

ORIGINAL

**MODESTO IRRIGATION DISTRICT
RETIREMENT SYSTEM
SUPPLEMENTAL RETIREMENT PLAN**

Amended And Restated Effective As Of January 1, 2022

**MODESTO IRRIGATION DISTRICT RETIREMENT SYSTEM
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**MODESTO IRRIGATION DISTRICT RETIREMENT SYSTEM
SUPPLEMENTAL RETIREMENT PLAN**

INTRODUCTION

1. The Supplemental Retirement Plan for Employees of Modesto Irrigation District (Plan) was established effective as of January 1, 1983, to provide the employees of Modesto Irrigation District (Employer) with a replacement for federal Social Security retirement, death and disability benefits. The Plan and the trust established under the Plan are intended to qualify as a money purchase pension plan under section 401(a) and related provisions of the Internal Revenue Code (Code). The Plan is a "governmental plan" as defined in Code section 414(d) and section 3(32) of the Employee Retirement Income Security Act of 1974 (ERISA).
2. Effective January 1, 2004, the name of the Plan was changed to "Modesto Irrigation District Retirement System Supplemental Retirement Plan," and the Plan was made a part of the Modesto Irrigation District Retirement System. The Retirement System is intended to be a retirement system within the meaning of Article 16, Section 17 of the California Constitution. For purposes of the Internal Revenue Code and the California Revenue and Taxation Code, the Plan shall continue to constitute a separate plan, and none of the assets of any plan which is a part of the Retirement System shall be used for the benefit of any other plan, and none of the liabilities of any such plan shall be considered a liability of any other such plan.
3. The Plan was amended and restated effective as of January 1, 2013, in order to conform the Plan to the requirements of the Pension Protection Act of 2006, the Heroes Earnings Assistance and Relief Tax Act of 2008, and the California Public Employees' Pension Reform Act of 2013.
4. The Plan was subsequently amended, effective as of January 1, 2013, to adopt certain additional technical changes to the Plan, as requested by the IRS in connection with the request to issue a favorable determination letter on the Plan's qualification.
5. The Employer now wishes to amend and restate the Plan, effective as of January 1, 2022 (except as otherwise set forth below), in order to incorporate the amendments subsequent to the 2013 restatement of the Plan and to reflect subsequent legislative changes that affect the Plan.

ARTICLE 1. DEFINITIONS

1.01. Account.

The account maintained for each Participant or Beneficiary.

1.02. Additional Contributions.

Certain Employer contributions that were provided for under previous versions of the Plan.

1.03. Beneficiary.

The person or persons, including a trustee, personal representative or other fiduciary, last designated in writing by a Participant in accordance with the Distribution Of Death Benefits section, to receive the benefits specified herein in the event of the Participant's death.

1.04. Board Of Directors.

The Board of Directors of the Employer.

1.05. Code.

The Internal Revenue Code of 1986, as amended.

1.06. Committee.

The Retirement Committee established and acting under the Modesto Irrigation District Retirement System Basic Retirement Plan.

1.07. Compensation.

- A. The total compensation paid in cash by the Employer to an Employee during the Plan Year as wages, salaries, fees for professional services and other amounts received for services rendered in the course of an Employee's employment with the Employer including the total amount of any deferred compensation contributed on behalf of an Employee to a plan established under Code section 401(a) as a mandatory Employee contribution or Code section 457(b) as an elective Employee deferral, but excluding contributions by the Employer for group insurance, retainer fee under contract, or for workers' compensation, termination payoffs for accrued vacation or sick leave benefits

upon retirement, retirement or deferred compensation benefits, death benefits, or the like.

- B. In no event shall the amount of any Employee's Compensation taken into account under the Plan for any Plan Year exceed \$150,000 for any Plan Year commencing prior to January 1, 2002, \$200,000 for any Plan Year commencing on or after January 1, 2002, or such other amount as may be prescribed for that Plan Year under Code section 401(a)(17) (e.g., \$305,000 for the 2022 Plan Year), specifically including, with respect to an Employee who first became a Participant prior to the first day of the first Plan Year beginning after December 31, 1994, the amount that was allowed to be taken into account under the Plan as in effect on July 1, 1993 (i.e., \$200,000) as such amount may be adjusted by the Commissioner of Internal Revenue for increases in the cost of living in accordance with Code section 401(a)(17) (e.g., \$450,000 for the 2022 Plan Year).
- C. For purposes of the limitation set forth in the preceding sentence, for Plan Years beginning before 1997, the family attribution rules of section 414(q)(6) of the Code shall apply, except that, in applying such rules, the term "family" shall include only the spouse of the Employee and any lineal descendants of the Employee who have not attained age 19 before the close of the relevant Plan Year.

1.08. Effective Date.

The effective date of this amended and restated Plan is January 1, 2022, unless another date is specifically provided or unless an earlier effective date is required pursuant to statute or regulation.

1.09. Eligible Employee.

- A. Any Employee who is a Director of the Employer, or whose customary employment by the Employer is for at least 20 hours per week and at least 5 months per year, excluding (i) individuals who are employed in a work-experience or student intern classification under the personnel policies of the Employer, (ii) Employees whose collective bargaining agreement does not provide for coverage under the Plan, (iii) Leased Employees, and (iv) any other individual who is not classified by the Employer, in its discretion, as an employee under Code section 3121(d).

- B. Excluded individuals also include individuals classified by the Employer, in its discretion, as independent contractors, non-employee consultants, employees of a person or an entity other than the Employer and individuals whose basic compensation for services for the Employer is not paid directly by the Employer. Such individuals shall not be Eligible Employees even if the classification by the Employer is determined to be erroneous, or is retroactively revised. In the event the classification of an individual who is excluded from the definition of Eligible Employee under this subsection is determined to be erroneous or is retroactively revised, the individual shall nonetheless continue to be excluded from the definition of Eligible Employee and shall be ineligible for benefits for all periods prior to the date the Employer determines its classification of the individual is erroneous or should be revised.
- C. "Eligible Employee" shall not include a Director if the Director is excluded from participation in the Modesto Irrigation District Retirement System Basic Retirement Plan.

1.10. Employee.

Any individual who renders services to the Employer as a Director, or in the status of an "employee" as that term is defined in Code section 3121(d). The term "Employee" shall also include individuals who are "leased employees" under Code section 414(n) and who are providing services to the Employer, other than any such individual who is described in Code section 414(n)(5), but solely for purposes of determining whether such individual's Account, if any, has vested under section 5.06, "Vesting."

1.11. Employer.

Modesto Irrigation District, and any successor thereto.

1.12. Leased Employee.

- A. "Leased Employee" means any person who is not an employee of the Employer as defined in Code section 3121(d) and who provides services to the Employer if:
 - 1. Such services are provided pursuant to an agreement between the Employer and the leasing organization;

2. The person has performed the services for the Employer or related persons on a substantially full-time basis for a period of at least 1 year; and
 3. The services are performed under primary direction or control by the Employer.
- B. A "Leased Employee" shall not include a person who is covered under a money purchase pension plan maintained by the leasing organization that provides for:
1. A nonintegrated employer contribution rate of at least ten percent (10%) of compensation, as defined in Code section 415(c)(3);
 2. Immediate participation (except for employees who perform substantially all of their services for the leasing organization and except for an individual whose compensation from the leasing organization in each Plan Year during the 4 year period ending with the Plan Year is less than \$1,000); and
 3. Full and immediate vesting;

but only if Leased Employees, determined without regard to this subsection B, do not constitute more than 20% of the Employer's "nonhighly compensated workforce" as defined in Code section 414(n)(5)(C)(ii).

1.13. Limitation Year.

The Plan Year.

1.14. Normal Retirement Age.

- A. The later of age 60 or the completion of 6 months of Service with respect to Participants who are not "Tier III Eligible Employees" as defined under the Modesto Irrigation District Retirement System Basic Retirement Plan; or
- B. The completion of at least 5 "Years Of Credited Service" as defined under the Modesto Irrigation District Retirement System Basic Retirement Plan, with respect to "Tier III Eligible Employees" as defined under the Modesto Irrigation District Retirement System Basic Retirement Plan.

1.15. Participant.

An Eligible Employee who has commenced participating in the Plan in accordance with the Participation article and whose participation in the Plan has not ceased in accordance with the Participation article.

1.16. PEPRA.

The California Public Employees' Pension Reform Act of 2013. The provisions of this Plan that are intended to satisfy PEPRA's requirements shall be construed in accordance with the requirements of PEPRA and the guidance thereunder.

1.17. Plan.

The Modesto Irrigation District Retirement System Supplemental Retirement Plan as herein set forth or as amended from time to time.

1.18. Plan Year.

The 12-month period ending on the December 31 of each year.

1.19. Regular Contributions.

Either of the following contributions to the Plan:

A. Participant's Regular Contributions.

Contributions made to the Plan pursuant to section 3.01, "Participants' Regular Contributions."

B. Employer Regular Contributions.

Contributions made to the Plan pursuant to section 4.01, "Employer Regular Contributions."

1.20. Service.

Employment of an Employee with the Employer.

1.21. Total Disability.

The total and permanent incapacity of a Participant to perform the usual duties of the Participant's employment with the Employer. Such incapacity shall be deemed to exist when:

- A. Certified by a physician mutually acceptable to the Committee and the Participant; or
- B. Supported by the written opinion of at least two disinterested physicians after the expiration of at least 120 days from the date of the inception of the incapacity.

1.22. Trust.

The Trust established, maintained and administered pursuant to sections 53215 et seq. of the California Government Code and Code section 501(a), under which the Employer holds the assets of the Plan.

1.23. Trustee.

The trustee(s) signing the Trust and any successor trustee(s).

1.24. Voluntary Contributions.

Certain Employee contributions that were provided for under previous versions of the Plan.

1.25. 415 Compensation.

- A. An Employee's earned income, wages, salaries, and fees for professional services, and other amounts received for personal services actually rendered in the course of employment with the Employer (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips and bonuses, and (for Plan Years beginning after December 31, 1997) deferrals described in Code section 415(c)(3)(D), and excluding the following:
 - 1. Employer contributions to a plan of deferred compensation (other than elective contributions described in Code section 402(e)(3), 408(k)(6), 408(p)(2)(A)(1) or 457(b), including a simplified employee pension plan described in Code section 408(k) or a simple retirement account

described in Code section 408(p), that are not included in the Employee's gross income for the taxable year in which contributed, or any distributions from such a plan of deferred compensation;

2. Amounts realized from the exercise of a non-statutory stock option, or when restricted stock (or property) held by the Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;
 3. Amounts realized from the sale, exchange or other disposition of stock acquired under a statutory stock option;
 4. Other amounts that received special tax benefits, such as premiums for group-term life insurance (but only to the extent that the premiums are not includible in the gross income of the Employee and are not salary reduction amounts as described in Code section 125);
 5. Any other items of remuneration that are similar to any of the items listed in paragraphs 1 through 4, above; and
 6. Compensation for any Plan Year is the compensation actually paid or includible in gross income during such year, but excluding compensation paid or includible in gross income following a termination of employment with the Employer except as provided in applicable regulations.
- B. Effective as of January 1, 2009, "415 Compensation" shall include differential wage payments to Participants on active duty to the extent required by the provisions of Code section 414(u)(12)(A)(ii), the regulations thereunder and any subsequent guidance issued under Code section 414(u)(12)(A)(ii).
- C. In no event shall the amount of any Employee's 415 Compensation taken into account under the Plan for any Plan Year exceed \$150,000 for any Plan Year commencing prior to January 1, 2002, \$200,000 for any Plan Year commencing on or after January 1, 2002, or such other amount as may be prescribed for that Plan Year under Code section 401(a)(17) (e.g., \$305,000 for the 2022 Plan Year), specifically including, with respect to an Employee who first became a Participant prior to the first day of the first Plan Year beginning after December 31, 1994, the amount that was allowed to be taken into account under the Plan as in effect on July 1, 1993 (i.e., \$200,000)

as such amount may be adjusted by the Commissioner of Internal Revenue for increases in the cost of living in accordance with Code section 401(a)(17) (e.g., \$450,000 for the 2022 Plan Year).

- D. "415 Compensation" includes amounts paid after the Employee's severance from employment if paid by the later of (i) 2-1/2 months after the Employee's severance from employment, or (ii) the end of the Limitation Year that includes the date of the Employee's severance from employment subject to the following requirements:
1. The payment is regular compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments and the payment would have been made to the Employee prior to a severance from employment if the Employee had continued in employment with the Employer.
 2. Amounts paid for unused accrued bona fide sick, vacation, or other leave and amounts received by the Employee pursuant to a nonqualified unfunded deferred compensation plan shall be excluded.
 3. Notwithstanding the provisions of this subsection, 415 Compensation shall include all payments to an individual who does not currently perform services for the Employer by reason of qualified military service (within the meaning of Code section 414(u)(1)) to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service.
- E. To the extent required by, and in accordance with, section 116 of the Setting Every Community Up for Retirement Enhancement (SECURE) Act and Code section 415(c)(8), "415 Compensation" shall be increased by any difficulty of care payments excluded from gross income under Code section 131, effective for Plan Years beginning after December 31, 2015. Any contribution by a Participant that is allowable due to such an increase shall be treated as an after-tax Employee contribution.

ARTICLE 2. PARTICIPATION

2.01. Participation Date.

Any Participant who was a Participant on December 31, 2021 shall continue as a Participant. Any other Eligible Employee shall become a Participant on the later of (i) the date on which the Employee commences Service with the Employer or (ii) the date on which the Employee becomes an Eligible Employee.

2.02. Cessation Of Participation.

Participation in the Plan continues until the Participant's retirement, death, Total Disability, or termination of employment with the Employer.

ARTICLE 3. EMPLOYEE CONTRIBUTIONS

3.01. Participants' Regular Contributions.

Each Participant shall contribute to the Trust 5% of Compensation. The Employer shall pick up the Participant's Regular Contributions required by this section and the contributions so picked up shall be treated as Employer contributions in determining tax treatment in accordance with Code section 414(h)(2).

3.02. Time For Making Contribution.

Each Participant's Regular Contributions shall be remitted to the Trustee within 15 days following the date as of which such contributions were deducted from the Participant's paycheck.

ARTICLE 4. EMPLOYER CONTRIBUTIONS

4.01. Employer Regular Contributions.

For each Plan Year, the Employer shall contribute to the Trust an amount equal to 5% of the total Compensation paid to all Participants in such Plan Year.

4.02. Maximum Contribution.

No contributions shall be made under this article in excess of the annual addition limitations for the Plan Year as provided in the Allocation Limitations section.

4.03. Timing Of Contributions.

The total Employer Regular Contributions with respect to any pay period shall be made to the Trust within 15 days following each pay day. The Trustee shall not be under any duty to inquire as to the correctness of the contribution and the determination of the amount of each contribution shall be final and binding upon all persons.

4.04. No Reversion To Employer.

In no event shall any contribution by the Employer to the Trust or income therefrom revert to the Employer except as provided in the Return Of Contributions: Mistake Of Fact section. All amounts paid by the Employer to the Trust shall be used and applied for the exclusive benefit of the Participants or their Beneficiaries or estates.

4.05. Return Of Contributions: Mistake Of Fact.

If the Employer shall make a contribution to this Plan on the basis of a fact, or facts, which prove(s) to be erroneous, any amount which would not have been contributed based on the correct facts may be returned to the Employer at the Employer's request within 1 year following the date of the contribution. Any amount not returned to the Employer within such 1-year period shall not be returned to the Employer under any circumstances. Any losses on such refundable amount shall reduce the amount of refund, but gains thereon shall not increase the amount of refund.

4.06. Nondiscrimination Limits On Employer Contributions.

A. In accordance with, but only to the extent required by, California Government Code section 7522.10(g) as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, any Employer contributions to any defined contribution plan, including this Plan, based on pensionable compensation above the "applicable percentage of the contribution and benefit base" (set forth below) specified in section 430(b) of title 42 of the United States Code on January 1, 2013 (as such

contribution and benefit base shall be adjusted in accordance with subsection B, below) shall not exceed the Employer's contribution rate, as a percentage of pay, required to fund the Employer's defined benefit plan for income not in excess of the amount specified in Code section 401(a)(17) as such amount may be adjusted by the Commissioner of Internal Revenue for increases in the cost of living in accordance with Code section 401(a)(17)(B). The "applicable percentage of the contribution and benefit base" shall be:

1. 100% for an Employee whose service is included in the Social Security system; or
 2. 120% for an Employee whose service is not included in the Social Security system.
- B. For purposes of this section, the contribution and benefit base specified in section 430(b) of title 42 of the United States Code on January 1, 2013 shall be adjusted based on the annual changes to the Consumer Price Index for All Urban Consumers: U.S. City Average, calculated by dividing the Consumer Price Index for All Urban Consumers: U.S. City Average, for the month of September in the calendar year preceding the adjustment by the Consumer Price Index for All Urban Consumers: U.S. City Average, for the month of September of the previous year rounded to the nearest thousandth. The adjustment shall be effective annually on January 1, beginning in 2014.
- C. This provision shall apply only to Employer contributions for a "new member," as that term is defined in California Government Code section 7522.04(f), who is a member of both this Plan and a defined benefit pension plan sponsored by the Employer.

ARTICLE 5. ACCOUNTS AND VESTING

5.01. Account Of Participants.

The Committee shall establish and maintain a separate Account for each Participant which shall be credited with the Participant's Regular Contributions and Voluntary Contributions, the Participant's share of the Employer Regular Contributions and Additional Contributions, income or loss of the Trust, withdrawals, and all other information affecting the value of such Account.

5.02. Investment Of Accounts.

- A. At the direction of the Committee, the Trustee shall establish investment funds for the purpose of investing the Accounts of Participants. The Committee shall establish an investment policy for each investment fund. The investment policy shall set forth each fund's objectives, appropriate asset classes, allowable ranges of holdings by asset class, individual investment managers, as well as the definition of acceptable securities, investment performance expectations, and regulatory compliance standards.
- B. The Committee may, from time to time, revise the investment alternatives. The Participant may, by written notice to the Committee, establish the percentage of each contribution that shall be allocated to each investment fund. The Participant shall have the right, on such dates as may be permitted from time to time by the Committee, to change the percentages elected, or to direct a transfer of funds from one investment fund to another. Such election shall be in writing and be delivered to the Committee within the time prescribed for making such an election. The Committee shall further designate one of the investment funds as the default fund in the event that an Account is established for a Participant who fails to make an election.
- C. The Employer, the Committee, the Administrator, the Trustee, and any other Plan fiduciary are relieved of liability for any losses which are the direct and necessary result of the investment instructions given by a Participant in accordance with California Government Code section 53213.5(b). Neither the Employer, the Committee, the Administrator, the Trustee, or any other person shall be under any duty to question any direction from any Participant or to review any investment or to make any investment suggestion to any Participant, except as otherwise required by applicable State law.

5.03. Allocation Of Contributions And Forfeitures.

The Employer and Employee contributions shall be allocated to each Participant's Account in the same manner as the amount of the contribution was determined in accordance with the Employee Contributions article and the Employer Contributions article.

5.04. Allocation Limitations.

- A. Notwithstanding anything to the contrary contained in this Plan, the total annual additions to a Participant's Account for any Limitation Year shall not exceed the lesser of (i) 100% of the Participant's total 415 Compensation for the Limitation Year or (ii) \$40,000 or such greater amount in effect under Code section 415(c)(1)(A), as adjusted under Code section 415(d), for the Limitation Year (e.g., \$61,000 for the 2022 Limitation Year). The compensation limit referred to in clause (i) of the preceding sentence shall not apply to any contribution for medical benefits after separation from service (within the meaning of Code section 401(h) or Code section 419A(f)(2)) which is otherwise treated as an annual addition.
- B. For purposes of this section, the term "annual addition" shall have the meaning set forth in Code section 415.
- C. If the Employer has contributed to another defined contribution plan or plans, as defined in Code section 414(l), for Employees of the Employer, some or all of whom may be Participants in the Plan, then any such Participant's annual additions in such other plan or plans shall be aggregated with the Participant's annual additions derived from this Plan for purposes of the limitation in subsection A, above. If, as a result of such aggregation, a Participant's annual additions would exceed that limitation, the excess amount shall first be reduced according to the provisions of this Plan.
- D. For Plan Years prior to 2000, if a Participant in this Plan is also a participant in a defined benefit plan, as defined in Code section 414(j), to which contributions have been made by the Employer, then in addition to the limitation contained in subsection A, above, such Participant shall also be subject to the limitation set forth in Code section 415(e), whereby the sum of the "defined benefit plan fraction" and the "defined contribution plan fraction" (as those terms are defined in Code section 415) for any Limitation Year may not exceed 1. If a restriction on benefits for any Participant is required, such restriction shall be applied to limit the Participant's benefits under this Plan.
- E. If there are any excess annual additions under this Plan, the Employer and the Committee shall correct the excess annual additions in accordance with the requirements of the Employee

Plans Compliance Resolution System as described in Rev. Proc. 2021-30 and any subsequent guidance.

- F. Neither the Employer nor any Participant shall contribute an amount which would result in an excess annual addition to the Account of any Participant.
- G. Solely for the purposes of this section, the term "Employer" shall include all the Employees and each employer treated as a single employer with the Employer, pursuant to Code section 414(b), 414(c), 414(m), 414(o) or 415(h).

5.05. Allocation Of Changes In The Value Of The Trust.

The Trustee shall value the Trust (or cause its designee to value the Trust) on every day that the Trustee, its designee, any transfer agent appointed by the Trustee or the Employer, and any stock exchange used by such agent are open for business (daily valuation). Such valuation shall be made at the fair market value of the Trust assets. The Committee shall allocate to each Participant's Account the excess or deficiency resulting from such valuation of the Trust over the value of the Trust at the beginning of the period, after adjustment for contributions, withdrawals, and inactive Account balances reinstated during said period, in the ratio that the average daily balance in each Account bears to the total amount of all such balances throughout such period. If the Trust Fund is divided among investment funds, each such Fund shall be valued separately and allocated separately.

5.06. Vesting.

- A. The portion of each Participant's Account attributable to the Participant's Regular Contributions and Voluntary Contributions shall be fully vested and nonforfeitable at all times.
- B. The portion of each Participant's Account attributable to Employer Regular Contributions and Additional Contributions shall be fully vested and nonforfeitable upon the earliest of the following:
 - 1. The Participant's completion of 6 months of Service;
 - 2. The Participant's attainment of Normal Retirement Age if the Participant is still an Employee at such time;

3. The Participant's Total Disability if the Participant is still an Employee at such time; or
4. The Participant's death if the Participant is still an Employee at such time.

5.07. Forfeitures.

- A. If a Participant terminates the Participant's Service with the Employer prior to the Participant's Account attributable to Employer Regular Contributions and Additional Contributions becoming fully vested and nonforfeitable pursuant to the Vesting section, such portion of the Participant's Account shall be forfeited and shall be allocated as provided below.
- B. If at any time, a Participant withdraws the amount in the Participant's Voluntary Contributions sub-account as provided in the In-Service Distributions section, the portion of the Participant's Additional Contributions sub-account that is based on the amount withdrawn shall be forfeited and allocated as provided below.
- C. Any non-vested amounts that remain in a Participant's Account attributable to Employer Regular Contributions or Additional Contributions upon the Participant's termination of employment or withdrawal of Voluntary Contributions shall be forfeited. If the forfeiture is due to termination of employment, the amount of such forfeiture shall revert to the Trust and shall be held in an inactive account of the Trust until the end of the calendar month next following 1 year from the date of termination of employment, provided the Participant is not reemployed in such year. If the forfeiture is due to withdrawal of Voluntary Contributions, the amount of such forfeiture shall revert to the Trust and shall be held in an inactive account of the Trust until the last day of the calendar month in which the withdrawal occurs. Such inactive account shall not share in the allocation of changes in the value of the Trust. At the end of each calendar month, such forfeited amounts eligible under the provisions of this subsection shall be used to reduce Employer Regular Contributions and not to accrue additional benefits for Participants. If a former Participant returns to Service during the 12-month period which follows the Participant's date of termination, the amount forfeited shall be returned to the Account of the Participant as of the date the former Participant returns to Service.

5.08. No Vested Right To Future Employer Contributions.

In accordance with, but only to the extent required by, California Government Code section 7522.10(f)(2) as in effect on January 1, 2013 or as subsequently amended, and the lawful guidance published thereunder, an employee who receives an Employer contribution to the Plan shall not have a vested right to continue receiving any Employer contributions in the future.

ARTICLE 6. DISTRIBUTIONS OF BENEFITS

6.01. Termination Of Employment.

When a Participant's Service is terminated for any reason, the Committee shall direct the Trustee to distribute that portion of the Participant's Account that is vested in accordance with Vesting section in the manner and at the time set forth in below. That portion of the Participant's Account that is not vested shall be forfeited as provided in the Forfeitures section.

6.02. Amount Of Distribution.

The amount of benefit distributable shall be based upon the vested amount credited to the Account of such Participant as of the time of distribution.

6.03. Time Of Distribution.

A Participant who desires to commence distributions of the Participant's vested Account from the Plan must so elect in writing and must file the election with the Committee or its designee. Except with respect to distributions governed by the In-Service Distributions section, below, such an election may not be made and a distribution of the Participant's vested Account shall not commence until the Participant has terminated employment with the Employer. Such an election becomes irrevocable on the date on which the Participant's distribution is to commence. A distribution of the Participant's vested Account shall commence as soon as administratively feasible after the Participant's election is filed with the Committee or its designee.

6.04. Method Of Distribution.

Distribution under this Plan and Trust shall be made, subject to the Time Of Distribution section, in accordance with whichever of the following methods or combination thereof the Participant, in the Participant's sole

discretion, shall select, but only if such election is in accordance with Code section 401(a)(9) and regulations promulgated thereunder.

- A. A single sum payment in cash;
- B. Cash payments in approximately equal monthly, quarterly, semiannual, or annual installments; or
- C. One or more cash payments independent of any stream of periodic payments described in paragraph 2, above. Such independent payments shall be limited to 1 payment per calendar quarter.

6.05. Change In Method And Time Of Distribution.

Until such time as a Participant's Account is completely distributed, the Participant or Beneficiary shall have the right (subject to the requirements of this article) at any time, with respect to any balance of the Participant's Account not yet distributed, to change the method and the time of distribution or either of them.

6.06. Direct Rollovers.

Any "eligible distributee" who is entitled to receive an "eligible rollover distribution" after December 31, 1992 shall be permitted to elect to have such distribution made in the form of a direct transfer from the Trustee of this Plan to the trustee or custodian of any other "eligible retirement plan." Any such election shall be made in such form and at such time as the Committee may prescribe in accordance with Code section 401(a)(31) and the regulations promulgated thereunder. Effective as of January 1, 2020, a direct rollover will be offered only for distributions that would be eligible rollover distributions in the absence of Code section 401(a)(9)(I). For purposes of this section:

- A. An "eligible distributee" means any Participant (or former Participant) or the Participant's surviving spouse. In addition, a Participant's (or former Participant's) spouse or former spouse who is an "alternate payee" under a qualified domestic relations order shall be an "eligible distributee" with respect to the interest of such spouse or former spouse in the Participant's Account that is granted under such order. Also, effective with respect to distributions made on or after January 1, 2008, a Beneficiary other than a Participant's (or former Participant's) surviving spouse or a Participant's (or former Participant's) spouse or former spouse who is an "alternate payee" under a qualified domestic relations order

is an "eligible distributee" with regard to the interest of the Participant or former Participant, subject to the limitation for such a Beneficiary that an eligible retirement plan is an individual retirement account or individual retirement annuity that will be treated as an inherited individual retirement account or annuity under Code section 402(c)(11).

- B. An "eligible rollover distribution" means any distribution to an eligible distributee of all or any portion of the balance to the credit of the eligible distributee under the Plan, other than:
1. Any distribution that is one of a series of substantially equal periodic payments made (not less frequently than annually) for the life (or life expectancy) of the eligible distributee, for the joint lives (or joint life expectancy) of the eligible distributee and the Participant's beneficiary, or for a specified period of 10 years or more;
 2. Any distribution (or portion of a distribution) that is required to be made under Code section 401(a)(9); or
 3. Any distribution (or portion of a distribution) that would not be includable in the eligible distributee's gross income without regard to the exclusion for unrealized appreciation in employer securities set forth in Code section 402. For purposes of this provision, effective with respect to distributions made on or after January 1, 2002, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includable in gross income. However, such portion may be paid only in a direct trustee-to-trustee transfer to (i) an individual retirement account described in Code section 408(a), (ii) a Roth individual retirement account described in Code section 408A (for distributions after December 31, 2007), (iii) an individual retirement annuity described in Code section 408(b), or (iv) a qualified plan described in Code section 401(a) (whether or not it is a defined contribution plan) or an annuity contract or a custodial account described in Code section 403(b) that agrees to separately account for amounts so transferred (and earnings thereon), including separately accounting for the portion of such distribution that is includable in gross income and the portion of such distribution that is not so includable.

- C. An "eligible retirement plan" means an individual retirement account described in Code section 408(a), an individual retirement annuity described in Code section 408(b) (other than an endowment contract), an annuity plan described in Code section 403(a), a qualified trust described in Code section 401(a) that provides for the acceptance of rollover distributions, and (effective with respect to distributions made on or after January 1, 2002), an annuity contract described in Code section 403(b) or 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; provided however, that in the case of an eligible rollover distribution made prior to January 1, 2002 to a Participant's (or former Participant's) surviving spouse or to a Participant's (or former Participant's) spouse or former spouse who is an "alternate payee" under a qualified domestic relations order, an "eligible retirement plan" shall mean only an individual retirement account or an individual retirement annuity (other than an endowment contract). Effective with respect to distributions made on or after January 1, 2008, in the case of an eligible rollover distribution to a Beneficiary other than a Participant's (or former Participant's) surviving spouse or to a Participant's (or former Participant's) spouse or former spouse who is an "alternate payee" under a qualified domestic relations order, an "eligible retirement plan" is an individual retirement account or individual retirement annuity that will be treated as an inherited individual retirement account or annuity under Code section 402(c)(11). Effective with respect to distributions made on or after January 1, 2008, "eligible retirement plan" shall also include a Roth IRA as described in Code section 408A, provided that the Distributee is not restricted from making such a rollover from the Plan to a Roth IRA pursuant to Code section 408A(c).

6.07. Payment Eligible For Rollover.

- A. The Plan Administrator will provide a written explanation of the rollover rules and special tax treatment available to eligible rollover distributions to any Participant (or Participant's Beneficiary) who is to receive a payment for the Plan that is eligible for rollover. This explanation will be provided no earlier than 180 days and no later than 30 days prior to the date of the distribution. However, such distribution may commence less than 30 days after the explanation

is given provided that the explanation states that the Participant has at least 30 days after receiving the explanation to consider whether or not to request a rollover distribution and the Participant, after receiving the explanation, affirmatively elects an immediate distribution.

- B. Of the portion of the payment that the Participant elects to have paid to the Participant, 20% will be withheld as income tax and paid directly to the Internal Revenue Service as a credit against the Participant's income taxes, and the Participant will receive the remaining 80%.
- C. The portion of the payment that the Participant elects to be paid in a direct rollover to an eligible retirement plan elected by the Participant will be paid to such plan provided that such plan accepts direct rollovers.

6.08. In-Service Distributions.

- A. If a Participant has attained age 70-1/2 but has not ceased to be an Employee, the Participant may irrevocably elect to commence distributions as of April 1 of the calendar year following the calendar year in which the Participant attains age 70-1/2.
- B. After a Participant has completed 24 months of Service, the Participant may withdraw amounts contributed to the Plan as Voluntary Contributions. Only the actual amounts contributed by the Participant shall be eligible for withdrawal; earnings attributable to such amounts shall not be eligible for withdrawal. In the event that a Participant withdraws a portion of the Participant's Voluntary Contributions, the portion of the Additional Contributions sub-account attributable to the amounts withdrawn shall be forfeited in accordance with the terms of the Forfeitures section.

6.09. Distribution Of Death Benefits.

- A. All death benefits will be paid in accordance with Code section 401(a)(9) and applicable regulations, as reflected in the Required Minimum Distributions section.
- B. Upon forms approved by the Committee, each Eligible Employee who becomes a Participant shall designate in writing the Beneficiary or Beneficiaries whom such Employee desires to

receive any benefits payable under the Plan in the event of such Employee's death. A Participant may from time to time change the Participant's designated Beneficiary or Beneficiaries without the consent of such Beneficiary or Beneficiaries by filing a new designation, on a form approved by the Committee, with the Committee.

- C. If a married Participant wishes to designate a person other than the Participant's spouse as Beneficiary, such designation shall be consented to in writing by the spouse, which consent shall acknowledge the effect of the designation and be witnessed by a Plan representative or a notary public. The Participant may change any election designating a Beneficiary or Beneficiaries without any requirement of further spousal consent if the spouse's consent so provides. Notwithstanding the foregoing, spousal consent shall be unnecessary if it is established (to the satisfaction of a Plan representative) that there is no spouse or that the required consent cannot be obtained because the spouse cannot be located.
- D. The Employer, the Committee and the Trustee may rely upon a Participant's designation of Beneficiary or Beneficiaries last filed in accordance with the terms of the Plan.
- E. Upon the dissolution of marriage of a Participant, any designation of the Participant's former spouse as a Beneficiary shall be treated as though the Participant's former spouse had predeceased the Participant, unless (i) after the dissolution of marriage, the Participant executes another Beneficiary designation that complies with this section and that clearly names such former spouse as a Beneficiary, or (ii) a court order presented to the Committee prior to distribution on behalf of the Participant explicitly requires the Participant to continue to maintain the former spouse as the which the Participant's former spouse is treated under the Participant's Beneficiary designation as having predeceased the Participant, no heirs or other beneficiaries of the former spouse shall receive benefits from the Plan as a Beneficiary of the Participant except as provided otherwise in the Participant's Beneficiary designation.
- E. If, upon the death of a Participant, former Participant, or Beneficiary, there is no valid designation of Beneficiary on file with the Committee, the Committee shall designate as Beneficiary, in order of priority (i) surviving spouse, (ii) surviving issue including adopted ones on a per stirpes basis, (iii) surviving parents, or (iv) the Participant's heirs at law, provided that at all times the

Committee shall have the reserved right to select the Participant's estate or the Participant's heirs at law as the Participant's Beneficiary. The determination of the Committee as to which persons, if any, qualify within the aforementioned categories shall be final and conclusive upon all persons. Nothing in this section shall prevent a Beneficiary from making a valid disclaimer under Code section 2518.

6.10. Required Minimum Distributions.

A. General Rules.

1. In General.

Notwithstanding any other provision of the Plan to the contrary, all distributions from the Plan shall be made in accordance with Code section 401(a)(9) and the regulations issued thereunder, including the minimum distribution incidental benefit requirements of Code section 401(a)(9)(G) and the regulations issued thereunder.

2. Precedence.

The requirements of this section will take precedence over any inconsistent provisions of the Plan, provided that this section shall not be considered to allow a Participant or Beneficiary to delay a distribution or elect an optional form of benefit not otherwise provided in the Plan.

B. Required Minimum Distributions During Participant's Lifetime.

1. Required Beginning Date.

The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date.

2. Required Minimum Distribution For Each Year.

During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

- a. The quotient obtained by dividing the Participant's Account balance by the distribution period in the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or
- b. If the Participant's sole designated Beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's Account balance by the number in the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

3. Distributions Continue Through Year Of Participant's Death.

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

C. Death Of Participant On Or After Distributions Begin.

Except as provided in the Deaths After December 31, 2021 subsection, below:

1. Surviving Spouse Is Sole Designated Beneficiary.

If the Participant dies on or after the date distributions begin and the Participant's surviving spouse is the Participant's sole designated Beneficiary, then the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the longer of:

- a. The remaining life expectancy of the Participant, which shall be calculated using the age of the Participant in the year of death, reduced by 1 for each subsequent year; or

- b. The remaining life expectancy of the Participant's surviving spouse, which shall be calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by 1 for each subsequent calendar year.

2. Surviving Spouse Is Not Sole Designated Beneficiary.

If the Participant dies on or after the date distributions begin and the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the longer of:

- a. The remaining life expectancy of the Participant, which shall be calculated using the age of the Participant in the year of death, reduced by 1 for each subsequent year; or
- b. The remaining life expectancy of the Participant's designated Beneficiary, which shall be calculated for each distribution calendar year after the year of the Participant's death using the age of the designated Beneficiary in the year following the year of the Participant's death, reduced by 1 for each subsequent year.

3. No Designated Beneficiary.

If the Participant dies on or after the date distributions begin and there is no designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account

balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by 1 for each subsequent year.

D. Death Of Participant Before Distributions Begin.

Except as provided in the Deaths After December 31, 2021 subsection, below:

1. Surviving Spouse Is Sole Designated Beneficiary.

If the Participant dies before distributions begin and the Participant's surviving spouse is the Participant's sole designated Beneficiary, then, except as provided in paragraph 3, below, the Participant's entire interest will be distributed, or begin to be distributed, to the surviving spouse as follows:

- a. Distributions shall begin by no later than December 31 of the later of (i) the calendar year immediately following the calendar year in which the Participant died or (ii) the calendar year in which the Participant would have attained:
 - (1) Age 70-1/2 if the Participant attains age 70-1/2 on or before December 31, 2019; or
 - (2) Age 72 if the Participant attains age 70-1/2 after December 31, 2019.
- b. The minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the remaining life expectancy of the Participant's surviving spouse, which shall be calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's

death, reduced by 1 for each subsequent calendar year.

2. Surviving Spouse Is Not Sole Designated Beneficiary.

If the Participant dies before distributions begin and the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then, except as provided in paragraph 3, below, the Participant's entire interest will be distributed, or begin to be distributed, to the designated Beneficiary as follows:

- a. Distributions shall begin by no later than December 31 of the calendar year immediately following the calendar year in which the Participant died.
- b. The minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the remaining life expectancy of the Participant's designated Beneficiary, which shall be calculated for each distribution calendar year after the year of the Participant's death using the age of the designated Beneficiary in the year following the year of the Participant's death, reduced by 1 for each subsequent year.

3. Election To Apply 5-Year Rule.

- a. If the Participant dies before distributions begin and there is a designated Beneficiary, distribution to the designated Beneficiary is not required to begin by the date specified in paragraph 1 or 2, above, but the Participant's entire interest will be distributed to the designated Beneficiary by December 31 of the calendar year containing the 5th anniversary of the Participant's death, if elected under subparagraph b, below. 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 either the Participant or the surviving

spouse begin, this election will apply as if the surviving spouse were the Participant.

- b. Participants or Beneficiaries may elect on an individual basis whether the 5-year rule or the life expectancy rule in paragraph 1 or 2, above, applies to distributions after the death of a Participant who has a designated Beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under paragraph 1 or 2, above, or by September 30 of the calendar year which contains the 5th anniversary of the Participant's (or, if applicable, the surviving spouse's) death. If neither the Participant nor Beneficiary makes an election under this paragraph, distributions will be made in accordance with paragraph 1 or 2, above.

4. No Designated Beneficiary.

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 5th anniversary of the Participant's death.

5. Death Of Surviving Spouse.

If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under paragraph 1, above, this subsection D will apply as if the surviving spouse were the Participant. In applying this rule, the date of death of the surviving spouse shall be substituted for the date of death of the Participant. However, in such case, the rule in clause (ii) of paragraph 1a shall not be available to the surviving spouse of the deceased Participant's surviving spouse.

E. Definitions.

1. Designated Beneficiary.

The individual who is designated as the Beneficiary under the Plan and is the designated Beneficiary under Code section 401(a)(9) and Treasury regulations section 1.401(a)(9)-4.

2. Distribution Calendar Year.

A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under subsection B, above. The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

3. Life Expectancy.

Life expectancy as computed by use of the Single Life Table in section 1.401(a)(9)-9 of the regulations.

4. Participant's Account Balance.

The Account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the Account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The Account balance for the valuation calendar year includes any amounts rolled over or

transferred to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

5. Required Beginning Date.

April 1 of the calendar year following the calendar in which occurs the later of (i) the Participant's retirement or (ii) the Participant's attainment of whichever of the following is applicable:

- a. If the Participant attains age 70-1/2 on or before December 31, 2019, the calendar year in which the Participant attains age 70-1/2; or
- b. If the Participant attains age 70-1/2 after December 31, 2019, the calendar year in which the Participant attains age 72.

F. Deaths After December 31, 2021.

In the event of the Participant's death after December 31, 2021, all distributions from the Plan shall be made in accordance with Code section 401(a)(9)(H), as amended by the Further Consolidated Appropriations Act, 2020, that includes the Setting Every Community Up for Retirement Enhancement (SECURE) Act, and the regulations and other lawful guidance issued thereunder.

1. 10 Years After Death Rule.

If a Participant's Beneficiary is a designated Beneficiary, but is not an eligible designated Beneficiary, and the Participant dies before the distribution of the Participant's entire vested Account balance, regardless of whether the Participant dies before, on, or after beginning required minimum distributions, the Participant's entire interest will be distributed by December 31 of the calendar year containing the 10th anniversary of the Participant's death.

2. Exception For Eligible Designated Beneficiaries.

The rule set forth in paragraph 1, above, shall not apply if (i) the Participant's Beneficiary is an eligible designated Beneficiary, (ii) the entire interest will be distributed in

accordance with the Treasury regulations over the life of the designated Beneficiary (or over a period not extending beyond the life expectancy of such Beneficiary), and (iii) such distributions begin not later than December 31 of the calendar year immediately following the calendar year in which the Participant died; provided, however, that, if the Participant's surviving spouse is the sole designated Beneficiary such distributions need not commence until the time set forth in subparagraph D.1.a, above.

3. Special Rule For Certain Trusts.

In the case of an applicable multi-beneficiary trust, if under the terms of the trust:

- a. It is to be divided immediately upon the death of the employee into separate trusts for each beneficiary, then paragraph 2, above, shall be applied separately with respect to the portion of the Participant's interest that is payable to any eligible designated Beneficiary who is described in clause (3) or (4) of subparagraph 4.a, below); or
- b. No individual (other than an eligible designated Beneficiary who is described in clause (3) or (4) of subparagraph 4.a, below) has any right to the Participant's interest in the Plan until the death of all such eligible designated Beneficiaries with respect to the trust, then paragraph 2, above, shall apply to the distribution of the Participant's interest and any Beneficiary who is not such an eligible designated Beneficiary shall be treated as a beneficiary of the eligible designated Beneficiary upon the death of such eligible designated Beneficiary.

4. Special Definitions.

a. Eligible Designated Beneficiary.

A designated Beneficiary who is as of the date of death of the Participant:

- (1) The surviving Spouse of the Participant;

- (2) Subject to clause (3) below, a child of the Participant who has not reached majority; provided, however, that such an individual shall cease to be described in this clause (2) as of the date the individual reaches majority and any remainder of the portion of the individual's interest to which Code section 401(a)(9)(H)(ii) applies shall be distributed within 10 years after such date;
- (3) Disabled within the meaning of Code section 72(m)(7);
- (4) A chronically ill individual within the meaning of Code section 7702B(c)(2), except that the requirements of subparagraph (A)(i) thereof shall only be treated as met if there is a certification that, as of such date, the period of inability described in such subparagraph with respect to the individual is an indefinite one which is reasonably expected to be lengthy in nature; or
- (5) An individual not described in any of the preceding subclauses who is not more than 10 years younger than the Participant.

b. Applicable Multi-Beneficiary Trust.

A trust where (i) the trust has more than one beneficiary, (ii) all of the beneficiaries of which are treated as designated Beneficiaries, and (iii) at least one of the beneficiaries of which is an eligible designated beneficiary described in clause (3) or (4) of subparagraph a, above.

G. Suspension Of Required Minimum Distributions.

The minimum distribution requirements under Code section 401(a)(9) shall apply to the Plan only to the extent that such requirements are applicable by law for a year. In particular, effective as of January 1, 2020, notwithstanding the preceding provisions of this section of the Plan, a Participant or Beneficiary who would have been required to receive required minimum

distributions in 2020 (or paid in 2021 for the 2020 calendar year for a Participant with a required beginning date of April 1, 2021) but for the enactment of Code section 401(a)(9)(I) of the Code (2020 RMDs), and who would have satisfied that requirement by receiving distributions that are either (i) equal to the 2020 RMDs, or (ii) one or more payments (that include the 2020 RMDs) in a series of substantially equal periodic payments made at least annually and expected to last for the life (or life expectancy) of the Participant, the joint lives (or joint life expectancies) of the Participant and the Participant's designated Beneficiary, or for a period of at least 10 years (Extended 2020 RMDs), will not receive those distributions; provided, however, that such a Participant or Beneficiary will be given an opportunity to make an election as to whether or not to receive those distributions.

6.11. Payment Of Small Benefits.

If the distributable portion of a Participant's Account is not greater than \$5,000 or such larger amount as may be prescribed under Code section 417(e), then distribution shall be made in one single sum within a reasonable time after the end of the calendar month in which such Participant terminates employment for any reason, including death or Total Disability, in lieu of the other forms of benefit provided under the Plan. Notwithstanding the foregoing, in the event that the Participant's distributable benefit is greater than \$1,000 but equal to or less than \$5,000 (or such larger amount as may be prescribed under Code section 417, if the Participant does not affirmatively elect to have such benefit either (i) paid directly to an eligible retirement plan specified by the Participant in a direct rollover as described in the Direct Rollovers section or (ii) paid to the Participant directly, then the Committee shall pay the distribution in a direct benefit transfer to an individual retirement plan designated by the Committee.

6.12. Payments Under A Qualified Domestic Relations Order.

A. Upon receipt of a domestic relations order, the Committee or its designee shall notify in writing the named Participant and alternate payees of such receipt and shall describe the Plan procedures for determining the qualified status of such order. The Committee shall set up a separate account in the name of each alternate payee, if necessary, to segregate any amounts which would have been payable to such alternate payee during the period of determination of the status of such domestic relations order. Within 18 months after the later of (i) when the domestic relations order is

received by the Plan or (ii) the date on which the first payment would be required to be made under the domestic relations order, the Committee or its designee shall make a determination as to whether the order is a qualified domestic relations order in accordance with the provisions of Code section 414(p) (to the extent applicable to the Plan).

- B. A domestic relations order shall be determined to be qualified only if it is made pursuant to a State domestic relations law and relates to the provision of child support, alimony payments or property rights to a spouse, child, or other dependent of the Participant. To be a qualified domestic relations order, the order must state the Plan name, the names and last addresses of the Participant and each alternate payee, the amount or portion of benefits to be paid to each alternate payee or the manner in which such amount or portion is to be determined, and the form and term of distribution. The order may not assign benefits previously assigned by another qualified domestic relations order, nor require a benefit option not offered under the Plan, nor increase benefits provided under the Plan.
- C. If the order is determined to be qualified, the Committee or its designee shall direct the Trustee to distribute specified amounts to the alternate payee in the form and at the times specified; provided, however, that payments may not commence until the earlier of (i) the date of the Participant's termination of employment with the Employer or (ii) the date the Participant attains age 50.
- D. If the qualified domestic relations order so directs, the former spouse will be treated as a spouse or a surviving spouse of the Participant to the extent provided in such qualified domestic relations order.
- E. If the order is not determined to be qualified within 18 months of receipt, any segregated amounts shall be returned to the Participant's Account if such Participant is still active, or paid to the Participant or the Participant's designated Beneficiary if distributions have commenced. Any subsequent redetermination that the order was a qualified domestic relations order shall not apply retroactively to any amounts prior to the date of redetermination.

6.13. Cessation Of Benefits Upon Re-Employment.

If any Employee's participation is terminated and the Participant is later re-employed as an Eligible Employee, such Employee shall receive no further payments from the Participant's original Account. Any remaining balance in such Account shall be at all times fully vested and nonforfeitable and shall be transferred to the Participant's new Account.

6.14. Loans To Participants.

Participants are not permitted to receive loans from the Plan.

ARTICLE 7. ADMINISTRATION OF THE PLAN

7.01. Committee.

The general administration of the Plan is delegated to the Committee, which shall be the "plan administrator" for purposes of the Code. The Board of Directors shall notify the Trustee of the names of the members of the Committee.

7.02. Organization And Procedure Of The Committee.

- A. The Committee shall act by a majority of its members in office at the time. Such action may be taken either by vote at a meeting or, if all members then in office participate, in writing without a meeting.
- B. In any exercise of discretion the Committee shall treat persons similarly situated in a similar manner and shall not discriminate in favor of Employees who are officers, shareholders, supervisory personnel, or are highly compensated. No member of the Committee shall vote on any matter pertaining specifically to such member's status or benefit under the Plan. Any such action shall be decided by the majority of the remaining members.
- C. The Committee shall authorize one or more of its members to execute any document or documents on behalf of the Committee, and the Committee shall notify the Trustee in writing of such action and the name or names of its members so designated, and the Trustee shall thereafter accept and rely upon any document executed by such member or members as representing action by the Committee until the Committee shall file with the Trustee a written revocation of such designation.

7.03. Powers Of The Committee.

Subject to the limitations of the terms of the Plan, the Committee may from time to time establish rules for the performance of its functions and the administration of the Plan. The Committee shall have all powers necessary to supervise administration of the Plan and control its operation in accordance with its terms, including, but not by way of limitation, the following powers:

- A. To construe and interpret the terms and provisions of the Plan and to determine any questions arising under the Plan, or in connection with the administration or operation thereof;
- B. To determine all considerations affecting the eligibility of any Employee to be or become a Participant in the Plan;
- C. To determine the Service of any Participant to compute the amount of retirement benefit, or other sum, payable under the Plan to any person;
- D. To authorize and direct all disbursements of retirement benefits and other sums under the Plan;
- E. To ensure that the Plan complies with any reporting and disclosure requirements imposed under federal law or by any State or local government;
- F. To establish appropriate procedures to prevent the Plan from engaging in any "prohibited transaction" as described in Code section 503(b) or 4975, or similar prohibited transactions as set forth under State or local law;
- G. To ensure that any bonding requirements imposed under federal law, or by any State or local government, are satisfied;
- H. To maintain appropriate records for the carrying out of the operation of the Plan; and
- I. To employ such counsel and agents and to obtain such clerical, medical, legal, and other services as it may deem necessary or appropriate in carrying out the provisions of the Plan.

The Committee shall have full discretion in making its decisions and determinations, and they shall be conclusive and binding on all interested parties, except as otherwise provided by law.

7.04. Plan Administrator.

The ministerial administration of the Plan shall be by the "Plan Administrator," who shall be the chief human resources manager of the Employer (or such alternate individual as the Board of Directors shall appoint from time to time). The duties of the Plan Administrator shall include, but are not limited to:

- A. To act as Secretary to the Committee;
- B. To act as advisor to the Committee in all matters related to the administration of the Plan;
- C. To supervise the clerical and technical employees of the Employer in all activities which are related to the administration of the Plan; and
- D. To perform all administrative functions of the Plan which are requested by the Committee which are consistent with the terms and provisions of the Plan.

7.05. Procedure For Review Of Denial Of Benefits.

Any person whose claim for benefits under the Plan has been denied in whole or in part shall receive a notice from the Committee setting forth the specific reasons for such denial, specific references to the Plan provisions on which the denial was based, and an explanation of the procedure for review of the denial. Such person, or such person's duly authorized representative, may appeal to the Committee for a review of the denial by sending to the Committee a written request for review within 60 days after receiving notice of the denial. The Committee shall give the claimant the opportunity to review pertinent documents in preparing such request. The request for review shall set forth all grounds on which it is based, together with supporting facts and evidence which the claimant deems pertinent. The Committee may require the claimant to submit such additional facts, documents or other material as it deems necessary or advisable in making its review of the denial. Within 60 days after the receipt of the request for review, the Committee shall communicate its decision to the claimant in writing, and if the Committee confirms the denial, in whole or in part, the communication shall set forth the reasons for the decision and specific references to the Plan provisions on which the decision is based.

7.06. Facility Of Payment.

If any person to whom any payment shall be due under the Plan shall be a minor, or shall be or become, in the judgment of the Committee, physically or mentally incompetent, the Committee shall have the right to determine to whom such payments shall be made for the benefit of such person. Written acknowledgement of receipt by the person to whom any such payment is made shall be a complete discharge of the obligation of the Plan for any sum so paid.

7.07. Information To Be Given Participants.

The Committee shall make available at the office of the Employer a copy of this Plan for examination by Participants, and at least once a year shall cause written notification to be given to each Participant of the amount in such Participant's Account.

7.08. Compensation And Expenses Of The Committee.

The members of the Committee shall serve without compensation for services as such, but all expenses of the Committee, including the compensation of accountants, advisers, actuaries and attorneys, and other costs of administering the Plan shall be paid by the Employer, or upon direction by the Committee to do so, by the Trustee out of the Trust.

ARTICLE 8. AMENDMENT AND TERMINATION

8.01. General Purpose.

It is the expectation and the intention of the Employer to make annually such contributions as are provided for herein. The Employer, however, in its sole and absolute discretion reserves the rights set forth below.

8.02. Amendment.

The Board of Directors may at any time amend this Plan and Trust in whole or in part. No amendment shall operate retroactively in such a manner as to deprive any Participant of rights which have vested in such Participant prior to the enactment of the amendment or diminish the amount thereof, unless such amendment is required in order to qualify this Plan and Trust under Code section 401. No amendment shall cause or permit any part of the Trust to revert to or become the property of the Employer or to be used for or diverted to any purpose other than the

exclusive benefit of Participants, former Participants or their Beneficiaries. No amendment substantially increasing the obligations or the liabilities of the Trustee shall be made without the Trustee's written consent.

8.03. Termination.

The Board of Directors shall have the right at any time to discontinue the Employer's contributions hereunder and to terminate this Plan and Trust. In the event of termination, the Employer shall have no obligation to make any contribution to the Trustee for the year of termination or thereafter, other than those required in accordance with section 5.07, "Forfeitures." Upon the termination or partial termination of the Plan or upon the complete discontinuance of contributions under the Plan the rights of all Participants shall become fully vested and shall not thereafter be subject to forfeiture.

8.04. Suspension.

The Board of Directors by amendment may suspend for a definite or indefinite period the Employer's obligation to make contributions hereunder. In the event that such suspension of contributions causes the Internal Revenue Service to disqualify the Plan and Trust, such suspension will be deemed a termination for purposes of this Plan.

8.05. Procedure.

Any amendment or termination shall be accomplished by appropriate resolution of the Board of Directors and a copy of such resolution shall be delivered to the Committee and to the Trustee.

8.06. Distributions In Event Of Termination.

- A. Upon discontinuance of the Employer's contributions or termination of the Plan, the Trustee shall revalue the Trust and, after satisfying current obligations of the Plan and setting aside funds for anticipated future obligations of the Trust, shall inform the Committee in order that it may make the necessary adjustments to all Participants' Accounts in the ratio that the balance in each such Account bears to the total amount in all such Accounts on the first day of such Plan Year.
- B. The Committee shall then furnish instructions to the Trustee concerning distribution of the balance in the Accounts of the Participants, former Participants and their Beneficiaries.

8.07. Merger; Transfer Of Assets.

- A. If the Employer merges or consolidates with or into another corporation, or if substantially all of the assets of the Employer shall be transferred to another corporation, this Plan shall terminate on the effective date of such merger, consolidation, or transfer. However, if the surviving corporation resulting from such merger or consolidation, or the corporation to which the assets have been transferred, adopts this Plan, the Plan shall continue and said corporation shall succeed to all rights, powers, and duties of the Employer hereunder. The employment of any Employee who is continued in the employ of such successor corporation shall not be deemed to have terminated for any purpose hereunder.
- B. In no event shall this Plan be merged or consolidated with any other plan qualified under Code section 401(a), nor shall there be any transfer of assets or liabilities from this Plan to any other such plan, unless immediately after such merger, consolidation, or transfer each Participant's benefits, if such other plan were to terminate, are at least equal to or greater than the benefits which the Participant would have been entitled to had this Plan been terminated immediately before such merger, consolidation, or transfer.

ARTICLE 9. MISCELLANEOUS

9.01. Exclusive Benefit.

Under no circumstances shall any part of the corpus or income of the Trust revert to or be recoverable by the Employer or be used for or diverted to any purpose other than the exclusive benefit of Participants, former Participants and their Beneficiaries, except as provided in section 4.05, "Return Of Contributions: Mistake of Fact."

9.02. Relationship Between Employer And Employee.

Nothing herein contained shall in any way be construed to limit or affect the relationship between the Employer and its Employees or to affect the Employer's right to discharge any Participant at any time with or without cause, or to increase or to decrease the salary or other compensation of any Participant or other Employee. The relationship of Employer and Employee existing between the Employer and its respective Employees

shall continue in the same manner as though this Plan and Trust had not been executed.

9.03. Trust Not Guaranteed By Employer.

The Employer does not guarantee the Trust, the Participants, former Participants or their Beneficiaries against loss of or depreciation in value of any right or benefit they or any of them may acquire under the terms of this Plan and Trust. All of the benefits payable hereunder shall be paid or provided for solely from the Trust and the Employer does not assume any liability or responsibility therefor.

9.04. Rights Not Transferable.

All amounts payable by the Trustee shall be paid in accordance with the provisions of the Plan and pursuant to the directions of the Committee only to the person or persons entitled thereto pursuant to the Plan and the Trust, and all such payments shall be made directly to or for the benefit of such person or persons so that said payments may not be and the same shall not be liable for the debts, contracts or engagements of any such person or persons, or taken in execution by attachment or garnishment or by any other legal or equitable proceeding. No Participant or other person entitled to receive payment hereunder shall have any right to alienate, anticipate, commute, pledge, encumber or assign any such payments or any benefit accorded to such Participant or such other person under the Plan and the Trust. Notwithstanding the above, the Plan shall comply with the requirements of any qualified domestic relations order as set forth in Code section 414(p) to the extent applicable to the Plan.

9.05. Rights And Remedies Limited.

No person shall have any legal or equitable right or claim against the Employer, the Committee or the Trustee unless the right or claim is specifically provided in this Plan and Trust. No interested party may bring any action in any court on any matter arising out of this Plan and Trust the determination of which is otherwise provided herein, until the procedure provided herein shall have been exhausted and a decision made with respect to it; and then the only action which may be brought is to enforce the decision.

9.06. Construction Of The Plan.

The interpretation that favors the Plan and Trust as a tax-free employee retirement plan and the contributions of the Employer as items deductible

from net income shall govern any interpretation that concerns the taxability of the Trust or the taxability of the Employer's contributions; for all other purposes the Plan and Trust shall be construed, regulated and administered and all matters affecting its validity and construction shall be determined under the laws of the State of California and all contributions received by the Trustee shall be deemed to have been received within the State of California.

9.07. Headings.

The headings of the provisions of this Plan and Trust are inserted for convenience or reference only and are not to be considered in construction of the provisions thereof.

9.08. Plan And Trust Executed In Counterparts.

For the convenience of the parties hereto this Plan and Trust Agreement have been executed in counterparts each of which is complete in itself and shall be considered to be the original Plan and Trust Agreement and may be introduced in evidence and used for any purpose without the production of any other counterpart.

9.09. Veterans' Rights.

- A. An Employee, who was absent from the Employee's position of employment by reason of service in the uniformed services and who is reemployed, as these terms are used in the Uniformed Services Employment And Reemployment Rights Act of 1994, as it may be amended from time to time (USERRA), shall be treated as not having incurred a break-in-service with the Employer by reason of such person's period or periods of service in the uniformed services. Each period served by a person in the uniformed services shall, upon reemployment under USERRA, be deemed to constitute service with the Employer maintaining the Plan for the purpose of determining the nonforfeitability of the Participant's Account and for the purpose of determining the accrual of benefits under the Plan, all to the extent required by and as provided under USERRA. Notwithstanding any provision in the Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code section 414(u).
- B. Effective as of January 1, 2007, the Plan specifically incorporates herein by reference the requirements of Code section 401(a)(37),

the regulations thereunder and any subsequent guidance under Code section 401(a)(37) requiring that if a Participant dies while performing qualified military service (as defined in Code section 414(u)), the Beneficiary(ies) of the Participant shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the Participant resumed employment on the date before the Participant's date of death and then had a termination of employment on account of death.

9.10. Gender And Number.

Whenever a personal pronoun is used in the masculine gender, it shall be deemed to include the feminine also, and the singular shall include the plural, unless the context indicates the contrary.

9.11. Amendment Of Laws.

All references to sections of the Code or any regulations or rulings thereunder shall be deemed to refer to such sections as they may subsequently be modified, amended, replaced or amplified by any federal statutes, regulations or rulings of similar application and importance.

9.12. Severability.

In the event that any provisions of this Plan shall be held illegal or invalid for any reason by operation of law or a court of competent jurisdiction, said illegality or invalidity shall not affect the remaining legal and valid provisions of this document. This Plan shall continue as if said illegal or invalid provisions had not been included herein either initially, or beyond the date it is first held to be illegal or invalid, but only if the basic purposes hereof can be effected through the remaining valid and legal provisions.

9.13. Waiver.

Failure to insist upon strict compliance with any provision of this Plan shall not be deemed to be a waiver of such provision or any other provision; waiver of breach of any provision of this Plan shall not be deemed to be a waiver of any other provision or subsequent breach of such provision. No term, condition, or provision of the Plan shall be deemed waived unless the purported waiver is in a writing signed by the party to be charged. No written waiver shall be deemed a continuing waiver unless so specifically stated in the writing, and such waiver shall operate only as to the specific term, condition, or provision waived.

9.14. Entire Document.

This document and any appendices or supplements hereto shall constitute the entire document and shall govern the rights, liabilities and obligations of the parties under the Plan, except as it may be modified by a duly authorized and adopted amendment. No statements contained in any other writing or communication, including, but not limited to, a summary plan description or a summary of material modifications, shall constitute the terms of the Plan.

Executed this 27 day of October, 2022.

Modesto Irrigation District

By: _____


John Mensinger

Title: _____

President
MID Board President

RESOLUTION 2022-46

APPROVING AND AUTHORIZING THE BOARD PRESIDENT TO EXECUTE THE AMENDED AND RESTATED MODESTO IRRIGATION DISTRICT RETIREMENT SYSTEM BASIC RETIREMENT PLAN, SUPPLEMENTAL RETIREMENT PLAN, DEFERRED COMPENSATION PLAN, AND RETIREE MEDICAL BENEFITS PLAN

WHEREAS, the Modesto Irrigation District Retirement System Basic Retirement Plan, Supplemental Retirement Plan, Deferred Compensation Plan, and Retiree Medical Benefits Plan (Plans) have been amended and restated to clarify language, remove extraneous inapplicable language, conform to statutory/regulatory requirements, and incorporate amendments into the body of the documents for the effective administration of the Plans; and

WHEREAS, the Plans have been amended and restated to reflect changes which the District has determined are necessary or desirable; and

WHEREAS, on October 19, 2022, the Retirement Committee, by Retirement Committee Resolution 2022-02, authorized and directed staff to recommend to the Board of Directors of the Modesto Irrigation District approval and execution of the amended and restated Modesto Irrigation District Retirement System Basic Retirement Plan, Supplemental Retirement Plan, Deferred Compensation Plan, and Retiree Medical Benefits Plan.

BE IT RESOLVED, That the Board of Directors of the Modesto Irrigation District does hereby approve the Amended and Restated Modesto Irrigation District Retirement System Basic Retirement Plan, Supplemental Retirement Plan, Deferred Compensation Plan, and Retiree Medical Benefits Plan.

BE IT FURTHER RESOLVED, That the Board of Directors of the Modesto Irrigation District does hereby authorize the Board President to execute the amended and restated Modesto Irrigation District Retirement System Basic Retirement Plan, Supplemental Retirement Plan, Deferred Compensation Plan, and Retiree Medical Benefits Plan on behalf of the District.

Moved by Director Gilman, seconded by Director Campbell, that the foregoing resolution be adopted.

The following roll call vote was had:

Ayes: Directors Campbell, Gilman and Mensinger

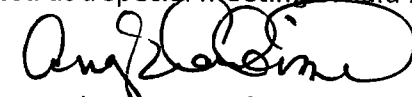
Noes: Director None

Absent: Directors Blom and Byrd

President Mensinger declared the resolution adopted.

oOo

I, Angela Cartisano, Board Secretary of the Modesto Irrigation District, do hereby CERTIFY that the foregoing is a full, true and correct copy of a resolution duly adopted at a special meeting of said Board of Directors held the twenty-fifth day of October 2022.



Board Secretary of the
Modesto Irrigation District