$23,000 limit shall be adjusted upwards for increases in the cost of living by the Secretary of the Treasury pursuant to Sections 415(d) and 457(e)(15)(B) of the Code.

(b) Additional Limit for Participants Over Age 50. A Participant who attains age 50 or older by the end of the Plan Year may elect to defer the following amount in addition to the maximum set forth in Section 3.3(a) above:

Calendar Year	Limit
2024	\$7,500

For 2025 and after, the \$7,500 additional amount shall be adjusted upwards for increases in the cost of living by the Secretary of the Treasury pursuant to Sections 415(d) and 414(v)(2)(C) of the Code.

(c) **Catch-Up Limitation.** For each of the last three taxable years ending before a Participant's attainment of Normal Retirement Age, the Participant's maximum Deferral shall be the larger of (i) the sum of the limits described in sections 3.3(a) and (b) above, or (ii) the lesser of: (A) twice the primary limitation in effect as described in section 3.3(a) above for such year, or (B) the sum of: (1) the primary limitation set forth under Section 3.3(a) for the taxable year, and (2) that portion of the primary limitation amount as in effect for and not utilized by the Participant in a prior taxable year (beginning after the Effective Date) in which the Participant was eligible to participate in the Plan. A Participant may use a prior year only if Deferrals under the Plan that year were subject to a ceiling on Deferrals. The catch-up limitation is available to a Participant during one three-year period only (regardless of whether the Participant utilizes the catch-up limitation in all of the three years). If the Participant uses the catch-up limitation and then postpones retirement or returns to work after retirement, the catch-up limitation shall not be available again. In any Plan Year in which Section 3.3(c) applies and provides a larger limit than the primary and catch-up limitations of Sections 3.3(a) and (b) above, Sections 3.3(a) and (b) shall not apply.

(d) **Deferrals of Amounts Paid After Severance from Employment.**

An Eligible Employee or Participant may elect to defer certain amounts that are paid after Severance from Employment, but only if such amounts are

(1) paid by the later of 2½ months after Severance from Employment or the end of the calendar year that includes the date of Severance from Employment, and

(2) one of the following types of compensation:

(i) regular compensation for services rendered by the Eligible Employee or Participant (including base pay, overtime, shift differential, commission, bonus or other similar pay), so long as these amounts would have been paid to the Eligible Employee or Participant prior to termination of employment if the Eligible Employee or Participant had not had a Severance from Employment; or

(ii) payments for accrued but unused sick, vacation or other leave, but only if the Eligible Employee or Participant would have been able to use such leave if employment had continued.

(e) **Distribution of Excess Deferrals Under this Plan.** If the limits of Sections 3(a) and (b) or 3(c), as applicable, are exceeded under this Plan in any Plan Year, the excess amount, plus allocable net income, shall be distributed to the Participant as soon as administratively practicable after the Administrator determines the amount of the excess.

(f) **Coordination with Other Plans.** If a Participant participates in more than one Code Section 457 plan, the maximum deferral under all such plans shall not exceed the limitations as provided in Sections 3.3(a) and 3.3(b) or 3.3(c) above.

(g) **Coordination of Individual Deferral Limit.** If a Participant's Deferrals under this Plan together with any elective deferrals under another deferred compensation plan under Code Section 457(b) cumulatively exceed the limitations described in Sections 3.3(a) and (b) or 3.3(c) above for such Participant's taxable year, the Participant may notify the Administrator in writing of such excess and request that the Participant's Deferrals under this Plan be reduced by an amount specified by the Participant. In such event, the Administrator shall direct the Custodian to distribute such excess amount (and any income allocable to such excess amount) to the Participant as soon as administratively feasible.

3.4 **Modification to Amount Deferred.** A Participant may change the amount of his or her Deferrals with respect to Compensation not yet earned by submitting a new properly executed Participation or Joinder Agreement to the Employer. Such change shall take effect as soon as administratively feasible, but in no event earlier than the first day of the next month following the date the Participation or Joinder Agreement is properly completed by the Employee and received by the Employer.

3.5 **Revocation of Deferral.** Any Participant may revoke his or her election to have Compensation deferred by submitting a properly executed Participation or Joinder Agreement to the Employer. The Participant's full Compensation will be restored as soon as administratively feasible, but in no event earlier than the first day of the next payroll period following the date the Participation or Joinder Agreement is properly completed by the Employee and received by the Employer.

3.6 **Transfer Contributions.**

(a) An Employee may elect to transfer to the Plan, as a Transfer Contribution, (as designated by such Employee in writing to the Administrator), his or her interest in another eligible deferred compensation plan established pursuant to Code Section 457 and maintained by another employer. The Administrator shall establish rules and procedures to implement this Section, including, without limitation, such procedures as may be appropriate to permit the Administrator to verify the status of the plan of the former employer and compliance with any applicable provisions of the Code relating to such transfers.

(b) The amount transferred to the Plan pursuant to this Section shall be placed in the Employee's Transfer Contribution Account for the benefit of the Employee. The Employee shall have a fully vested interest in the Adjusted Balance of his or her Transfer

Contribution Account at all times and such account shall share in the earnings, gains and losses of the Trust Fund as set forth in Section 4.4 of the Plan and may be distributed at the same times and in the manner set forth in Article V below.

3.7 Exclusive Benefit of Employees. All contributions made pursuant to the Plan shall be held by the Committee in accordance with the terms of this Plan and Trust for the exclusive benefit of those Employees who are Participants under the Plan, including former Employees and their Beneficiaries, and shall be applied to provide benefits under the Plan and to pay expenses of administration of the Plan and the Trust, to the extent that such expenses are not otherwise paid. At no time prior to the satisfaction of all liabilities with respect to such Employees and their Beneficiaries shall any part of the Trust Fund (other than such part as may be required to pay administration expenses and taxes), be used for, or diverted to, purposes other than for the exclusive benefit of such Employees and their Beneficiaries. However, without regard to the provisions of this Section:

(a) If a contribution or any portion thereof is made by the Employer by a mistake of fact, the Committee shall, upon written request of the Employer within one year following the date of payment, return the contribution or such portion to the Employer within one year after the date of payment to the Provider; and

(b) Earnings attributable to amounts to be returned to the Employer pursuant to subsection (a) above shall not be returned, and losses attributable to amounts to be returned pursuant to subsection (a) shall reduce the amount to be so returned.

ARTICLE IV. ALLOCATIONS TO PARTICIPANTS' ACCOUNTS

4.1 Separate Accounts. The Administrator shall create and maintain such separate accounts for each Participant as shall be needed, including a Deferral Account and Transfer Contribution Account. Such accounts are primarily for accounting purposes and do not require segregation within the Trust Fund. The Administrator may delegate the responsibility for the maintenance of the accounts to a third-party administrator or to the Provider.

4.2 Allocations of Deferrals. Employee Deferrals made by or on behalf of a Participant shall be allocated to such Participant's Deferral Account as of the Valuation Date coinciding with or next following the receipt of such Deferrals by the Plan or Annuity Provider. The amount of the allocation to a Participant's Deferral Account shall be equal to the amount by which the Participant's Compensation was reduced during the period in which such Participant's Participation Agreement was in effect, reduced to comply with the limitations described in Section 3.3.

4.3 Allocation of Transfer Contributions. Transfer Contributions made by or on behalf of a Participant shall be allocated to such Participant's Transfer Contribution Account as of the Valuation Date coinciding with or next following the receipt of such contributions.

4.4 Valuation of Funds and Allocation of Earnings. As of each Valuation Date, the Administrator shall determine the Adjusted Balance of the Accounts of each Participant in the following manner:

(a) To the extent that Participants' Accounts are invested in Investment Funds providing for daily valuations determined by the sponsor of such Investment Funds, the earnings and market appreciation or depreciation of each Investment Fund, adjusted for contributions and withdrawals, shall be calculated by the sponsor of each Investment Fund in accordance with such sponsor's standard procedures, as of every Valuation Date.

(b) For any Investment Funds not described in Section 4.4(a) above, each Provider shall value each Participant's Accounts in accordance with such Provider's standard and uniform procedures. Such valuation shall take into account contributions and withdrawals, earnings (including interest, dividends, capital gains, distributions, and all other earnings), and market appreciation or depreciation of each investment option in which each Participant has directed the investment of his or her Accounts since the last Valuation Date.

(c) The dividends, capital gains distributions and other earnings received on any share or unit of a regulated investment company or collective investment fund, or on any other Trust investment, less any expenses specifically related thereto, that are specifically credited to a Participant's separate Account under the Plan in accordance with the Participant's investment directions under Section 8.3, shall be allocated to such separate Account and, in the absence of investment directions to the contrary, be immediately reinvested, to the extent practicable, in additional shares or units of such regulated investment company or collective investment fund, or in such other Trust

investment.

4.5 Special Allocation Provisions. Whenever an Account is distributed in installments, the undistributed balance of such Account shall participate in the valuation provided in Section 4.4 until fully distributed.

ARTICLE V. PAYMENT OF BENEFITS

5.1 Eligibility for Payment. Distribution of benefits from the Plan shall be made no earlier than the first of the following events to occur: (i) the Participant's severance from employment, (ii) the calendar year in which the Participant meets the Required Beginning Date, (iii) the date an eligible Participant elects to receive a distribution due to an Unforeseeable Emergency, or (iv) the date an eligible Participant makes a Cash-out Election.

(a) "Severance from employment" or "severs from employment" means the termination of a Participant's employment with the Employer for any reason, including death, retirement or disability.

(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 depend upon the facts of each case, but in any case, payment may not be made in the event that such hardship is or may be relieved: (i) through reimbursement or compensation by insurance or otherwise, (ii) by liquidation of the Participant's assets, to the extent that liquidation of such assets would not itself cause severe financial hardship, or (iii) by cessation of Deferrals under the Plan. Payment of tuition for a child and the purchase of a primary residence shall not qualify as Unforeseeable Emergencies.

For purposes of this Section 5.1(b), "dependent" means any of the following individuals over half of whose support was received from the participant (or is treated as received from the participant):

- (i) a son or daughter, or a descendant of either;
- (ii) a stepson or stepdaughter;
- (iii) a brother, sister, stepbrother, or stepsister;
- (iv) the father or mother, or an ancestor of either;
- (v) a stepfather or stepmother;
- (vi) a son or daughter of a brother or sister;
- (vii) a brother or sister of the father or mother;
- (viii) a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law; or

- (ix) an individual (other than an individual who at any time during the year was the spouse) who has as his or her principal place of abode the home of the Participant and is a member of the Participant's household.

5.2 Distribution Due to an Unforeseeable Emergency. A Participant may request distribution due to an Unforeseeable Emergency by submitting a written request to the Administrator along with proof of the circumstances surrounding the Unforeseeable Emergency as the Administrator deems necessary. Distributions under this Section shall be limited to the lesser of: (i) an amount sufficient to meet the emergency and (ii) an amount which does not exceed the Adjusted Balance of the Participant's Accounts as the Valuation Date which coincides with or immediately precedes the date of distribution. Payment shall be made as soon as administratively feasible following the Administrator's approval of the written request and corresponding documentation. Distributions pursuant to this Section may not be permitted after commencement of certain benefit payments. Notwithstanding any other provision of the Plan, if a Participant receives a distribution hereunder, the Adjusted Balance of the Participant's Accounts shall be reduced to reflect such distribution.

5.3 Cash-out Election Distribution. While actively employed by the Employer, a Participant may elect to receive the Adjusted Balance of his or her Accounts as of the Valuation Date which immediately precedes the date of distribution provided:

- (a) the Adjusted Balance of the Participant's Accounts does not exceed \$5,000 (or the dollar limit in effect under Code Section 411(a)(11), if greater),
- (b) the Participant has not previously received a Cash-out Election distribution of the Adjusted Balance of his or her Accounts under the Plan, and
- (c) no amount has been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the Voluntary Cash-out Election distribution.

5.4 Distributions to Individuals Performing Service in Uniformed Services. A Participant is deemed to have incurred a Severance from Employment on account of performing services in the uniformed services (as defined in chapter 43 of title 38, United States Code) for a period of active duty of more than 30 days may elect to receive a distribution of all or a portion of the Participant's Account under the Plan. However, the Plan will not distribute the Participant's Account without the Participant's consent. If the Participant elects to receive a distribution under this provision, the Participant may not make an Elective Deferral Contribution to the Plan during the 6-month period beginning on the date of the distribution.

5.5 Eligible Retired Public Safety Officer Distribution Deduction Election. For distributions in taxable years beginning after December 31, 2006, an "Eligible Retired Public Safety Officer" may elect annually for that taxable year to have the Plan (i) deduct an amount from the distribution which the Eligible Retired Public Safety Officer otherwise would receive (and include in income) and (ii) pay such deducted amounts directly to the provider of an accident or health insurance plan or qualified long-term care

insurance contract. The amount deducted (and paid to the provider) may not exceed the lesser of \$3,000 or the amount the Participant paid for such taxable year for qualified healthcare premiums, and which otherwise complies with Code Section 402(I). For purposes of this section: (i) an “Eligible Retired Public Safety Officer” is an individual who, by reason of disability or attainment of normal retirement age, has experienced a Severance from Employment as a Public Safety Officer with the Employer, (ii) a “Public Safety Officer” has the same meaning as in Section 1204(9)(A) of the Omnibus Crime Control and Safe Streets Act of 1968, and (iii) the term “qualified health insurance premiums” means premiums for coverage for the Eligible Retired Safety Officer, his spouse and dependents, by an accident or health plan or a qualified long-term care insurance contract (as defined in Code Section 7702B(b)).

5.6 Benefits upon Severance from Employment.

(a) If severance from employment occurs prior to the Participant’s Required Beginning Date, the Administrator shall notify the Provider in writing of the severance from employment and shall direct the Provider to commence benefit payments as soon as administratively feasible following such severance from employment; provided, however, the Participant may elect after the severance from employment to defer the beginning of such payments, or any portion of such payments, to a date not later than April 1 of the calendar year following the calendar year in which the Participant meets the Required Beginning Date, as provided in the election to defer payment of benefits form.

(b) If severance from employment occurs on or after the Participant’s Required Beginning Date, the Administrator shall notify the Provider in writing of the severance from employment and shall direct the Provider to begin benefit payments not later than the April 1 of the calendar year following the calendar year in which the Participant severs from employment.

(c) Upon receiving written instructions from the Administrator, the Provider shall make payment of the Adjusted Balance of the Participant's Accounts as of the Valuation Date coinciding with or immediately preceding the date distribution is made to the Participant (plus any contributions made after the applicable Valuation Date and less any other distributions made after the applicable Valuation Date) in accordance with Section 5.7 and as elected in the distribution form.

5.7 Benefits upon Death after Distribution Begins.

(a) If the Participant dies at any time after benefit payments commence and before his or her entire interest has been distributed to him or her, the Administrator shall (upon notice of same) promptly notify the Provider in writing of the Participant's death and the name of his or her Beneficiary and shall direct the Provider to commence payment to the Beneficiary of the remaining balance of such payments as soon as administratively feasible following receipt of notice of the death of the Participant. Payments to the Beneficiary, if applicable, shall continue under the option selected by the Participant in the distribution form.

(b) If the Participant fails to designate a Beneficiary as provided in Section

6.1, or if such designation is for any reason illegal or ineffective, or if no Beneficiary survives the Participant, (i) if the Participant has chosen periodic payments as a form of distribution, then the Administrator shall direct the Provider in writing to pay to the estate of the Participant a single lump sum amount equal to the current value of such remaining payments, and (ii) if the Participant has chosen an annuity form of payment, the Administrator shall direct the commercial annuity provider or insurance company to make any remaining payments to the estate of the Participant. If a Beneficiary does not survive the entire period during which payments to the Beneficiary are to be made, (i) the Administrator shall direct the Provider in writing, in the case of periodic payments, to pay to the estate of the Beneficiary a single lump sum amount equal to the current value of such remaining payment to the Beneficiary, and (ii) in the case of an annuity, the Administrator shall direct the commercial annuity provider or insurance company to make the remaining payments if any, pursuant to the annuity selected by the Participant.

5.8 Benefits upon Death before Distribution Begins.

(a) If the Participant dies at any time before benefit payments commence, the Administrator shall notify the Provider in writing of the Participant's death and the name of his or her Beneficiary and shall direct the Provider to commence benefit payments to the Beneficiary or to purchase an annuity on behalf of the Beneficiary, as soon as administratively feasible following receipt of notice of the Participant's death. Such payments shall be made according to the manner and method provided in the distribution form submitted by the Participant prior to his or her death or as selected by the Beneficiary pursuant to a revised distribution form which is submitted to the Provider more than thirty (30) days prior to the commencement of such benefit payments.

(b) The Beneficiary may elect within the sixty (60) day period after the Participant's death to defer the beginning of such payments as described below. Subject to the limitations provided under Section 5.6(a), the Beneficiary may also elect to change the manner and method of benefit payments as allowed under the Plan if such election is made more than thirty (30) days prior to the date when such deferred benefits are to commence.

(c) Distribution of the Participant's entire interest must be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death except if an election is made to receive distributions in accordance with (1) or (2) below:

(1) If any portion of the Participant's interest is payable to a non-Spouse designated Beneficiary, distributions may be made over a period not in excess of the life expectancy of the non-Spouse Beneficiary, beginning no later than December 31 of the calendar year following the calendar year in which the Participant died;

(2) If the designated Beneficiary is the Participant's surviving Spouse, distributions may be made over the life of the Beneficiary or a period not exceeding the life expectancy of the Beneficiary. Distributions are required to begin not earlier than the later of (i) the December 31 of the calendar year following the calendar year in which the Participant died, or (ii) the December 31 of the calendar year in which the Participant

would have met the Required Beginning Date.

(d) If the Participant fails to designate a Beneficiary as provided in Section 6.1, or if such designation is for any reason illegal or ineffective, or if no Beneficiary survives the Participant, then the Administrator shall direct the Provider in writing to pay to the estate of the Participant a single lump sum amount equal to the current value of his or her Accounts. If a Beneficiary does not survive the entire period during which periodic payments to the Beneficiary are to be made, the Administrator shall direct the Provider in writing to pay to the estate of the Beneficiary a single lump sum amount equal to the current value of such remaining payments to the Beneficiary. If a Beneficiary does not survive the entire period during which annuity payments to the Beneficiary are to be made, the Administrator shall direct the commercial annuity provider or insurance company, in writing, to pay to the estate of the Beneficiary any remaining payments.

(e) For purposes of this Section 5.6, any amount paid to a minor child of the Participant will be treated as if it had been paid to the surviving Spouse of the Participant if the amount becomes payable to the Participant's surviving Spouse when the child reaches the age of majority.

5.9 Compliance with HEART Act. In the case of a death occurring on or after January 1, 2007, if a Participant dies while performing qualified military service (as defined in Code Section 414(u)), the Participant's Beneficiary is entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service), if any, provided under the Plan as if the Participant had resumed employment and then terminated employment on account of death.

5.10 Methods of Payments.

(a) Benefit payments to a Participant or Beneficiary shall be made according to the manner and method of payment listed below as elected in writing by the Participant or Beneficiary, which election may be changed by a Participant or a Beneficiary as appropriate and as allowed by the Plan at any time more than thirty (30) days prior to the commencement of such benefit payments pursuant to the Participation Agreement.

(1) Lump sum;

(2) Periodic payments for a designated period;

(3) Periodic payments (annuity) for life;

(4) Periodic payments (annuity) for life with a guaranteed minimum number of payments; or

(5) Periodic payments (annuity) for the life of the Participant with continuation of the payments or a percentage of the payments for the lifetime of the Participant's Spouse or other designated Beneficiary.

(b) Whenever the Administrator shall direct the Provider to make a lump sum

payment or periodic payment to a Participant or his or her Beneficiary upon the Participant's severance from employment, the Administrator shall direct the Provider to pay the Adjusted Balance of his or her Accounts, to or for the benefit of the Participant or his or her Beneficiary, as the Participant shall determine (or, in the method of payment, as his or her Beneficiary shall determine).

(c) In the event a Participant or Beneficiary requests a distribution in the form of an annuity, then—

(1) The Administrator shall direct the Provider to purchase from a commercial annuity provider or insurance company licensed to do business in Michigan such annuity contract with the Participant's account balance;

(2) The Provider shall distribute such annuity to the Participant or Beneficiary;

(3) Such annuity shall provide for payment in any form which can be purchased from a commercial annuity provider or insurance company, as provided in Section 5.7(a);

(4) Such annuity contract shall be nontransferable.

(5) The Plan and Trust shall thereafter have no liability for payment of benefits to the Participant or Beneficiary;

(d) In the absence of a valid election in the distribution form as to the manner and method of such benefit payments in Section 5.7(a), the Administrator shall direct the Provider in writing to make periodic payments to the Participant or Beneficiary as a distribution of the Adjusted Balance of the Participant's Accounts over a specified period of ten years.

5.11 Automatic Cashout. Notwithstanding the preceding provisions of this Section, if the Adjusted Balance of the Accounts of a Participant other than his or her Transfer Contribution Account (if any) does not exceed \$5,000 (\$7,000 effective 1/1/2024) as of the Valuation Date immediately following the date of his or her severance from employment for any reason, including death, then the Adjusted Balance of his or her Accounts shall be paid in a lump sum to the Participant, or in the event of his or her death, to his or her Beneficiary, or if none, to his or her Estate, if permitted by the Provider. Such payment shall be made as soon as administratively feasible after the Participant severs from employment.

5.12 Direct Rollovers. Effective on and after January 1, 2002, a Participant or the Participant's Spouse who is otherwise receiving an Eligible Rollover Distribution as defined in this Section may elect to have the distribution paid, in whole or in part, directly to an Eligible Retirement Plan pursuant to the terms and provision of this Section.

(a) Definitions. For purposes of this Section, the following terms shall have the following meanings:

(i) "Eligible Retirement Plan." "Eligible Retirement Plan" means as follows:

(1) an individual retirement account described in Code Section 408(a);

(2) an individual retirement annuity (other than an endowment contract) described in Code Section 408(b);

(3) a qualified plan described in Code Section 401(a) if it is a defined contribution plan which permits the acceptance of rollover distributions;

(4) an annuity plan described in Code Section 403(a);

(5) an annuity contract described in Code Section 403(b); or

(6) an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan.

(ii) "Direct Rollover." A "Direct Rollover" is an Eligible Rollover Distribution that is paid directly to an Eligible Retirement Plan for the benefit of the Participant or the Participant's Spouse.

(iii) "Eligible Rollover Distribution." An "Eligible Rollover Distribution" means any distribution of all or any portion of the balance to the credit of the Participant in the Plan subject to the following exceptions:

(1) Any distribution that is one of a series of substantially equal periodic payments (paid not less frequently than annually) paid over any one of the following periods: the life of the Participant (or the joint lives of the Participant and the Participant's designated beneficiary), the life expectancy of the Participant (or the joint life and last survivor expectancy of the Participant and the Participant's designated beneficiary), or a specified period of 10 years or more;

(2) Any distribution to the extent the distribution is required under Code Section 401(a)(9) relating to the minimum distribution requirements;

(3) Loans treated as distributions under Code Section 72(p) and not excepted by Code Section 72(p)(2);

(4) Loans in default that are deemed distributions;

(5) The P.S. 58 costs of life insurance coverage;

(6) Any distribution made on account of hardship; or

(7) Similar items designated in revenue rulings, notices, and other guidance from the Treasury Department of general applicability.

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

(b) Procedures. If a Participant follows the procedures set forth below, then the distribution shall be paid as a Direct Rollover;

(i) The Provider shall provide to the Participant a notice as required by Code Section 402(f) at least 30 days, but not more than 90 days, before the distribution is to occur.

(ii) Following receipt of such notice, on a form provided by the Provider, the Participant may elect a Direct Rollover of all or part of the distribution. The Participant may elect a Direct Rollover up until the date set for the distribution. The election is revocable until the date set for distribution. If no election is made by the Participant prior to the date set for the distribution, then the distribution shall be paid directly to the Participant, subject to withholding required by Code Section 3405.

(iii) The Participant electing a Direct Rollover must supply to the Provider the following information:

(1) The name of the Eligible Retirement Plan;

(2) A statement from the plan designated by the Participant to receive the Direct Rollover stating that:

(A) the plan is, or is intended to be, an Eligible Retirement Plan; and

(B) the plan will accept the Direct Rollover for the benefit of the Participant;

(3) Additional information in order for the Provider to effectuate the Direct Rollover including, but not limited to, the name and address of the trustee, insurance company or annuity company or custodian of the Eligible Retirement Plan (as applicable) if the distribution is to be

paid by check mailed to such trustee, insurance company or annuity provider, or custodian or sufficient information to effectuate a wire transfer if the Direct Rollover is to be made by wire transfer.

(iv) The Provider shall have complete discretion to choose the means for payment of a Direct Rollover. Payment may be by check mailed to the plan trustee, insurance company or annuity provider or custodian, a check delivered to the Participant payable to the plan trustee, insurance company or annuity provider or custodian, or by wire transfer. Under no circumstances shall a wire transfer or a check be directed to or made payable to the Participant for purposes of a Direct Rollover.

(c) Limitations.

(i) In electing a Direct Rollover, the Participant shall specify only one Eligible Retirement Plan to which a Direct Rollover shall be made.

(ii) If the aggregate of all distributions from the Plan in any calendar year is less than \$200, then the Participant shall not be entitled to elect a Direct Rollover.

(iii) A Participant may elect a Direct Rollover of a portion of the distribution with the balance of the distribution to be received by the Participant (less applicable withholding); provided, however, that in no event shall the portion of the distribution for which a Direct Rollover is elected be less than \$500.

(iv) A Participant's election with respect to one payment in a series of periodic payments will apply to all subsequent payments in the series, provided that:

(1) The Participant may change the election at any time with respect to subsequent payments; and

(2) The Participant will receive the required notice under Code Section 402(f) at least annually and the required notice explains the limitation described in this Section 5.9(c)(iv).

(d) Effect on Non-Participant Beneficiaries.

(i) Payment to Participant's Spouse. If any distribution attributable to a Participant is paid to the Participant's surviving Spouse, the above rules apply to the distribution in the same manner as if the Participant's surviving Spouse were the Participant.

(ii) Payment to Spouse as Alternative Payee. If any distribution attributable to a Participant is paid to the Participant's Spouse or former spouse by reason of being an alternate payee under an eligible domestic relations order or qualified domestic relations order, then the above rule shall apply to the distribution in the same manner as if the Spouse (or former spouse) were the Participant.

(iii) Distribution to Non-Spouse Beneficiary. A non-spouse beneficiary (as defined in Code Section 401(a)(9)(E)) may elect to directly rollover an Eligible Rollover Distribution to an individual retirement account under Code Section 408(a) or an individual retirement annuity under Code Section 408(b).

5.13 Incapacity of Participant, Joint Annuitant, Beneficiary or Alternate Payee. In case of the legal disability (including, without limitation, minority of a Participant, joint annuitant, Beneficiary, or alternate payee under an Eligible Domestic Relations Order or a Qualified Domestic Relations Order entitled to receive any distribution under the Plan), payment shall be made, pursuant to the elections and directions of the duly appointed conservator or other legal representative of such Participant, joint annuitant, Beneficiary, or alternate payee, subject to the following:

(a) The Administrator must be informed of the legal disability and must otherwise be satisfied that such payment is appropriate.

(b) As proof of the authority of a conservator or other legal representative, the Administrator may, in its discretion, recognize (i) letters of authority evidencing appointment as a conservator, or (ii) an effective durable power of attorney, accompanied by a verified showing of legal incapacity, which shall include verified statements from two physicians, at least one of these being a treating physician.

(c) Whereas the Administrator may accept the directions or elections of a duly appointed conservator or other legal representative, payments shall nonetheless be made in the name of the Participant, joint annuitant, Beneficiary, or alternate payee entitled to same.

(d) Any payment made in accordance with this section shall constitute a complete discharge of any liability or obligation of the Employer, the Administrator, the Trustees or Provider, the Trust Fund and the Plan.

5.14 Minimum Distribution Requirements

(a) Effective Date. The provisions of this section will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.

(b) Precedence. The requirements of this section will take precedence over any inconsistent provisions of the Plan.

(c) Requirements of Treasury Regulations Incorporated. All distributions required under this section will be determined and made in accordance with the Treasury regulations under section 401 (a)(9) of the Internal Revenue Code including the incidental death benefit requirement of section 401(a)(9)(G).

(d) TEFRA Section 242(b)(2) Elections. Notwithstanding the other provisions of this section, other than paragraph (c), distributions may be made under a

designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the plan that relate to section 242(b)(2) of TEFRA.

- (e) 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.
- (f) 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:
 - (1) If the participant's surviving spouse is the participant's sole designated beneficiary, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the participant died, or by December 31 of the calendar year in which:
 - (i) For participants who turn (or would have turned) 70 $\frac{1}{2}$ on or before December 31, 2019 (i.e., whose birthdate is on or before June 30, 1949): before the date the participant would have attained age 70 $\frac{1}{2}$ and must be paid over the surviving Spouse's life expectancy.
 - (ii) For participants who turn 70 $\frac{1}{2}$ after December 31, 2019 (i.e., whose birthdate is on or after July 1, 1949): before the date the participant would have attained age 72 and must be paid over the surviving Spouse's life expectancy.
 - (iii) For participants who turn (or would have turned) 72 after December 31, 2022, and 73 before January 1, 2033 (i.e., whose birthday is on or after January 1, 1951, and on or before December 31, 1959): before the date the Participant would have attained age 73 and must be paid over the surviving Spouse's life expectancy.
 - (iv) For participants who turn (or would have turned) 74 after December 31, 2032 (i.e., whose birthday is on or after January 1, 1959): before the date the Participant would have attained age 75 and must be paid over the surviving Spouse's life expectancy.
 - (2) If the participant's surviving spouse is not the participant's sole designated beneficiary distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the participant died.

- (3) If there is no designated beneficiary as of September 30 of the year following the year of the participant's death, the participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the participant's death.
- (4) If the participant's surviving spouse is the participant's sole designated beneficiary and the surviving spouse dies after the participant but before distributions to the surviving spouse begin, this paragraph (f), other than paragraph (f)(1), will apply as if the surviving spouse were the participant.
- (5) Effective for calendar years beginning after December 31, 2023, if the surviving spouse elects to be treated as the employee then the applicable distribution period for the Distribution Calendar Years after the Distribution Calendar Year including the employee's date of death is determined under the uniform lifetime table.

For purposes of this paragraph (f) and paragraphs (m), (n), and (o), distributions are considered to begin on the participant's Required Beginning Date (or, if paragraph (f)(4) applies, the date distributions are required to begin to the surviving spouse under paragraph (f)(1)). If annuity payments irrevocably commence to the participant before the participant's required beginning date (or to the participant's surviving spouse before the date distributions are required to begin to the surviving spouse under paragraph (f)(1)), the date distributions are considered to begin is the date distributions actually commence.

- (g) **Form of Distribution.** Unless the participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with paragraphs (h) through (o) of this section. If the participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of section 401(a)(9) of the Code and the Treasury regulations. Any part of the participant's interest which is in the form of an individual account described in section 414(k) of the Code will be distributed in a manner satisfying the requirements of section 401(a)(9) of the Code and the Treasury regulations that apply to individual accounts.
- (h) **General Annuity Requirements.** If the participant's interest is paid in the form of annuity distributions under the retirement system, payments under the annuity will satisfy the following requirements:
 - (1) the annuity distributions will be paid in periodic payments made at intervals not longer than one year;

- (2) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in paragraphs (k) and (l) or paragraphs (m) through (o);
- (3) once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;
- (4) payments will either be non-increasing or increase only as follows:
 - (A) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;
 - (B) to the extent of the reduction in the amount of the participant's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in paragraphs (k) or (l) dies or is no longer the participant's beneficiary pursuant to a qualified domestic relations order within the meaning of section 414(p);
 - (C) to provide cash refunds of employee contributions upon the participant's death; or
 - (D) to pay increased benefits that result from a plan amendment.
- (i) Amount Required to be Distributed by Required Beginning Date. The amount that must be distributed on or before the participant's Required Beginning Date (or, if the participant dies before distributions begin, the date distributions are required to begin under paragraph (f)(1) or (2)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bimonthly, monthly, semi-annually, or annually. All of the participant's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the participant's Required Beginning Date.
- (j) Additional Accruals After First Distribution Calendar Year. Any additional benefits accruing to the participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

- (k) **Joint Life Annuities Where the Beneficiary Is Not the Participant's Spouse.** If the participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the participant and a non-spouse beneficiary, annuity payments to be made on or after the participant's required beginning date to the designated beneficiary after the participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the participant using the table set forth in Q&A-2 of section 1.401(a)(9)-6 of the Treasury regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the participant and a non-spouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.
- (l) **Period Certain Annuities.** Unless the participant's spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the participant's lifetime may not exceed the applicable distribution period for the participant under the Uniform Lifetime Table set forth in section 1.401 (a)(9)-9 of the Treasury regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the participant reaches age 70, the applicable distribution period for the participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations plus the excess of 70 over the age of the participant as of the participant's birthday in the year that contains the annuity starting date. If the participant's spouse is the participant's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the participant's applicable distribution period, as determined under this paragraph (l), or the joint life and last survivor expectancy of the participant and the participant's spouse as determined under the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the Treasury regulations, using the participant's and spouse's attained ages as of the participant's and spouse's birthdays in the calendar year that contains the annuity starting date.
- (m) **Participant Survived by Designated Beneficiary.** If the participant dies before the date distribution of his or her interest begins and there is a designated beneficiary, the participant's entire interest will be distributed, beginning no later than the time described in paragraph (f)(1) or (2), over the life of the designated beneficiary or over a period certain not exceeding:
- (1) unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the participant's death; or

- (2) if the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.
- (n) No Designated Beneficiary. If the participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the participant's death, distribution of the participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the participant's death.
- (o) Death of Surviving Spouse Before Distributions to Surviving Spouse Begin. If the participant dies before the date distribution of his or her interest begins, the participant's surviving spouse is the participant's sole designated beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this section 8.15 will apply as if the surviving spouse were the participant, except that the time by which distributions must begin will be determined without regard to paragraph (f)(1).
- (p) Designated Beneficiary. The individual who is designated as the beneficiary under the terms of the Plan document and is the designated beneficiary under section 401(a)(9) of the Internal Revenue Code and section 1.401 (a)(9)- 1, Q&A-4, of the Treasury regulations.
- (q) 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 pursuant to paragraph (f).
- (r) Life Expectancy. Life expectancy as computed by use of the Single Life Table in section 1.401 (a)(9)-9 of the Treasury regulations.
- (s) Required Beginning Date. The date specified in section 81.22 of the Plan.

ARTICLE VI. BENEFICIARY DESIGNATION

6.1 Beneficiary Designation. A Participant shall have the right to designate a Beneficiary or Beneficiaries to receive any death benefits payable upon the Participant's death. The Participant shall designate a Beneficiary or Beneficiaries by completing the Beneficiary Designation section of a Participation Agreement and submitting it to the Administrator or Provider. Successive designations may be made, and the last properly executed designation received by the Administrator or Provider prior to the death of the Participant shall be effective and shall revoke all prior designations. Notwithstanding the above, if benefits are paid in an annuity form of payment, the beneficiary designation with respect to the annuity, will govern.

(a) If a designated Beneficiary shall die before the Participant, the Beneficiary's interest shall terminate, and, unless otherwise provided in the Participant's Participation Agreement, if the designation included more than one Beneficiary, such interest shall be paid in equal shares to those Beneficiaries, if any, who survive the Participant. A Participant to whom this subsection applies shall have the right to designate different Beneficiaries to receive any death benefits payable under the Plan and shall have the right to revoke the designation of any Beneficiary without the consent of the Beneficiary.

(b) A Participant's designation of his or her Spouse as his or her Beneficiary shall be null and void on the date of entry of a judgment of divorce from that Spouse (except as provided in Section 6.1(c)), provided that a Participant may again designate a former Spouse as his or her Beneficiary in a written designation filed with the Administrator after the date of entry of the judgment of divorce and before his or her death. In the absence of such a written designation of Beneficiary, no death benefits with respect to the Participant's unassigned share of his or her Accounts shall be payable to the Participant's former Spouse who is an alternate payee under an eligible domestic relations order, as defined in MCLA 38.1701-38.1711 or a domestic relations order meeting the requirements of section 414(p) of the Code with respect to qualified plans of non-governmental employers unless (i) such order is entered with the court before the Participant's death and submitted to the Administrator before payment of the Participant's unassigned benefits pursuant to this Section and (ii) the order clearly states that the alternate payee is to be deemed to be the Participant's surviving Spouse or designates such surviving Spouse as his or her Beneficiary with respect to the Participant's unassigned share of his or her Accounts.

(c) A Participant who elects a joint and survivor annuity form of payment may not change his or her or her joint and survivor annuity form of payment or joint annuitant after payments commence.

(d) The Administrator may determine the identity of the distributees of any death benefit payable under the Plan and in so doing may act and rely upon any information it may deem reliable upon reasonable inquiry, and upon any affidavit, certificate, or other paper believed by it to be genuine, and upon any evidence believed by it sufficient. The Administrator's determination of death and the right of any person to receive payment shall be conclusive.

ARTICLE VII. PLAN ADMINISTRATION

7.1 Defined Contribution Plan Committee Responsibility. The Defined Contribution Plan Committee ("Committee") is the "Administrator" of the Plan and is subject to service of process on behalf of the Plan. Except as otherwise expressly provided herein, the Committee shall control and manage the operation and administration of the Plan and make all decisions and determinations incident thereto.

The Committee shall consist of the persons holding the following offices or positions: (a) the Township Treasurer; (b) one citizen member who is an elector of the Township and is neither a member, retirant, nor beneficiary of any Township benefit plan, to be appointed by the Board; (c) one member of the defined contribution plan who is appointed by the fire employees' union representative; (d) one member of the defined contribution plan who is appointed by the police employees' union representative; and (e) one member of the defined contribution plan who is an employee of the Township who works in any Township department other than the fire or police departments.

7.2 Powers and Duties of the Administrator. The Committee shall administer the Plan in accordance with its terms and shall have all powers necessary to carry out the provisions of the Plan. The Committee shall authorize the Provider to make all payments out of the Trust Fund pursuant to the Plan. The Committee shall have the exclusive right and the discretionary authority to interpret the Plan and shall determine all questions arising in the administration, interpretation, and application of the Plan, including but not limited to, questions of eligibility and the status and rights of Participants, Beneficiaries and other persons. Any such determination shall be conclusive and binding on all persons. The regularly kept records of the Employer shall be conclusive and binding upon all persons with respect to an Employee's Hours of Service, date and length of employment, time and amount of Compensation and the manner of payment thereof, type and length of any absence from work and all other matters contained therein relating to Employees. All rules and determinations of the Committee shall be uniformly and consistently applied to all persons in similar circumstances.

7.3 Organization and Operation of Defined Contribution Plan Committee.

(a) The Committee shall act by majority vote of its members at the time in office. A Committee member shall not participate in discussions of or vote upon matters pertaining to his or her own participation in the Plan.

(b) The Committee may authorize any of its members or any other person to execute any document or documents on behalf of the Committee.

(c) The Committee may adopt such bylaws and regulations as it deems desirable for the conduct of its affairs and may appoint such accountants, counsel, specialists, and other persons as it deems necessary or desirable in connection with the administration of this Plan. The Committee shall be entitled to rely conclusively upon and shall be fully protected in any action taken by it in good faith in relying upon, any opinions or reports which shall be furnished to it by any such accountant, counsel, specialist or other person.

7.4 Records and Reports of the Administrator. The Committee shall keep a record of all its proceedings and acts and shall keep all books of account, records, and other data as may be necessary for the proper administration of the Plan. The Committee shall notify the Trustees or Provider of any relevant action taken by the Committee, and when required, shall notify any other interested person or persons.

7.5 Indemnity of Employees Performing Services as Administrator. The Employer shall, to the extent permitted by law and not covered by insurance, indemnify and defend each employee performing services as Administrator and the members of the Committee against any and all claims, loss, damages, expenses (including reasonable attorney's fees), and liability arising in connection with the administration of the Plan, except when the same is judicially determined to be due to the gross negligence or willful misconduct of such employee.

7.6 Powers and Duties of the Employer. The Employer shall have the following powers, authority and duties with respect to the Plan:

- (a) To amend and/or to terminate the Plan as provided in Article X;
- (b) In its sole discretion, as determined by the Board, to pay out of the Trust the expenses of administration of the Plan including, but not limited to, the reasonable fees and expenses of the Trustees, Provider or Committee and of any agents employed or appointed by the Committee or Trustees or Provider pursuant to Sections 7.2 or 8.5;
- (c) To keep such records of employment and compensation of Employees and Participants and such other records as are necessary for proper administration of the Plan;
- (d) To indemnify employees or others acting as Administrator or Trustee as provided in Sections 7.4 and 8.13;

7.7 Claims Procedure/Appeal.

- (a) A benefit claimant shall be notified in writing, within thirty (30) days of denial, in whole or part of a claim for benefits. The notification shall give the reason for the denial. A claimant may request a formal rehearing of the denial. The rehearing shall be requested in writing, filed with the Township Clerk no later than ninety (90) days after the denial. The request shall contain a statement of the claimant's reason for claiming the denial to be improper. The Committee shall rehear the matter within sixty (60) days of receipt of the request. A final written decision on the matter being appealed shall be issued by the Committee. The decision shall include a summary of the findings of facts and an application of the ordinance provisions or other applicable law.
- (b) Appeals from a final decision of the Committee shall be taken to the circuit court and initiated by filing a notice of appeal with the circuit court within

thirty (30) days after the Committee has issued its final decision. The review of the court shall be restricted to the record made before the Committee, and the court shall not permit the introduction of new evidence on any of the issues presented before the Committee.

The decision of the Committee shall be upheld by the court unless the court finds the decision of the Committee to be unlawful, arbitrary or capricious, or not supported by substantial evidence on the entire record as submitted by the Committee.

ARTICLE VIII. COMMITTEE

8.1 Custody of Assets. The Committee shall designate a corporate custodian. To be eligible for designation, a corporate custodian shall be a federal or state licensed bank or trust company, or a registered broker dealer under the Securities and Exchange Act of 1934. The custodian shall accept and receive all sums of money paid to them from time to time by the Employer pursuant to the terms of this Plan, and shall hold, invest, reinvest, manage and administer those monies and the increment, earnings and income thereof as the Trust Fund for the exclusive benefit of Participants and their Beneficiaries.

8.2 Payment of Benefits and Expenses. To the extent a Participant's Deferrals are invested in one or more annuity contracts or mutual funds, benefits shall be paid by the Provider in accordance with the terms of the applicable annuity contract(s) or mutual fund(s). Expenses of the Provider shall be paid from the annuity contract(s) or mutual fund(s) to the extent, and as provided in, the applicable annuity contract(s) or mutual fund(s).

To the extent a Participant's Deferrals are invested in custodial accounts as described in Sections 457(g)(3) and 401(f) of the Code, benefits shall be paid by the custodian in accordance with the terms of the custodial account.

The Committee members shall not be held responsible for any damages occurring because of a disbursement authorized under this Section 8.2, provided such persons do not participate in a breach of fiduciary duty, as described in the Investment Act.

8.3 Investments Authorized. The Committee shall collect the income of the Trust Fund and shall invest and reinvest the assets of the Trust Fund without distinction between principal and income, except such amounts as may be estimated from time to time to be required for current payments and expenses. The Committee is authorized to invest the Trust Fund in any investment permitted by the provisions of the Investment Act, provided that the powers of the Committee shall be subject to and limited by the provisions of such Act. Notwithstanding the above, the limitations on the percentage of total assets for investment provided in the Investment Act do not apply to the Plan to the extent a Participant directs the investment of the assets, in his or her or her own individual accounts, and the Participant is not considered an investment fiduciary under the Act. Except as provided in Section 8.4 for an Investment Manager and in Article IX for participant-directed investments, the Committee shall exercise its own discretion in choosing the investments of the Trust Fund, and the Committee shall exercise its own discretion in investing in authorized investments of the Trust Fund.

8.4 Investment Manager. The Committee may transfer to an Investment Manager the authority and duty to direct the investment and management of all or a portion of the Trust Fund; provided that:

(a) The Investment Manager shall be the fiduciary with respect to the investment and management of the Trust Fund (or designated portion thereof).

(b) Any transfer of investment and management authority to an Investment

Manager may be revoked by the Committee.

(c) The appointment, selection and retention of a qualified Investment Manager shall be solely the responsibility of the Committee.

(d) During such period or periods of time, if any, as the Investment Manager is authorized to direct the investment and management of all or a part of the Trust Fund:

(1) The Committee is authorized and entitled to rely upon the fact that said Investment Manager is authorized to direct the investment and management of the Trust Fund until such time as another Investment Manager has been appointed in the place and instead of the Investment Manager named or, in the alternative, that the Investment Manager named has been removed and the responsibility for the investment and management of the Trust Fund has been transferred back to the Committee, as the case may be.

(2) The Committee members shall not be liable or responsible in any way for any losses or other unfavorable results arising from the Committees' compliance with investment or management directions received by the Committee from the Investment Manager.

(3) All directions concerning investments made by an Investment Manager shall be signed by such person or persons, acting on behalf of the Investment Manager as may be duly authorized in writing; provided, however, that the transmission to the Trustees of such directions by photostatic tele-transmission with duplicate or facsimile signature or signatures shall be considered a delivery in writing of the aforesaid directions.

(4) The Committee shall, as promptly as possible, comply with any written directions given by an Investment Manager hereunder, and where such directions are given by photostatic tele-transmission with facsimile signature or signatures, the Committee shall be entitled to assume that any directions so given are fully authorized.

(5) The Committee shall not be liable for its failure to invest any or all of the Trust Fund in the absence of such written directions.

(6) The Committee shall have no obligation to determine the existence of any conversion, redemption, exchange, subscription or other right relating to any of said securities purchased, of which notice was given prior to the purchase of such securities, and shall have no obligation to exercise any such right unless the Committee is informed of the existence of the right and are instructed to exercise such right, in writing, by the Investment Manager within a reasonable time prior to the expiration of such right.

(7) The Investment Manager referred to above shall not direct the purchase, sale or retention of any assets of the Trust Fund if such directions are not in compliance with the applicable provisions of the Investment Act.

(e) For purposes of this Section, the term "Investment Manager" means, in

accordance with the Investment Act, a person (other than (1) the Committee, (2) any other person named herein as a fiduciary, and (3) a Participant directing the investment of the assets of his or her or her own individual Accounts) who:

- (i) exercises any discretionary authority or control in the investment of any property of the Trust,
- (ii) has the power to manage, acquire or dispose of any property of the Trust, or
- (iii) renders investment advice for a fee or other direct or indirect compensation; and
- (iv) registers as an investment advisor in accordance with the provisions of the Investment Advisors Supervision Coordination Act under the National Securities Markets Improvement Act of 1996 and the rules promulgated thereunder with either:
 - (1) the Securities and Exchange Commission under the Investment Advisors Act of 1940, or
 - (2) the State of Michigan under the Michigan Uniform Securities Act, Act No. 265 of the Public Acts of 1964, as amended, provided, however, any Investment Manager who is required to register under the Investment Advisors Act of 1940 shall not also register under the Michigan Uniform Securities Act, but shall register with the State of Michigan as a "Notice Filer."
- (v) is a bank as defined under the Investment Advisors Act of 1940; or
- (vi) is an insurance company qualified under Section 16(3) of the Investment Act; and
- (vii) has acknowledged in writing that person is a fiduciary with respect to the Plan and Trust.

8.5 Additional Powers and Duties of the Committee. The Committee shall have the following powers, rights and duties in addition to those vested in it elsewhere in this Plan, provided that the Committee's powers, rights and duties are not in contravention of the Investment Act:

- (a) to select or remove any annuity contract or other Investment Fund; and to move/map Participant assets from one investment platform to another;
- (b) to appoint and remove agents, attorneys, investment managers, auditors, custodians, and proxies, and any other persons as they deem necessary or desirable in connection with the administration of this Plan, with or without discretionary powers, and to pay them reasonable compensation out of the Trust Fund;

(c) to transfer any assets of the Trust to a common, collective or commingled trust fund exempt from tax under the Code maintained by the Committee to be held and invested subject to all of the terms and conditions thereof, and such trust shall be deemed adopted as part of the Trust and the Plan to the extent that assets of the Trust are invested therein, including any such trust fund maintained by the Committee;

(d) to perform any and all acts in their judgment necessary or desirable for the proper and advantageous administration and distribution of the Trust Fund; and

(e) to purchase and hold annuity contracts and other Investment Funds in the name of the Trust for the benefit of the Participants or Beneficiaries.

8.6 Meetings.

(a) All meetings of the Committee shall be held in accordance with the Michigan Open Meetings Act, MCLA Section 15.261 et seq., which Act is incorporated by reference in this Plan.

(b) The Committee shall hold regular meetings and shall designate the date, time, and place thereof by posted written notice. All meetings of the Committee shall be public.

(c) Special meetings may be held (i) pursuant to a vote of the majority of the Committee members, or (ii) if called by the Employer, subject to the restrictions of the Open Meetings Act as provided in paragraph (a) above.

(d) Minutes of meetings shall be kept according to the Open Meetings Act and shall be available for public review as required by the Michigan Freedom of Information Act, MCLA Section 15.231 et seq., which act is incorporated by reference into this Plan.

8.7 Expenses and Compensation. The Committee is authorized and directed to pay from the Trust Fund all of their expenses, taxes and charges, including reasonable fees and expenses of their attorneys and agents, incurred in connection with collection, administration, management, investment, protection and distribution of the Trust Fund, to the extent that such amounts are not paid by the Employer.

8.8 Reports and Audits. The Committee shall cause the Providers to render an annual report to the Administrator containing information concerning the Trust and its administration. The Administrator may designate auditors and examine and audit the accounts of the Providers annually and at such other times as the Administrator may designate.

8.9 Limitation on Duties and Liabilities. No Committee member shall be liable for the act or omissions of any other member if without knowledge of such act or omission, or for the acts or omissions of any attorney, agent or assistant of such other member.

8.10 Succession of Committee Member. Committee members shall continue to serve until their successor is elected or appointed.

8.11 Rights of Successor Committee Member. In the event of the appointment of a successor such successor will succeed as of the effective date of his or her appointment to all the rights, title and estate of the succeeded member, and no instrument of transfer, conveyance or assignment or order of any court shall be necessary in connection therewith. No successor member shall be personally liable for any act or omission which occurred prior to the time he or she or she became a member.

ARTICLE IX. PARTICIPANT-DIRECTED INVESTMENTS

9.1 Investment Funds. The Adjusted Balance of each Participant's Accounts will be invested at the sole discretion of the Participant, in the various Investment Funds selected from time to time by the Committee, and in the investments offered through such Investment Funds.

9.2 Initial Investment. All contributions received by the Plan will be initially invested in such short-term investment obligations as selected by the Committee or Investment Manager from time-to-time pending investment pursuant to Section 9.3. These deposits and earnings will be allocated between the Investment Funds as of the Valuation Date next following receipt by the Plan of such deposits and earnings in accordance with Participants' selection of Investment Funds pursuant to Section 9.3.

9.3 Selection of Investment Funds.

(a) Each Participant shall have the right to file a Participation or Joinder Agreement or other applicable form with the Administrator directing that his or her Employee Deferrals and Transfer Contributions be invested in or transferred, in whole or in part, to any one or more of the Investment Funds. In default of any Participant's direction, such contributions will be automatically invested as prescribed in Plan investment policies, unless and until the Participant directs otherwise. This direction shall be made by designating the percentage or dollars of the Adjusted Balance of such Accounts that is to be divided among the various applicable Investment Funds as of the date specified in accordance with uniform rules of the applicable Provider.

(b) Any Participation or Joinder Agreement submitted pursuant to this Section 9.3 shall be filed with the Administrator, pursuant to rules it establishes, prior to the first day of the period for which it is to be effective. A modification or transfer pursuant to Section 9.3 may be made in accordance with uniform rules established by the Administrator or Provider.

(c) The Administrator will maintain individual accounts representing the interest of Participants in the several Investment Funds. Each Investment Fund may be invested as a single fund, however, without segregation of Plan assets to the Accounts of Participants.

(d) The Committee, Provider or Investment Manager shall have no liability for any investment directed by a Participant or for following any instruction by a Participant. No Participant shall, however, direct an investment that would violate the Investment Act.

(e) Upon the death of a Participant and to the extent investment responsibility is allocated to Participants, any reference to a Participant in any provision of the Plan pertaining to investment direction shall be construed as a reference to the Beneficiary.

(f) The Administrator shall establish such rules governing the direction of investment of Accounts as the Administrator deems necessary and advisable, provided that such rules shall be uniform and non-discriminatory.

(g) A Participant may direct and modify the investment of his or her Employee Deferrals and Transfer Contributions in accordance with the procedures established by the Provider, through the recordkeeper's or Provider's telephone voice response system, website, or by other electronic means, pursuant to uniform rules established by the Administrator, the recordkeeper or the Provider. Investment directions and modifications shall be effective in accordance with rules established by the Committee or by the recordkeeper or Provider.

ARTICLE. X. AMENDMENT AND TERMINATION

10.1 Amendment of Plan. The Employer shall have the right to amend the Plan at any time and from time to time by resolution duly adopted by the Board, and all Employees and persons claiming any interest hereunder shall be bound thereby.

10.2 Prohibited Amendments. Notwithstanding Section 10.1 above, no amendment shall have the effect of: (i) directly or indirectly divesting the interest of any Participant in any amount that he or she would have received had he or she terminated employment with the Employer immediately prior to the effective date of such amendment, or the interest of any Beneficiary as such interest existed immediately prior to the effective date of such amendment; (ii) vesting in the Employer any right, title or interest in or to any Plan assets; or (iii) causing any part of the Plan assets to be used for any purpose other than for the exclusive benefit of the Participants and their Beneficiaries, and to defray the expenses of Plan administration.

10.3 Voluntary Termination of the Plan. The Employer shall have the right to terminate the Plan in whole or in part at any time by resolution duly adopted by the Board and by giving written notice of such termination to each Provider and to the Participant. Such resolution shall specify the date of termination.

10.4 Payments on Termination of the Plan. If the Plan is terminated as herein provided, or if it should be partially terminated, the following procedure shall be followed, except that, in the event of a partial termination, it shall be followed only in cases of those Participants and Beneficiaries directly affected:

(a) The Administrator may continue to administer the Plan, but if it fails to do so, its records, books of account and other necessary data shall be turned over to the Trustees or Providers, as applicable, and the Trustees or Provider shall act on their own motion as hereinafter provided.

(b) The value of the Trust and the shares of all Participants and Beneficiaries shall be determined as of the date of termination.

(c) Distribution to Participants and Beneficiaries shall be made at such time after termination of as shall be determined by the Administrator (or the Trustees or Provider if no Administrator is then acting) not later than the time specified in Article V.

ARTICLE XI. MISCELLANEOUS

11.1 Duty to Furnish Information and Documents. Participants and their Beneficiaries must furnish to the Administrator such evidence, data or information as the Administrator considers necessary or desirable for the purpose of administering the Plan, and the provisions of the Plan for each person are upon the condition that he or she will furnish promptly full, true, and complete evidence, data, and information requested by the Administrator. All parties to, or claiming any interest under, the Plan hereby agree to perform any and all acts, and to execute any and all documents and papers, necessary or desirable for carrying out the Plan and the Trust.

11.2 Statements and Available Information. The Administrator shall advise Employees of the eligibility requirements and benefits under the Plan. As soon as practicable after making the final valuations and allocations provided for in the Plan, and at such other times as the Administrator may determine, the Providers shall provide each Participant, and Beneficiary with respect to whom an account is maintained, with a statement reflecting the current status of such Participant's accounts, including the Adjusted Balance thereof. No Participant, except a person acting as Administrator, shall have the right to inspect the records reflecting the account of any other Participant. The Administrator shall make available for inspection at reasonable times by Participants and Beneficiaries copies of the Plan, any amendments thereto, the annuity contracts or investments governing the Investment Funds, and all reports of Plan and Trust operations required by law.

11.3 No Enlargement of Employment Rights. Nothing contained in the Plan shall be construed as a contract of employment between the Employer and any person, nor shall the Plan be deemed to give any person the right to be retained in the employ of the Employer or limit the right of the Employer to employ or discharge any person with or without cause, or to discipline any Employee.

11.4 Applicable Law. All questions pertaining to the validity, construction and administration of the Plan shall be determined in conformity with the laws of the State of Michigan.

11.5 No Guarantee. Neither the Committee, Trustees, the Provider(s), the Administrator, nor the Employer in any way guarantees the Plan from loss or depreciation or the payment or any benefits which may be due or become due to any person from the Plan. No Participant or other person shall have any recourse against the Committee, Trustees, Provider(s), the Administrator, or the Employer if the Plan is insufficient to provide Plan benefits in full. Nothing herein contained shall be deemed to give any Participant, former Participant, or Beneficiary an interest in any specific part of the Plan assets or any other interest except the right to receive benefits out of the Trust Fund in accordance with the provisions of the Plan and Trust.

11.6 Unclaimed Funds. Each Participant shall keep the Provider and Administrator informed of his or her current address and the current address of his or her Beneficiary or Beneficiaries.

11.7 Interest Nontransferable. Except as provided in this Section 11.7, no interest of any person or entity in, or right to receive distributions from, the Trust Fund shall be subject in any manner to sale, transfer, assignment, pledge, attachment, garnishment, or other alienation or encumbrance of any kind; nor may such interest or right to receive distributions be taken, either voluntarily or involuntarily, for the satisfaction of the debts of, or other obligations or claims against, such person or entity, including claims in bankruptcy proceedings. The Accounts of any Participant, however, shall be subject to and payable in accordance with the applicable requirements of any eligible domestic relations order, as defined in MCLA 38.1701-38.1711 or any other domestic relations order described in MCLA 38.1681 - 38.1689 (provided that the form of distribution shall be limited as provided in Section 5.7 of the Plan) or the requirements of any qualified domestic relations order, as that term is defined in Section 414(p) of the Code with respect to the qualified plans of non-governmental employers. A Participant or alternate payee shall be responsible for delivering a copy of such order to the Provider. The Provider shall provide for payment from a Participant's Accounts in accordance with such order and with the Provisions of Section 414(p) of the Code and any regulations promulgated thereunder as if this were the qualified plan of a non-governmental employer. All such payments pursuant to a qualified domestic relations order shall be subject to reasonable rules and regulations promulgated by the Provider respecting the time of payment pursuant to such order and the valuation of the Participant's account or accounts from which payment is made, provided that all such payments are made in accordance with such order and Code Section 414(p). The balance of an Account that is subject to any qualified domestic relations order shall be reduced by the amount of any payment made pursuant to such order. Notwithstanding anything in this Plan to the contrary, the benefits payable to an alternate payee pursuant to a qualified domestic relations order and this Section 11.7 may occur or commence as soon as administratively feasible after receipt of an order and its approval by the Administrator as qualified, if required by such order.

11.8 Prudent Person Rule. Notwithstanding any other provision of this Plan, the Committee, each Provider, the Administrator, and the Employer shall exercise their powers and discharge their duties under this Plan solely in the interest of the Participants and their Beneficiaries, and to act with the same care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims. Subject to the terms of the preceding sentence and the investment elections by Participants, the Committee, each Provider or Investment Manager shall diversify investments of the Trust Fund so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, and shall invest the Trust Fund for the exclusive purposes of providing benefits to Participants and their Beneficiaries and of defraying reasonable expenses of the Trust Fund, and shall further discharge their duties in accordance with the Investment Act.

11.9 Limitations on Liability. Notwithstanding any other of the preceding provisions of the Plan, the Trustees or Provider, the Employer, the Administrator, the Committee and each individual acting as an employee or agent of any of them shall not be liable to any Participant, former Participant or Beneficiary for any claim, loss, liability or expense incurred in connection with the Plan, except when the same shall have been

judicially determined to be due to the gross negligence or willful misconduct of such person. The Employer shall, to the extent permitted by law (and not covered by insurance), indemnify and hold harmless each individual acting as an employee or agent of the Employer (including the Trustees and Committee members) from any and all claims, liabilities, costs and expense (including attorneys' fees) arising out of any actual or alleged act or failure to act with respect to the administration of the Plan, except that no indemnification or defense shall be provided to any person with respect to conduct which has been judicially determined, or agreed by the parties, to have constituted bad faith or willful misconduct on the part of such person, or to have resulted in his or her receipt of personal profit or advantage to which he or she is not entitled.

11.10 Headings. The headings in this Plan are inserted for convenience of reference only and are not to be considered in construction of the provisions hereof.

11.11 Gender and Number. Except when otherwise required by the context, any masculine terminology in this document shall include the feminine, and any singular terminology shall include the plural.

11.12 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.

IN WITNESS WHEREOF, the undersigned have executed this Plan and Trust this _____ day of _____, 2024.

CHARTER TOWNSHIP OF WATERFORD

By: _____

Its:

W2733766