



TOC - WOODWORKERS, IAM DEFINED CONTRIBUTION PLAN AND TRUST

www.tocwoodworkers.aibpa.com

SUMMARY OF MATERIAL MODIFICATIONS TO THE TOC DEFINED CONTRIBUTION PLAN AND TRUST MARCH 2003 EMPLOYEE HANDBOOK

I. Introduction

The Employee Retirement Income Security Act of 1974 requires a summary of material modifications be distributed to describe any material change made to the information in your Summary Plan Description. This Summary of Material Modifications provides information concerning a change to the information in your March 2003 Summary Plan Description. Please keep this Summary of Material Modifications with your TOC Woodworkers Plan documents. If you cannot locate your March 2003 Summary Plan Description, it may be viewed online at www.tocwoodworkers.aibpa.com or call the Trust Office at (800) 547-4457, ext. 1769 and request a copy.

II. Modification

- A. Amendment #7 Effective June 1, 2003, the March 2003 Employee Handbook, Employer Matching Contributions, Article 19.6, is amended to add the following:

(e) Matching Contributions shall be 100% vested in the event of a shut down or discontinuance of a plant or department which is certified by the Board.

- B. Amendment #8 Effective June 1, 2003, the March 2003 Employee Handbook, Payment of Benefits, Article 19.7, is amended to add the following:

(d) Participant's severance from employment."

- C. Amendment #9 Effective December 31, 2003, the March 2003 Employee Handbook, Domestic Relations Order Article 1.27 (d) is amended to the following:

(d) a statement that the order shall apply to this Plan. The Administrator shall determine whether a domestic relations order is a "Qualified Domestic Relations Order" upon following consistently applied reasonable procedures adopted by the Administrator. The reasonable expenses of determining the qualification and implementation of a Qualified Domestic Relations Order shall be charged, pursuant to Paragraph 17.3, to the Participant subject to the Qualified Domestic Relations Order.

- D. Amendment #10 Effective June 1, 2004, the March 2003 Employee Handbook, Vesting Credit after Termination of Employment and Payment of Benefits, Article 6.3 and Breaks in Service, Article 7.2 are amended to the following:

"6.3 Vesting Credit after Termination of Employment and Payment of Benefits. A vested Participant who shall terminate employment, receive a distribution, return to employment and subsequently become a Participant, shall for purposes of vesting for subsequent distributions, retain the Years of Vesting Service for all

years for which the Participant previously received the distribution."

"7.2 Breaks in Service. Years of Vesting Service, as defined in paragraph 1.30, shall include all Benefit Years of Service or Eligibility Years of Service with a Participating Employer after the Effective Date except as set forth in paragraph 6.2. If a nonvested Participant shall have a One Year Break in Service, Years of Vesting Service before the One Year Break in Service shall not be included in Years of Vesting Service until the Participant shall have completed a Year of Vesting Service after the One Year Break in Service. If a Participant shall not have any vested Account Balances and shall incur a One Year Break in Service, Years of Vesting Service after the One Year Break in Service shall not be included in Years of Vesting Service prior to the One Year Break in Service if the number of consecutive One Year Breaks in Service equals or exceeds the greater of either (a) five consecutive One Year Breaks in Service, or (b) the aggregate number of Years of Vesting Service before the One Year Break in Service. A Participant shall not incur a Break in Service during the period of time during which the Participant shall:

- (a) serve in the Armed Forces of the United States if the Participant's benefits shall be preserved for the Participant by the Uniformed Services Employment and Reemployment Act of 1994, as amended, or by any prior or other similar legislation;
- (b) serve as an official or representative of District 1 or Local Lodge;
- (c) be on a leave of absence caused by a disability."

- E. Amendment #11 Effective August 24, 2005, the March 2003 Handbook, Article 11.5 is amended to add the following section 11.5 (c) to read as follows:

11.5(c) In the event of a mandatory distribution greater than \$1,000 for plan years beginning on and after June 1, 2005, the Administrator shall pay the distribution in a direct rollover to an individual retirement plan designated by the Administrator if a Participant shall not elect either (a) to have a direct rollover to an eligible retirement plan or (b) to receive the distribution pursuant to section 11.1."

- F. Amendment #12 Effective June 1 2006, the March 2003 Employee Handbook, Article 19 is amended to implement good faith amendments to comply with final IRS §401(k) regulations to read as follows:

- 19.1 Eligibility. All Participants shall be eligible to participate in the 401(k) portion of the Plan.

19.2 Elective Deferrals. A Participant shall not be obligated or required to contribute to the Plan. A Participant may, at the Participant's option, make Elective Deferrals to the Plan under IRC §401(k) and/or IRC §414(v) as provided in this Article.

- (a) Vesting. A Participant's Elective Deferrals under the 401(k) and 414(v) portions of the Plan, including the earnings thereon, shall be 100-percent vested.
- (b) Election to Make Pre-tax Elective Deferrals under 401(k) and 414(v). A Participant may elect to reduce the Participant's Annual Compensation to make a pre-tax contribution ("Elective Deferral") to the Plan. A Participant's Elective Deferrals shall not exceed 100% of the Participant's Annual Compensation. Elective Deferrals under this section shall be made according to uniform rules established by the Board, shall be accounted for separately and shall be available to all eligible Employees on a nondiscriminatory basis. A Participant's Elective Deferrals shall not exceed the applicable limit of \$15,000 (for calendar year 2006), as indexed pursuant to IRC §402(g), as of the first day of the Plan Year. In the case of a participant aged 50 or over by the end of the taxable year, the dollar limitation described in the preceding sentence shall include the amount of Elective Deferrals that can be Catch-up Contributions, for which the applicable limit is an additional \$5,000 (for calendar year 2006), as indexed pursuant to IRC §414(v)(2)(B). Catch-up Contributions are not subject to the limits on annual additions and are not counted in the ADP test. The Administrator shall maintain records to demonstrate compliance with the Actual Deferral Percentage (ADP) test.

A Participant may make a deferral election only with respect to an amount that is not currently available to the Participant as of the date of the election. Further, a Participant may make a deferral election only with respect to amounts that would (but for the deferral election) become currently available after the later of the date on which the cash or deferred arrangement is adopted or the date on which the arrangement first becomes effective. Contributions will be considered made pursuant to a deferral election only if the contributions are made after the Participant's performance of service with respect to which the contributions are made (or when the cash or other taxable benefit would be currently available, if earlier).

The Board, at least once each Plan Year and as of the first day of the Plan Year, shall permit a Participant to begin making Elective Deferrals to the Plan, to modify the amount or frequency or type of Elective Deferrals or to terminate the election to make Elective Deferrals to the Plan. However, an Employee who shall become eligible during the Plan Year may commence participation as of the day that the Employee enters the Plan.

(1) Distribution of Excess Elective Deferrals.

- (i) A Participant may assign to this Plan any Excess Elective Deferrals made during a taxable year of the Participant by notifying the Plan Administrator, on or before January 31 of the Participant's following taxable year, of the amount of the Excess Elective Deferrals to be assigned to the Plan. Absent actual notice, a Participant shall be deemed to notify the Plan Administrator of any Excess Elective Deferrals that arise by taking into account only those Elective Deferrals made to this Plan.

- (ii) During the Participant's taxable year of deferral, the Plan may distribute all or a portion of an Elective Deferral made during such year if both the Participant and the Plan designate the distribution as an Excess Elective Deferral, and the correcting distribution is made after the date on which the Plan received the Excess Deferral. In this event, the Participant shall be deemed to have designated the distribution as an Excess Elective Deferral.
 - (iii) Notwithstanding any other provision of the Plan, Excess Elective Deferrals, plus any income and minus any loss allocable thereto, shall be distributed no later than April 15 to any Participant to whose account Excess Elective Deferrals were assigned for the preceding year and who claims Excess Elective Deferrals for such taxable year or calendar year. A distribution of Excess Elective Deferrals for a year shall be made first from the Participant's Pre-tax Elective Deferral account, to the extent Pre-tax Elective Deferrals were made for the year, unless the Participant specifies otherwise.
 - (iv) An Excess Elective Deferral that is not distributed by April 15 following the taxable year of deferral, shall be included in the Participant's gross income both in the taxable year of deferral and the taxable year of distribution.
 - (v) The income or loss allocated to the corrective distribution shall be equal to the sum of the gain or loss for the Participant's elective deferral account for the taxable year and the allocated gain or loss for the period between the end of the taxable year to the date of distribution. The income or loss may be calculated as set forth in either (A) or (B) below.
 - (A) Any reasonable method, provided that the method shall not violate IRC §401(a)(4); shall be used consistently for all Participants and all corrective distributions under the Plan Year; and shall be used for allocating income to Participants' accounts.
 - (B) The income allocated for the taxable year shall be determined by multiplying the income for the taxable year allocated to the Elective Deferral by a fraction. The numerator shall be the Participant's Excess Elective Deferral for the taxable year. The denominator shall be the Participant's total account balance excluding any income or loss for the taxable year.
 - (vi) A Highly Compensated Employee's Excess Elective Deferral, whether or not distributed, shall be included in the ADP test.
- (2) The Participant's election to reduce the Participant's Annual Compensation to make a contribution to the Plan shall be permitted only if the Plan will remain a qualified plan. The ADP for the Highly Compensated Employees must satisfy either of two tests. First, the ADP for the Highly Compensated Employees for the Plan Year shall not be more than 1.25 times the ADP of the non-Highly Compensated Employees for the prior

Plan Year ("Prior Year Testing"). Second, the excess of the Highly Compensated Employees' ADP over the ADP of the non-Highly Compensated Employees for the prior Plan Year shall not be more than 2 percentage points and the Highly Compensated Employees' ADP shall not be more than 2 times the ADP of the non-Highly Compensated Employees.

For purposes of making the ADP calculation, the following shall apply:

- (i) Compensation, for purposes of calculating the ADP, shall mean all of the participant's Annual Compensation prior to any Elective Deferral, other than any previously qualified Elective Deferral, received by the Participant during the portion of the Plan Year in which the Participant shall be eligible to participate in the Plan.
- (ii) All Employees eligible to participate in the Plan, whether or not participating, shall be considered in calculating the ADP; provided, however, if any Employees are eligible to participate before they have completed the minimum age and service requirements of IRC §410(b)(1), then, at the discretion of the Administrator, either:
 - (A) the Plan shall be disaggregated into separate parts and the ADP test shall be performed separately (i) for all eligible Employees who have completed a Year of Service and have attained the age of 21 years, and (ii) for all Employees who have not completed a Year of Service or have not attained the age of 21 years, or
 - (B) the Plan shall apply IRC 410(b)(4)(B) in determining whether the cash or deferred arrangement meets the requirements of IRC 410(b)(1) and, in determining whether the arrangement passes the ADP Test, the ADP Test shall be performed under the Plan (determined without regard to disaggregation under Treas. Reg. §1.410(b)-7(c)(3)), using the ADP for all eligible HCEs for the plan year and the ADP of eligible NHCEs for the applicable year, disregarding all NHCEs who have not met the minimum age and service requirements of IRC 410(a)(1)(A).
- (iii) the deferral shall be paid and allocated to the Participant's account on a day within the Plan Year.
- (iv) two or more plans, which are aggregated for qualification pursuant to IRC 401(m), §401(a)(4) or §410(b), shall be considered a single arrangement. Plans may be aggregated only if they have the same Plan Year. However, plans shall not be aggregated if they are required to be disaggregated under regulations of IRC §401(k).
- (v) a Highly Compensated Employee Participant's Actual Deferral Ratio ("ADR") shall be the sum of the Participant's Elective Deferrals for all Employer's cash or deferred plans in which the Participant shall be eligible to participate, divided by the Participant's Annual Compensation. If a Highly Compensated Employee shall participate in two or more Employer plans that have different Plan Years, the plans ending with or within the same calendar year shall be treated as a single

arrangement except as set forth in subparagraph (iv), above.

- (vi) the determination and treatment of the ADP amounts shall satisfy other requirements prescribed by the Secretary of Treasury.

3. Distribution of the Excess Contribution. The Excess Contribution (plus any income or minus any loss) shall be paid not later than the end of the Plan Year following the Plan Year for which the Excess Contribution relates. The distribution of the Excess Contribution

shall be made as set forth in this section. The Participating Employer shall be subject to a 10-percent excise tax if the distribution of the Excess Contribution is not be made within two and one-half months after the last day of the Plan Year for which the Excess Contribution relates. The Plan shall fail to satisfy IRC §401(a)(4) and/or §401(m)(3) if the distribution is not made prior to the end of the Plan Year following the Plan Year for which the Excess Contribution relates.

The Excess Contribution (plus any income or minus any loss) shall be distributed until the Plan satisfies the ADP test pursuant to the following steps:

- (A) Calculation of total amount to be distributed. The following procedures shall be used to determine the total amount of the excess contributions to be distributed

- (I) Calculate the dollar amount of Excess Contributions for each HCE. The amount of Excess Contributions attributable to a given HCE for a Plan Year is the amount (if any) by which the HCE's contributions taken into account under this section shall be reduced for the HCE's Actual Deferral Ratio ("ADR") to equal the highest permitted ADR under the plan. To calculate the highest permitted ADR under a plan, the ADR of the HCE with the highest ADR is reduced by the amount required to cause that HCE's ADR to equal the ADR of the HCE with the next highest ADR. If a lesser reduction would enable the arrangement to satisfy the requirements of subparagraph (A)(III), below, only this lesser reduction shall be used in determining the highest permitted ADR.

- (II) Determination of the total amount of Excess Contributions. The process described in subparagraph (A)(I), above, shall be repeated until the arrangement would satisfy the requirements of subparagraph (A)(III), below. The sum of all reductions for all HCEs determined under subparagraph (A)(I) is the total amount of Excess Contributions for the Plan Year.

- (III) Satisfaction of ADP test. The Plan will satisfy this subparagraph (A)(III) if the Plan would satisfy the ADP test if the ADR for each HCE were determined after the reductions described in subparagraphs (A)(I) and (II), above.

- (B) Apportionment of total amount of Excess Contributions among the HCEs. The following procedures shall be used in apportioning the total amount of Excess Contributions determined under paragraph (A), above, among the HCEs:

- (I) Calculate the dollar amount of Excess Contributions for each HCE. The contributions of the HCE with the highest dollar amount of contributions taken into account under this section are reduced by the amount required to cause that HCE's contributions to equal the dollar amount of the contributions taken into account under this section for the HCE with the next highest dollar amount of contributions taken into account under this section. If a lesser apportionment to the HCE would enable the plan to apportion the total amount of Excess Contributions, only the lesser apportionment would apply.
 - (II) Limit on amount apportioned to any individual. For purposes of this paragraph, the amount of contributions taken into account under this section with respect to an HCE who is an eligible employee in more than one plan of an Employer is determined by taking into account all contributions otherwise taken into account with respect to such HCE under any plan of the Employer during the Plan Year of the plan being tested as being made under the plan being tested. However, the amount of the Excess Contributions apportioned for a Plan year with respect to any HCE must not exceed the amount of contributions actually contributed to the plan for the HCE for the Plan Year. Thus, in the case of an HCE who is an eligible employee in more than one plan of the same employer to which elective contributions are made and whose ADR is calculated in accordance with Treas. Reg. §1.401(k)-2(a)(3)(ii), the amount required to be distributed under this subparagraph (B) shall not exceed the contributions actually contributed to the Plan and taken into account under this section for the Plan Year.
 - (III) Apportionment to additional HCEs. The procedure in subparagraph (B)(I), above, shall be repeated until the total amount of Excess Contributions determined under paragraph (A), above, has been apportioned.
- (C) Income allocable to Excess Contributions. The income or loss allocated to the corrective distribution of Excess Contributions shall be equal to the sum of the gain or loss for the Plan Year and the allocated gain or loss for the period of time between the end of the Plan Year to the date of distribution. The income or loss may be calculated as set forth in either (I) or (II), below.
- (I) Any reasonable method, provided that the method does not violate IRC §401(a)(4); shall be used consistently for all Participants and all corrective distributions under the Plan for the Plan Year; and shall be used for allocating income to Participants' accounts;
 - (II) The income allocated for the Plan Year to the Excess Contribution allocated to each Participant shall be determined by multiplying the income for the Plan Year allocated to the Participant's Elective Deferral account by a fraction. The numerator shall be the Participant's Excess Contributions for the Plan Year. The denominator shall be the Participant's total account balance attributable to Elective Deferrals, excluding any income or loss for the Plan Year.
- (D) Distribution. Within 12 months after the close of the Plan Year in which the excess contribution arose, the Plan shall distribute to each HCE the Excess Contributions apportioned to such HCE under paragraph (C), above, and the allocable income.

Except as otherwise provided in this paragraph and Treas. Reg. §1.401(k)-2(b)(4)(i), a distribution of Excess Contributions shall be in addition to any other distributions made during the year and shall be designated as a corrective distribution by the Employer. In the event of a complete termination of the Plan during the Plan Year in which an Excess Contribution arose, the corrective distribution shall be made as soon as administratively feasible after the date of termination of the Plan, but in no event later than 12 months after the date of termination. If the entire account balance of an HCE is distributed prior to when the Plan makes a distribution of Excess Contributions in accordance with this paragraph, the distribution shall be deemed to have been a corrective distribution of Excess Contributions (and income) to the extent that a corrective distribution would otherwise have been required.

- (E) If the total amount of Excess Contributions, and Excess Aggregate Contributions distributed to a Participant under the Plan for any Plan Year is under \$100 (excluding income), the corrective distribution of Excess Contributions (and income) is includible in gross income of the recipient in the tax year of the recipient in which it is received

(c) Definitions. The following words shall have the following meanings, for purposes of this Article, unless the context clearly indicates otherwise:

- (1) "Actual Deferral Percentage" (ADP) shall mean, for a Plan Year and for either the Highly Compensated Employees or non-Highly Compensated Employees, tested separately, the average of the Actual Deferral Ratios (calculated separately for each Participant). Employer's contribution for a Participant shall include a Participant's Elective Deferral, including any excess elective deferral whether or not distributed.
- (2) "Actual Deferral Ratio" or "ADR" shall mean the amount of employer contributions actually paid over to the trust on behalf of such Participant for the Plan Year divided by the Participant's Compensation for such Plan Year. For this purpose, employer contributions shall include any Elective Deferrals (other than Catch-up Contributions) made pursuant to the Participant's deferral election (including Excess Elective Deferrals of Highly Compensated Employees), but excluding (a) Excess Elective Deferrals of Non-highly Compensated Employees that arise solely from Elective Deferrals made under the Plan or plans of the Employer and (b) Elective Deferrals that are taken into account in the Actual Contribution Percentage test (provided the ADP test is satisfied both with and without exclusion of these Elective Deferrals).
- (3) "Catch-up Contributions" shall mean Elective Deferrals made to the Plan that are in excess of an otherwise applicable plan limit and that are made by a Participant who shall be at least 50 years of age by the end of his or her taxable year. An otherwise applicable plan limit is a limit in the Plan that applies to Elective Deferrals without regard to Catch-up Contributions, such as the limits on annual additions, the dollar limitation on Elective Deferrals under IRC §402(g) (not counting Catch-up Contributions) and the limit imposed by the actual deferral percentage (ADP) test under IRC §401(k)(3).
- (4) "Elective Deferral" shall mean any Employer contribution to the Plan, at the Participant's election, in lieu of cash compensation. A Participant's Elective Deferral shall be the sum of all Employer's contributions made on behalf of the Participant pursuant to an election to defer under any qualified 401(k) plan, any

simplified employee pension cash or deferred arrangement described in IRC §408(k)(6), any SIMPLE IRA plan described in IRC §408(p), and any plan described in IRC §501(c)(18); and any Employer contribution, made pursuant to a salary reduction, to purchase an annuity under IRC §403(b). An Elective Deferral shall not include any amount distributed as an excess annual addition.

- (5) "Excess Contributions" shall mean, for each Highly Compensated Employee, the amount by which the Participant's Elective Deferrals must be reduced in order for the Participant's actual deferral ratio to equal the highest actual deferral ratio permitted under the ADP test. Excess Contributions shall be treated as an annual addition.
- (6) "Excess Elective Deferrals" shall mean the Elective Deferrals of a Participant that either (1) are made during the Participant's taxable year and exceed the dollar limitation under Code §402(g) (including, if applicable, the dollar limitation on Catch-up Contributions defined in §414(v)) for such year; or (2) are made during a calendar year and exceed the dollar limitation under Code §402(g) (including, if applicable, the dollar limitation on Catch-up Contributions defined in §414(v)) for the Participant's taxable year beginning in such calendar year, counting only Elective Deferrals made under this Plan and any other plan, contract or arrangement maintained by the Employer. Any amount of Excess Elective Deferrals shall be treated as an annual addition and shall be included in the Participant's gross income unless the Excess Elective Deferrals shall be distributed no later than the first April 15 following the close of the Participant's taxable year. Any Participant who claims Excess Elective Deferrals for the preceding taxable year must submit this or her claim in writing to the Plan administrator by March 31.
- (7) Pre-tax Elective Deferrals shall mean Elective Deferrals. Pre-tax Elective Deferrals are not includible in the Participant's gross income at the time deferred.

19.3 Employer Matching Contributions. The provisions set forth below shall apply to Employer Matching Contributions to the Plan:

- (a) The Administrator shall maintain records of the amount of matching contributions Allocated to each Participant, to demonstrate compliance with the Actual Contribution Percentage ("ACP") test. A Participating Employer shall make matching contributions based on a Participant's 401(k) contributions pursuant to the Participating Employer's collective bargaining agreement.

- (1) The vesting for the matching contributions shall, except as set forth in paragraph (5), below, be as follows:

<u>Years of Vesting Service</u>	<u>Percentage of Vesting</u>
less than 3 years	0%
3 years or more	100%

- (2) Years of Vesting Service with the Employer, making the matching contribution, shall be calculated based on the elapsed time. Vesting shall commence on the "Employment Commencement Date" and shall accrue through the "Severance of Employment Date" both as defined in Reg.

1.410(a)7(b).

- (3) The computation period, for purposes of calculating vesting under paragraph 19.3, shall be the twelve consecutive months, thereafter, commencing on the day on which the Participant first performs an Hour of Service.
 - (4) Forfeitures of the matching contributions shall be used to pay reasonable administrative costs associated with the forfeiture and the balance shall reduce the Employer's future matching contributions.
 - (5) Matching Contributions shall be 100% vested in the event of a shut down or discontinuance of a plant or department which is certified by the Board.
- (b) The ACP for the Highly Compensated Employees must satisfy either of two tests (the "ACP Test"). First, the ACP of the Highly Compensated Employees for the current Plan Year shall not exceed 125 percent of the percentage of the non-Highly Compensated Employees for the previous Plan Year. Second, the ACP of the Highly Compensated Employees for the current Plan Year shall not exceed the lesser of (I) 200 percent of the percentage of the non-Highly Compensated Employees for the previous Plan Year or (II) the percentage of the non-Highly Compensated Employees plus 2 percentage points ("Prior Year Testing").
- (c) For purposes of making the ACP calculation, the following shall apply:
 - (i) Compensation, for purposes of calculating the ACP, shall mean all of the Participant's Annual Compensation, prior to any Elective Deferral, received by the Participant during the portion of the Plan Year in which the Participant shall be eligible to participate in the Plan.
 - (ii) All Employees eligible to participate in the Plan, whether or not participating, shall be considered in calculating the ACP; provided, however, if any Employees are eligible to participate in the 401(m) (Employer matching) before they have completed the minimum age and service requirements of IRC §410(b)(1), then, at the Administrator's discretion, either
 - (A) the Plan shall be disaggregated into separate parts and the ACP test shall be performed separately (i) for all eligible Employees who have completed a Year of Service and have attained the age of 21 years, and (ii) for all Employees who have not completed a Year of Service or have not attained the age of 21 years, or
 - (B) the Plan shall apply IRC 410(b)(4)(B) in determining whether the Employer matching contribution portion of the Plan meets the requirements of IRC 410(b)(1) and, in determining whether the arrangement passes the ACP Test, the ACP Test shall be performed under the Plan (determined without regard to disaggregation under Treas. Reg. §1.410(b)-7(c)(3)), using the ACP for all eligible HCEs for the plan year and the ACP of eligible NHCEs for the applicable year, disregarding all NHCEs who have not met the minimum age and service requirements of IRC §410(a)(1)(A).

- (iii) Two or more plans, which are aggregated for qualification pursuant to IRC §401(m), §401(a)(4) or §410(b), shall be considered a single arrangement. Plans may be aggregated only if they have the same Plan Year. However, plans shall not be aggregated if they are required to be disaggregated under the regulations of IRC §401(m).
- (iv) A Highly Compensated Employee Participant's ACR shall be the sum of the Participant's ACR for all Employer's plans in which the Participant shall be eligible to participate.
- (v) If this Plan satisfies the requirements of IRC §401(m), §401(a)(4) or §410(b) only if aggregated with one or more other plans, or if one or more other plans satisfy the requirements of such IRC sections only if aggregated with this Plan, then this section shall be applied by determining the ACP of employees as if all such plans were a single plan. If more than 10 percent of the Employer's non-Highly Compensated Employees are involved in a plan coverage change as defined in Treas. Reg. § 1.401(m)2(c)(4), then any adjustments to the non-Highly Compensated Employees' ACP for the prior year will be made in accordance with such Regulations, unless the Employer is using the Current Year Testing method. Plans may be aggregated in order to satisfy IRC §401(m) only if they have the same Plan Year and use the same ACP testing method.
- (vi) The determination and treatment of the ACP amounts shall satisfy any other requirements prescribed by the Secretary of Treasury.
- (vii) With respect to disproportionate matching contributions:
 - (A) A matching contribution with respect to an Elective Deferral for an NHCE shall not be taken into account under the ACP test to the extent it exceeds the greatest of:
 - (1) 5% of the NHCE's compensation;
 - (2) the NHCE's Elective Deferrals for a year; and
 - (3) the product of 2 times the Plan's Representative Matching Rate and the Participant's Elective Deferrals for a year.
 - (B) For purposes of this section, the Plan's Representative Matching Rate is the lowest matching rate for any eligible NHCE among a group of NHCEs that consists of half of all eligible NHCEs in the plan for the Plan Year who make Elective Deferrals for the Plan Year (or, if greater, the lowest matching rate for all eligible NHCEs in the plan who are employed by the employer on the last day of the Plan Year and who make Elective Deferrals for the Plan Year).
 - (C) For purposes of this section, the matching rate for a Participant generally is the quotient of the matching contributions made for such Participant divided by the Participant's Elective Deferrals for the year. If the matching rate is not the same for all levels of Elective Deferrals for a Participant, the Participant's matching rate is determined assuming that a Participant's Elective Deferrals are equal to 6 percent of compensation.

- (D) If the Plan shall provide a match with respect to the sum of the Participant's Employee Contributions and Elective Deferrals, that sum shall be substituted for the amount of the Participant's Elective Deferrals in the foregoing subparagraphs (A) and (C), and Participants who make either Employee Contributions or Elective Deferrals shall be taken into account under subparagraph (B), above. Similarly, if the Plan shall provide a match with respect to the Participant's Employee Contributions, but not Elective Deferrals, the Participant's Employee Contributions are substituted for the amount of the Participant's Elective Deferrals in the foregoing subparagraphs (A) and (C), above, and Participants who make Employee Contributions shall be taken into account under paragraph (B), above.
- (vii) For Plan matching contribution shall be taken into account in determining the ACR for a Participant for a Plan Year or applicable year only if each of the following requirements is satisfied
 - (A) The matching contribution is allocated to the Participant's account under the terms of the Plan as of a date within that year;
 - (B) The matching contribution is made on account of (or the matching contribution is allocated on the basis of) the Participant's Elective Deferrals or Employee Contributions for that year; and
 - (C) The matching contribution is actually paid to the Plan no later than the end of the 12-month period immediately following the year that contains that date.
- (ix) Matching contributions shall be forfeited if the contributions to which they relate are Excess Deferrals (unless the Excess Deferrals are for nonhighly compensated employees), Excess Contributions, or Excess Aggregate Contributions.
- (d) If matching contributions allocated to a Participant's account, would disqualify the Plan, to assure that the Plan shall remain a qualified plan, Excess Aggregate Contribution (plus any income or minus any loss) shall be distributed to the Participant. The amount of the Excess Aggregate Contribution for a Plan Year shall be determined after determining the Excess Contribution, if any, to be treated as the Participant's contribution due to the recharacterization for the Plan Year ending with or within the Plan Year.
 - (i) Calculation of Amount of Excess Aggregate Contributions. The following procedures shall be used to determine the total amount of the Excess Aggregate Contributions to be distributed
 - (A) Calculate the dollar amount of Excess Aggregate Contributions for each HCE. The amount of Excess Aggregate Contributions attributable to an HCE for a Plan Year is the amount (if any) by which the HCE's contributions taken into account under this section must be reduced for the HCE's ACR to equal the highest permitted ACR under the Plan. To calculate the highest permitted ACR under a plan, the ACR of the HCE with the highest ACR is reduced by the amount required to cause that HCE's ACR to equal the ACR of the HCE with the next highest ACR. If a

lesser reduction would enable the plan to satisfy the requirements of subparagraph (C), below, only this lesser reduction applies.

- (B) The process described in subparagraph (A), above, shall be repeated until the Plan would satisfy the requirements of subparagraph (C), below. The sum of all reductions for all HCEs determined under subparagraph (A), above, is the total amount of Excess Aggregate Contributions for the Plan Year.
 - (C) A Plan will satisfy this subparagraph (C) if the plan would satisfy the ACP Test if the ACR for each HCE were determined after the reductions described in subparagraphs (A) and (B) of this section.
- (ii) Apportionment of total amount of Excess Aggregate Contributions among the HCEs. The following procedures shall be used in apportioning the total amount of Excess Aggregate Contributions determined under the foregoing paragraph (iv) among the HCEs-
 - (A) Calculate the dollar amount of Excess Aggregate Contributions for each HCE. The contributions with respect to the HCE with the highest dollar amount of contributions taken account under this section are reduced by the amount required to cause that HCE's contributions to equal the dollar amount of contributions taken into account under this section for the HCE with the next highest dollar amount of such contributions. If a lesser apportionment to the HCE would enable the plan to apportion the total amount of Excess Aggregate Contributions, only the lesser apportionment would apply.
 - (B) Limit on amount apportioned to any HCE. For purposes of this paragraph, the contributions for an HCE who is an eligible employee in more than one plan of an Employer to which matching contributions and Employee Contributions are made is determined by adding together all contributions otherwise taken into account in determining the ACR of the HCE (under the rules of Treas. Reg. §1.401(m)-2(a)(3)(ii)). However, the amount of contributions apportioned with respect to an HCE must not exceed the amount of contributions taken into account under this paragraph that were actually made on behalf of the HCE to the Plan for the Plan Year. Thus, in the case of an HCE who is an eligible Employee in more than one plan of the same Employer to which Employee Contributions or matching contributions are made and whose ACR is calculated in accordance with Treas. Reg. §1.401(m)-2(a)(3)(ii), the amount distributed under this paragraph shall not exceed such contributions actually contributed to the Plan for the Plan Year that are taken into account under this paragraph for the Plan Year.
 - (C) Apportionment to additional HCEs. The procedure in the foregoing subparagraph (A) shall be repeated until the total amount of Excess Aggregate Contributions have been apportioned.
- (iii) The income or loss allocated to the corrective distribution shall be equal to the sum of the gain or loss for the Plan Year and the allocated gain or loss for the period of time between the end of the Plan Year to the date of distribution. The income or loss may be calculated using any reasonable method, provided that the method shall not

violate IRC §401(a)(4); shall be used consistently for all Participants and all corrective distributions under the Plan for the Plan Year; and shall be used for allocating income to Participants' accounts.

- (iv) Distribution. Within 12 months after the close of the Plan Year in which the Excess Aggregate Contribution arose, the Plan shall distribute to each HCE the Excess Aggregate Contributions apportioned to such HCE as provided above, and the allocable income. Except as otherwise provided in this paragraph and Treas. Reg. §1.401(m)-2(b)(4)(v), a distribution of Excess Aggregate Contributions shall be in addition to any other distributions made during the year and shall be designated as a corrective distribution by the Employer. In the event of a complete termination of the Plan during the Plan Year in which an Excess Aggregate Contribution arose, the corrective distribution shall be made as soon as administratively feasible after the date of termination of the Plan, but in no event later than 12 months after the date of termination. If the entire account balance of an HCE is distributed prior to when the Plan makes a distribution of Excess Aggregate Contributions in accordance with this paragraph, the distribution shall be deemed to have been a corrective distribution of Excess Aggregate Contributions (and income) to the extent that a corrective distribution would otherwise have been required.
- (e) The following words shall have the following meanings, for purposes of this Article, unless the context clearly indicates otherwise:
 - (1) "Actual Contribution Percentage" or "ACP" shall mean, for a Plan Year and for either the Highly Compensated Employees or the non-Highly Compensated Employees, tested separately, the average of the Contribution Percentages of the eligible Participants in the group.
 - (2) "ACR" or "Contribution Percentage" shall mean the Participant's Contribution Percentage Amounts divided by the Participant's compensation, as defined in this Article, for the period of time during the Plan Year that the Participant was eligible to participate in the Plan.
 - (3) "Contribution Percentage Amount" shall mean the sum of the (a) Employee Contributions; (b) matching contributions; and (c) amounts recharacterized as Elective Deferrals (so long as the ADP test is met before the Elective Deferrals are used in the ACP test and continues to be met following the exclusion of those Elective Deferrals that are used to meet the ACP test). The ACP shall not include any matching contributions that shall be forfeited either to correct Excess Aggregate Contributions or because the contributions to which they relate are Excess Elective Deferrals, Excess Contributions or Excess Aggregate Contributions.
 - (4) "Employee Contribution" shall mean any contribution made to the Plan by or on behalf of a Participant that is included in the Participant's gross income in the year in which made and that is maintained under a separate account to which earnings and losses are allocated.
 - (5) "Excess Aggregate Contribution" shall mean, for a Highly Compensated Employee

in a Plan Year, the excess of a Participant's contributions over the maximum amount permitted by the ACP test for the Highly Compensated Employee.

- (6) "Matching Contribution" shall mean an employer contribution made to this or any other defined contribution plan on behalf of a Participant on account of an Employee Contribution made by such Participant, or on account of a Participant's Elective Deferral, under a plan maintained by the Employer.

19.4 Payment of Benefits. Payment of benefits shall not commence earlier than:

- (a) Participant's death;
- (b) Participant's disability;
- (c) Qualified Domestic Relations Order; or
- (d) Participant's severance from employment.

19.5 Controlling Provisions. The provisions of the Plan shall control the 401(k) portion of the Plan except as specifically modified by Article 19.

G. **Amendment #13** Effective February 5 2007, the March 2003 Handbook, Article 20, paragraphs 2 & 3 are amended and restated to allow for non spousal beneficiaries to rollover distributions to an IRA, to read as follows:

- (2) Eligible Retirement Plan. An "eligible retirement plan" for a Participant, a spouse or a former spouse who is an alternate payee as defined in IRC §414(p) shall mean: an individual retirement account under IRC §408(a); and individual retirement annuity under IRC §408(b); and annuity plan described in IRC §403(a); and annuity described in IRC 403(b); or an eligible defined contribution plan described in IRC §457(b) maintained by an eligible employer under IRC §457(e)(1)(A). An "eligible retirement plan" for a distributee who is a non-spouse beneficiary shall be limited to an individual retirement account described in IRC §408(a) or an individual retirement annuity described in IRC §408(b) established by the non-spouse beneficiary to accept the direct rollover.
- (3) Distributee. A "distributee" includes: (a) a Participant or former Participant; (b) the surviving spouse of a Participant or former Participant; (c) a spouse for former spouse who is an alternate payee under a Qualified Domestic Relations Order defined in IRC §414(p); or (d) a non-spouse beneficiary.

H. **Amendment #14** Effective September 1, 2007, the March 2003 Employee Handbook, Article 11 shall be amended as follows: (a) effective for distributions made after June 1, 2007, the reference to 90 days shall be amended to 180 days pursuant to the Pension Protection Act of 2006; and (b) effective for distributions made after September 1, 2007, the forms of distribution allowed under Article 11 shall be limited to:

- (a) a single payment. If a single payment shall be selected, a Participant may elect to receive an amount estimated to be 60 percent of the Participant's Account Balance as a partial payment of the Participant's total benefits. The 60percent partial payment shall be made within a reasonable period of time after approval of the Participant's pension. The balance of the Participant's benefits shall be paid to the Participant as soon thereafter as is administratively possible; or
- (b) as monthly installments of not less than \$100. More than 50 percent of the present value of the Participant's Account Balance shall be payable to the Participant, or the Participant's beneficiary in the event of the Participant's death, as measured as of the date that payments shall commence. The monthly installments may extend for a period of time equal to the joint life expectancy of the Participant and the Participant's beneficiary which shall be measured as of the date that payments shall commence; or
- (c) as monthly installments of not less than \$100 payable over the life expectancy of the Participant or the life expectancy of the Participant and the Participant's spouse. The life expectancy originally shall be calculated at the date that payments shall commence. However, the life expectancy may be redetermined periodically but not more frequently than annually.

- I. **Amendment #14** Effective for distributions made on or after October 29, 2008, Article 11, Section 11.6 shall be amended and restated as follows: Payment Change. A Participant, or the Participant's beneficiary, for any reason may direct the Board to change any installment payment and/or to make a lump sum distribution or all or a portion of the Participant's remaining vested account balance.
- J. **Amendment #15** The Board of Trustees of the TOC-Woodworkers, IAM Defined Contribution Plan and Trust adopt the following amendments, as good faith amendments, to comply with the following:

EGTRRA.

Amendment #1 to the Plan provided for good faith EGTRRA amendments but is not signed. The amendment was included with the GUST restatement submission. In order to document adoption of the amendment the Board of Trustees hereby confirms its previous adoption of the amendment, effective January 1, 2002.

Mandatory Ira Rollovers.

Amendment #11 to the Plan provided for a good faith amendment to implement new mandatory rollover rules. In order to clarify that the amendment is effective for

distributions on or after March 28, 2005, the Board of Trustees confirms its previous adoption of Amendment #11 with the March 28, 2005, effective date.

IRC §415 final regulations: Limitation on Amount of Plan Benefits for the Limitation Year Beginning on an After January 1, 2008

The annual retirement benefit provided by the Plan shall not exceed the limitations imposed by IRC §415, incorporated herein by reference. The maximum dollar limitation under IRC §415(b)(1)(A) is adjusted annually as provided for under IRC §415(d). In no case shall any benefit exceeding IRC §415 be accrued, distributed, or otherwise payable in any form of payment at any time under the Plan.

No other multiemployer plan shall be aggregated with this Plan for purposes of applying the limits if IRC §415.

For purposes of this Section, compensation shall be as defined in Treasury Regulation Section 1.415(c)-2(b), exclusive of amounts listed in Treasury Regulation Section 1.415(c)-2(c). Compensation for purposes of this Section shall include amounts paid after termination to the extent permitted under Treasury Regulation Sections 1.415(c)-2(e)(2), 1.415(c)-2(e)(3)(i), 1.415(c)-2(e)(3)(ii), and 1.415(c)-2(e)(3)(iii)(A).

K. **Amendment #16** TOC management Services and Woodworkers District Lodge 1, IAM, AFL-CIO, hereby agree to the adopt the following resolutions:

RESOLVED that effective for distributions made on or after September 1, 2010, Article 9, Section 9.3.3 shall be amended and restated as provided below:

9.3.3 Default Beneficiary Designation Provisions.

- (a) Default Designation. The Participant's designated beneficiary shall be:
 - (1) the default beneficiary under (b)(1) through (4) if:
 - (A) the Participant dies without making a beneficiary designation; or
 - (B) the Participant's designated beneficiary, or contingent beneficiary if applicable, predeceases the Participant.
 - (2) the default beneficiary under (b)(2) or (b)(3) if the Participant's initial default beneficiary under (b) is the Participant's spouse and the spouse dies before receiving a distribution of the Participant's benefit in the following circumstances:
 - (A) the spouse dies intestate: and either

- (B) the spouse dies without making a beneficiary designation;
or
 - C) the spouse's designated beneficiary, or contingent beneficiary if applicable, predeceases the spouse.
- b) Default Beneficiary. The Participant shall be deemed to have designated the following as the Participant's beneficiaries and/or contingent beneficiaries with priority in the following order:
 - (1) the Participant's spouse;
 - (2) the Participant's children of children of deceased children per stirpes. Children includes natural children, step-children and adopted children;
 - (3) the Participant's parents; and
 - (4) the Participant's estate.

III. Questions

If you have any questions regarding this Summary of Material Modifications, contact the Trust Office at 1-800-547-4457, ext. 1769.

Dated February 2012

Table of Contents

About Your Benefit Booklet.....	1
Introduction.....	3
Summary of the Defined Contribution Plan	4
Eligibility	4
Participating Employer Contributions	4
Benefit Hours of Service	5
Eligibility Hours of Service	5
Vesting Service.....	5
Hours of Vesting Service	6
Break in Service	6
Your Account Balance.....	7
Summary of 401(k) Option.....	8
Eligibility	8
Your Contributions	8
Catch-up Contributions	8
Participating Employer Matching Contributions.....	8
Vesting Service.....	9
Your Account Balance.....	9
Payment of Your Account Balance	9
How Benefits May Be Paid To You	10
Payment of Benefits.....	10
Normal Retirement	10
Early Retirement	10
Disability Benefits.....	10
Death Benefits	10
Termination of Employment Prior to Retirement	11
Forms of Payment.....	11
Taxes	13
Assignment of Your Account.....	13
Qualified Domestic Relations Order	13
Applying for Benefits	14
Administrative Information.....	16
Your Rights Under ERISA	20
Receive Information About Your Plan and Benefits.....	20
Prudent Actions by Plan Fiduciaries.....	20
Enforce Your Rights.....	21
Assistance with Your Questions.....	21
Agreement and Declaration of Trust.....	24

TOC-WOODWORKERS, IAM DEFINED CONTRIBUTION PLAN

Employee Retirement Benefits



About Your Benefit Booklet

This booklet is designed to give you an understanding of your retirement benefits which became effective on June 1, 1986 under the TOC-Woodworkers, IAM Defined Contribution Plan and Trust (the Plan).

The first part of this booklet is a Summary Plan Description of your Plan's important points. This is followed by the complete text of the Plan and Trust Agreement which governs the Plan's operation and administration.

This booklet explains who is eligible for benefits, how to participate in the Plan, when your participation begins and ends, the benefits available to you and your beneficiary, how to file a claim and your legal rights. Read it carefully to become familiar with this important source for your retirement income. Keep this information with your important papers for future reference. If you are married, you should also share this information with your spouse. If you have any questions about the Plan, or if you are nearing retirement, contact:

TOC-Woodworkers, IAM Defined Contribution Plan and Trust
c/o Associated Administrators, Inc.
2929 N.W. 31st Avenue
Portland, Oregon 97210-1773
Telephone (503) 222-9603

The benefits described in this summary apply to those participants eligible to participate under the Plan as of June 1, 1986, or hired by a participating employer on or after June 1, 1986.

We have tried to make this Summary Plan Description as complete, accurate and up-to-date as possible. However, the Summary Plan Description is based on a Plan and Trust Agreement that is also included in this booklet. As you review both sections of this booklet, keep in mind that if there are any discrepancies between the descriptions in this Summary Plan Description and the Plan and Trust Agreement, the Trust Agreement will always govern. In addition, you and your beneficiaries should not rely on any oral description of the Plan or benefits because the written terms of the Plan will always govern. To the extent not delegated,

Article 1 Definitions	24
Article 2 Employer Participation and Contributions	29
Article 3 Employee Participation.....	33
Article 4 Allocation of Contributions	33
Article 5 Eligibility Service	35
Article 6 Vesting.....	36
Article 7 Termination of Employment Prior to Retirement, Breaks in Service and Forfeitures.....	37
Article 8 Retirement Benefits	39
Article 9 Death Benefits	39
Article 10 Disability Benefits	41
Article 11 Form of Payment	41
Article 12 Management of Plan's Assets.....	54
Article 13 Administration of the Plan.....	58
Article 14 Amendment or Termination of the Plan	63
Article 15 Claims Appeal Procedure	64
Article 16 Spendthrift Provisions	65
Article 17 Accounting Procedure	66
Article 18 Situs, Construction of Plan and Miscellaneous	67
Article 19 401(k) Contributions and Employer Matching Contributions	68
Article 20 Rollover	74
Article 21 Qualified Military Service	76
Article 22 Unclaimed Benefits	77
Article 23 Trust Established	78

Introduction

For most of us, when we retire we draw on three types of financial resources: Social Security, personal savings, and a retirement plan where we work.

To help you supplement your other sources of retirement income, the TOC-Woodworkers IAM Defined Contribution Plan and Trust, offers you retirement through two plans:

1. Defined Contribution Plan (employer contributions)
2. 401(k) Plan (employee contributions)

Some employers offer employer contributions while others offer employer contributions and a 401(k) plan option. Contact the Administrative Office to find out which is available to you. With both options, you have an individual account with employer contributions that may be added to your account each month as determined by collective bargaining agreements. If your employer has elected to participate in the 401(k) plan option, you can also make regular contributions to your account.

Generally, once you are vested, your account balance is payable at:

- Normal retirement (age 65);
- Early retirement (age 55);
- Disability (any age);
- Death; or
- Termination of employment (only for the 401(k) plan option).

This introduction is a brief general description of your retirement benefits. The following sections provide a more detailed summary of your benefits which you should read. Please contact the Administrative Office if you have any questions.

the trustees of the Plan will have the authority to interpret the Summary Plan Description and the Plan and Trust Agreement.

This booklet contains a summary in English of your rights and benefits under the TOC –Woodworkers, IAM Defined Contribution Plan. If you have difficulty understanding any part of the booklet, contact Jim Smith or Sheryl Erickson, the Plan Administrator at 2929 NW 31st Avenue, Portland, Oregon 97210. Office hours are between 8:30 and 4:30 p.m., Monday through Friday. You may call the Plan Administrator's office at (503)222-9603 for assistance.

Este folleto contiene un resumen en inglés de sus derechos y beneficios bajo su Plan de Aportaciones Definidas de *T.O.C. Woodworkers, IAM Defined Contribution Plan and Trust*. Si tiene dificultad en entender cualquier parte de este folleto, comuníquese con Jim Smith o Sheryl Erickson, la Administradora del Plan, en el 2929 NW 31st Avenue, Portland, Oregon 97210. Las horas de oficina son de 8:30am a 4:30pm, de lunes a viernes. Para recibir asistencia, llame a la oficina de la Administradora del Plan al (503) 222-9603.

Benefit Hours of Service

A “Benefit Hour of Service” is an hour of service for which your employer is required to make a contribution to the Plan on your behalf.

Eligibility Hours of Service

“Eligibility Hours of Service,” which is not part of benefit hours of service, will be used in addition to benefit hours of service in determining your qualification for, and the vesting of, your benefits. Benefits under the Plan are based only on your benefit hours of service and not eligibility service. Eligibility hours of service is employment with a participating employer in a job classification for which contributions are not required to be made for you provided you move, with the same employer and without a termination of employment, to or from a job classification for which contributions are required. Eligibility service also includes your employment as a union official or representative if, after participation, you were granted a leave of absence to act as a union official or representative under the collective bargaining agreement by the last participating employer required to contribute to the Plan on your behalf.

You will receive 190 eligibility hours of service for each full calendar month of employment.

Vesting Service

“Vesting Service” determines your eligibility for retirement benefits. You are 100% vested in your account balance determined at the close of each Plan year when:

- You have a total of five years of vesting service;
- You have at least two years of vesting service, but your employment is terminated by the shutdown or discontinuance of a plant or department which is certified by the Board;
- You reach age 65 without a break in service (five consecutive Plan years with less than 300 hours of service in each Plan year).

For example, even if you terminate your employment before retirement age, you will be eligible to receive payment of your account balance at age 55 or older if you have at least five years of vesting service when you terminate. If you terminate your employment before you have five years of vesting service, your account will be forfeited after five one-year

Summary of the Defined Contribution Plan

Eligibility

You are eligible to participate in the Defined Contribution Plan after you have completed 750 hours of service for a participating employer within 12 consecutive months from the date you first worked for a participating employer. If the 12 consecutive months overlap two different Plan years (June through May), then you will become eligible in the second Plan year. You can then earn a year of service in that second Plan year if you have at least 300 hours reported on your behalf.

If you do not complete 750 hours of service during that initial 12-month period, then you become eligible in the first Plan year in which you complete 750 hours.

If you are a former vested participant who experienced a break in service, you are again eligible to participate after you have completed one hour of service for a participating employer.

You also may have become eligible if your employer had elected to participate in the Plan and you were an active participant in the prior plan (Timber Operators Council, Inc.- I.W.A. Pension Plan). Then, you automatically became a participant in the Plan, if you had at least one hour of benefit service after May 31, 1984 and before June 1, 1986, had not retired or died before May 1, 1986, and were vested either by the terms of the prior plan or because of that plan’s termination.

Participating Employer Contributions

Your participating employer contributes to your account based on your compensable hours. You will be credited with your employer’s contribution in a Plan year if you have at least 300 hours of service in that Plan year after you are eligible to participate in the Plan.

The amount contributed by your employer to your account is determined by a collective bargaining agreement. The maximum dollar limit on annual employer contributions and forfeitures to your account in a Plan year is the lesser of \$40,000 or 100% of your annual compensation. This limit may change from year to year.

under the Plan and you will be considered a new participant. You will not incur a break in service if:

- You are off work because of qualified military service;
- You are serving as an official or representative of District 1 or Local Lodge;
- You are on a leave of absence because of disability;
- You are on a maternity or paternity leave of absence; the maximum leave of absence will be one Plan year.

Your Account Balance

All benefits paid by this Plan are determined by the balance in your account.

Each month contributions are credited to your account when they are actually received. Your account is credited with any investment earnings on your account balance and on monthly contributions after they are credited to your account. Your account may also be credited with a portion of forfeitures from employees who have incurred five, one-year breaks in service. Your account is reduced by investment losses and Plan expenses.

At the end of each Plan year (May 31st), the Plan will determine:

- If you met the 750 hours of service rule and thereby are initially eligible to participate in the Plan; and
- If you had at least 300 hours of service in that Plan year.

If you retire on or after age 55, become totally disabled, die, or are involved in a plant closure certified by the Board during the Plan year, you are entitled to employer contributions for that Plan year even if you have not completed 300 hours of service.

breaks in service. The money in forfeited accounts is distributed to all other eligible participants (also see “Break in Service” section). Your vesting service is determined as follows:

- One year is credited if you earn at least 750 hours of vesting service (explained below) during a Plan year (June 1 through May 31);
- Your years of vesting service will include your years credited under Timber Operators Council, Inc.- I.W.A. Pension Plan (the defined benefit plan) prior to June 1, 1986, if you were initially eligible for the Plan on June 1, 1986.

Hours of Vesting Service

Generally, you will earn credit for each hour for which you are paid, including your vacation, holiday and other paid hours (bonus hours are not included). You may also receive vesting service credit, if:

- You are working for a participating employer in a job classification for which contributions are not required and you move (without a termination of employment) into a job classification with the same employer that requires contributions be made on your behalf.
- You are working for a participating employer in a job classification for which contributions are required and you move (without a termination of employment) into a job classification with the same employer for which contributions are not required to be made on your behalf.
- You are granted a leave of absence by a participating employer to act as a union official or representative provided you are a participant in this Plan or the prior plan (the Timber Operators Council, Inc. - I.W.A. Pension Plan).

Break in Service

A one-year break in service will occur if you are not credited with at least 300 hours of vesting service in a Plan year. If you have five consecutive one-year breaks in service before you have accumulated five years of vesting service, and if you are re-employed after a break that lasts at least five consecutive Plan years, benefits and hours that you have earned before the break in service are not counted for any purpose

Vesting Service

You are always 100% vested in your own contributions, Rollover Account and any investment earnings on the money in those accounts. This means you have the right to receive your benefit according to the 401(k) rules.

If your employer matches your 401(k) contributions, you automatically become 100% vested in employer contributions after three years of Vesting Service. The computation period for calculating vesting is the 12 consecutive months before and after the day you first perform an Hour of Service.

Your Account Balance

All benefits paid by the 401(k) option are determined by the balance in your account. Each month contributions are credited to your account when they are actually received. Your account is credited with any investment earnings on your account balance and on contributions that were credited to your account.

Payment of Your Account Balance

Your 401(k) account balance is payable on termination of employment in addition to the times that apply to payment of your employer's contributions.

Summary of 401(k) Option

Eligibility

The eligibility provisions of the 401(k) option are the same as for employer contributions except as noted below. You are eligible if your employer offers this option.

Your Contributions

You may choose to contribute a portion of your salary to your 401(k) account up to the maximum amount allowed by the Internal Revenue Code. Your contributions are deducted from your paychecks before income taxes are withheld. Social Security (FICA and Medicare) taxes continue to apply to your contributions to the Plan. Before-tax contributions offer you several advantages:

- You defer current federal income taxes and, in most cases, current state and local taxes on the money you contribute. You do not pay these taxes until you take the money from your 401(k) plan account.
- It reduces your current income tax payment since the amount of taxes withheld from your paychecks is based on a smaller amount.

You can also rollover to the Plan before-tax savings you have in distribution from another employer's qualified retirement plan.

Catch-up Contributions

If you reach age 50 before the end of the 401(k) Plan year, you will be eligible to make a special catch-up contribution to your account for that year. Catch-up contributions allow participants who are age 50 or over to increase their regular deduction if they are already contributing the maximum amount as defined by law. Commencing in 2002 the maximum annual catch-up contribution is \$1,000. The amount of the catch-up contribution will increase \$1,000 each year until 2006 at which time it will reach the maximum of \$5,000.

Participating Employer Matching Contributions

If your employer offers the 401(k) option, your employer may offer to match your contributions up to a maximum percentage. Contact your Administrative Office to find out if your 401(k) option provides employer contributions.

spouse will receive the benefits of your account balance unless your spouse has submitted a signed, notarized waiver to the Board prior to your death. If you designated your spouse as a beneficiary and then you are divorced, the designation of your former spouse is void as of the date of the divorce.

If you do not designate a beneficiary, or your beneficiary dies before you do or your designation of a former spouse is void, benefits will be paid in the following order of priority:

- Your spouse;
- Your children or children of deceased children;
- Your parents;
- Your estate.

If you die without selecting an optional form of payment, and payments had not yet begun, your beneficiary will receive your vested account in a form of payment selected by the beneficiary.

Termination of Employment Prior to Retirement

If you terminate employment after five years of vesting service and you are under age 55, you may apply for your benefits as early as age 55. You can receive your account balance when you become eligible for retirement. Your account will be paid to you under the appropriate automatic form of payment unless you elect an optional form of payment before payments begin.

If you terminate employment before becoming vested, you will forfeit your nonvested service and account balance. Your nonvested account balance will be forfeited and credited to the Plan's suspense account after you have five continuous one-year breaks in service. The money in the suspense account is distributed to eligible participants.

Forms of Payment

At the time of retirement you will have several payment options. Automatic forms of payment are:

- If you are a married participant and have not selected a payment option at the time of retirement, your benefit will automatically be paid as a 50% Joint and Survivor Option.

How Benefits May Be Paid to You

Payment of Benefits

Normal Retirement

References to the "Plan" in the following sections refer to both the employer contributions and the 401(k) contributions.

To apply for benefits you must submit a retirement application to the Administrative Office. If you are 100% vested in your account balance, payment of your account will begin no later than 60 days after the close of the Plan year in which:

- You become age 65; and
- Your employment with a participating employer terminates; and
- You have applied for payment of your account.

You may elect to defer payment of your account. However, you must begin receiving payment of your account after you reach age 70½ if your employment with a participating employer has been terminated.

Early Retirement

You may receive your vested account balance as early as age 55 if you apply for an early retirement benefit and your employment with a participating employer terminates.

Disability Benefits

If you are a vested participant and become disabled, you will be eligible for a benefit from your account regardless of your age at the time of disability. You will also be eligible to receive an employer contribution for the year in which you are disabled even if you had not completed 300 hours of service during that year. To apply for disability benefits you will be required to provide medical certification of your disability.

Death Benefits

If you are a vested participant and die, the Plan provides benefits will be paid to your surviving spouse or designated beneficiary. You may name anyone you wish as your beneficiary. However, if you are married, your

receive your entire account balance in a lump sum payment. If you are married, your spouse must consent to this form of payment.

When submitting your retirement application, you can request information on the available payment options by checking the appropriate box on the form. After you file your request for payment of your account, you will receive estimates on each form of payment based on your account balance. Once you begin receiving payment from your account, you cannot change your form of payment.

Taxes

Contributions and any earnings are added to your account on a tax-deferred basis. You do not pay income taxes on your account until the money is distributed to you or your beneficiary. To defer taxes on a lump sum payment or monthly payments paid in a series of payments for less than 10 years, you may opt to rollover all or a portion of your payment to another employer's qualified retirement plan or a traditional Individual Retirement Account (IRA).

Assignment of Your Account

Your account may not be assigned, sold, transferred, garnished or pledged as collateral. A creditor may not attach the value in your account as a means of collecting a debt owed by you. However, your account may be attached, to satisfy a federal tax levy or may be paid according to a Qualified Domestic Relations Order (QDRO) issued by a state court (see below).

Qualified Domestic Relations Order

Benefits may be paid to an alternate payee according to a Qualified Domestic Relations Order. This court order assigns to an alternate payee the right to receive all or a portion of the retirement benefits payable to you. An alternate payee can be your spouse, a former spouse, your child or other dependent. The order must specify required information and cannot alter the amount or form of benefits provided by the Plan. Payment may be made before early or normal retirement.

- If you are not married at the time of retirement and have not selected a retirement option, your benefit will be paid as a 60 Month Certain Annuity which will provide you with a monthly benefit for your life; however, if you die after you have received at least 60 payments, no benefits will be paid to your beneficiary.

Optional forms of payment are:

1. **Monthly Payment from the Plan** – You have the option to receive your entire account balance or a portion of your account paid to you in a series of monthly installments from the Plan. The unpaid balance of your account will continue to share in the earnings and expenses of the Plan. You determine the amount of your monthly payments (at least \$100). You will have the option to change your payment amount or take the remainder in a lump sum; however, you will be limited to one change per year.
2. **Purchase of an Annuity** – Your account balance may be used to purchase an annuity from an insurance company. This annuity will provide you with monthly payments. Annuities can be purchased in various forms which can also provide your spouse with a lifetime income in the event of your death. The Board will determine the various options that will be available under an annuity form of payment. Two of these options are as follows:
 - **60 Month Certain Annuity** – You can elect to have your account paid in a monthly benefit which would stop at your death if you have received 60 monthly payments. If you die prior to receiving 60 payments, your beneficiary will receive the balance of any remaining payments. This option gives you the highest monthly benefit. Your spouse must consent to this form of payment if you are married.
 - **Joint Survivor Annuity** – You may choose a 100% or 50% Spouse Option. Although the monthly amount of your retirement benefit is reduced, you will receive a monthly income for your lifetime and, in the event of your death, your spouse will receive 100% or 50% of your monthly income for your spouse's lifetime depending on the option that you select.

3. **Lump Sum Payment from the Plan** – You also have the option to

comments in writing. The Board of Trustees shall decide the appeal within 45 days from the receipt of the claimants request for review. If special circumstances require, the Board of Trustees may delay a decision for 60 days provided that the claimant shall be given notice. The notice shall be given prior to commencement of the extension; shall state the special circumstances which require the extension; and shall state the expected date of the decision. The Board of Trustees shall notify the claimant, in writing, as soon as possible of its decision but not later than 5 days after the decision.

A claimant shall not undertake any legal action for a claim until all rights under the claims appeal procedure shall have been exhausted.

Applying for Benefits

You, or if applicable, your spouse or beneficiary, may apply for benefits by submitting an application form to the Administrative Office. You must provide proof of your age, and, if you are married, you must provide proof of your marriage and your spouse's age. Applications can be obtained from the Administrative Office, your local union, or through your employer.

Claims Appeal Procedure. A claimant shall be given notice if a pension shall be wholly or partially denied. If the claimant shall not be satisfied with the decision, the claimant may submit the claim to the Pension Review Committee for a determination within 60 days of the denial. The Pension Review Committee shall review the issue and the claimant shall be given written notice of the decision 45 days after submission of the claim. However, the Pension Review Committee may obtain a 30-day extensions of time to make the decision if the Pension Review Committee shall not be able to make a decision for reasons beyond its control. To obtain the extension, the Pension Review Committee shall:

- Give the claimant written notice of the extension prior to the expiration of the 45 days;
- Advise the claimant of the circumstances requiring the extension of time;
- Advise the claimant of the expected date of the decision;
- Explain the standards on which a pension is awarded;
- State the unresolved issues that prevent a decision from being made; and
- State the additional information required to resolve the issues and permit the claimant at least 45 days to provide specified information.

The Pension Review Committee may have a second 30-day extension of time to make a decision if it follows the procedure set forth in the preceding sentence.

The claimant may appeal to the Board of Trustees the decision of the Pension Review Committee. The appeal shall be written and made within 180 days after the receipt of the decision of the Pension Review Committee. For the appeal, the claimant or the claimant's representative may review and copy pertinent documents and may submit issues and

Hank Snow
Roseburg Forest Products
P.O. Box 1088
Roseburg, OR 97470
(541)679-3311 FAX (541)679-2646
Email: hanks@rfpco.com

Marty Demaris
Woodworkers Local Lodge W12
3836 Altamont Drive
Klamath Falls, OR 97603
(541)884-8106 FAX (541)884-3471
Email: w12iam@aol.com

Randy Springer
Weyerhaeuser Company
P.O. Box 907
Albany, OR 97321
(541)926-7771 FAX (541)926-4531

John Hilkey
Woodworkers Local Lodge W261
4480 Rogue Valley Highway,
Suite 11
Central Point, OR 97502
(541)664-4605 FAX (541)664-4713
Email: IAMW261@aol.com

Employer Alternate
Rodger Glos
TOC Management Services
6825 SW Sandburg Street
Tigard, OR 97223-8009
(503)620-1710 FAX (503)603-3935
Email: rodger_glos@toc.org

Union Alternate
Chuck Macrae
Woodworkers District 1, IAM
25 Cornell
Gladstone, OR 97027-2547
(503)656-1475 FAX (503)657-2254
Email: cmacrae49@aol.com

The Board of Trustees employs Associates Administrators, Inc. as the Plan Administrator.

IRS – Employer Identification Number:
93-0951083

Plan Number:
002

Administrative Information

Plan Name:

TOC-Woodworkers, IAM Defined Contribution Plan and Trust.

Type of Plan:

Defined Contribution Plan, which means the Plan pays a benefit based on your accumulated account balance.

Plan Administration:

The TOC-Woodworkers, IAM Defined Contribution Plan and Trust is jointly administered by six individuals who constitute the Board of Trustees and who are responsible for the administration of the Plan. Three of the Board members are selected by TOC Management Services and three are selected by Woodworkers, IAM District 1. Each party also selects an alternate trustee who will serve in the absence of the trustee. Each party must certify to the Board's co-chairman the names of the Board members. Either party may remove or replace any of its Board members at any time by written notice to the other Party and to the Board's co-chairman.

The union trustees will select one co-chairman and the employer trustees will select the other co-chairman. A co-chairman will preside at alternative meetings of the Board. However, if a co-chairman is not present at a meeting, the other co-chairman will preside at the meeting. The Board may designate the Administrator to record its proceedings and maintain its records.

The names and address of the Board of Trustees are as follows:

Employer Representatives

Joseph A. Brislin, Co-chairman
TOC Management Services
6825 SW Sandburg Street
Tigard, OR 97223-8009
(503)620-1710 FAX (503)603-4399
Email: joe_brislin@toc.org

Union Representatives

Steve Wilson, Co-chairman
Woodworkers District Lodge 1,
IAM25 Cornell
Gladstone, OR 97027-2547
(503)656-1475 FAX (503)657-2254
Email: sww3353@aol.com

your beneficiary may write the Plan Administrator for a copy of the collective bargaining agreement. Collective bargaining agreements related to the Plan are available for examination at the appropriate employer establishment or union meeting hall or office within 10 calendar days following the day on which a request for disclosure at that location is made. You or your beneficiary may also write the Plan Administrator for a complete list of employers and employee organizations sponsoring the Plan.

Name and Address of Administrator and Request for Information and Documents:

All requests for information or questions relative to coverage, benefits and interpretation of the plan should be addressed to:

TOC – Woodworkers, IAM Defined Contribution Plan and Trust
c/o Associated Administrators, Inc.
2929 N.W. 31st Avenue
Portland, OR 97210-1773

Discontinuance or Changes to the Plan

The Board of Trustees intends that this Plan is permanent. However, future conditions cannot be foreseen and the Board reserves the right to change or terminate the Plan at any time. These and other Plan and Trust provisions are also the subject of the terms of the collective bargaining agreements.

In the event the Plan is terminated, each participant's account balance will become fully vested. The Plan's assets will be distributed as determined by the Board and as specified by federal law and regulations in effect at that time.

Plan Year:

June 1 through May 31.

Funding:

Contributions to the Plan are made by participating employers. These contributions are made periodically to the TOC – Woodworkers, IAM Defined Contribution Plan and Trust fund which, by law, must be maintained on a sound actuarial basis. The purpose of the trust fund is to fund the benefits provided under the Plan and cover the cost of administration of the Plan. Contributions to the trust fund meet the funding standards provided for by law.

The Plan's assets are managed by investment managers appointed by the Board. A custodian bank holds the Plan's assets. The Board employs an investment monitor to monitor the investment of the Plan's assets.

Benefits are not guaranteed by the Pension Benefit Guaranty Corporation because this is a Defined Contribution Plan.

Claims Appeal Procedure:

The claims appeal procedure is explained in the "Claim Appeal Procedure" section. Any correspondence relative to the claims appeal procedure should be addressed to:

TOC-Woodworkers, IAM Defined Contribution Plan and Trust
c/o Associated Administrators, Inc.
2929 N.W. 31st Avenue
Portland, OR 97210-1773

Agent for Service of Legal Process:

Associated Administrators, Inc.
2929 N.W. 31st Avenue
Portland, OR 97210-1773

Legal process may also be served on the Plan Administrator or a Plan Trustee.

Collective Bargaining Agreements:

The Plan is maintained under several collective bargaining agreements between contributing employers and that Woodworkers, IAM. You or

benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for benefits is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division

Your Rights Under ERISA

As a participant in this Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants will be entitled to:

Receive Information About Your Plan and Benefits

You have the right to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this Summary Annual Report.
- Obtain a statement telling you your vested account balance, whether you have a right to receive benefits at normal retirement age (age 65) and, if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to get a right to a benefits. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants ERISA imposes duties upon the people who are responsible for the operation of the employee

of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

Agreement and Declaration of Trust

with or within the calendar year. The annual maximum compensation shall then be the applicable Annual Compensation multiplied by a fraction, the numerator of which shall be the number of months in the short Plan Year and the denominator of which shall be 12.

For Plan Years beginning before January 1, 1997 the rules of IRC §414(q)(6) shall apply in determining Annual Compensation except that the term "family" shall include only the Participant's spouse and any lineal descendant who has not attained age 19 before the last day of the Plan Year. If the maximum Annual Compensation, as adjusted, shall be exceeded because of this rule, the maximum Annual Compensation shall be prorated among the affected individuals in proportion to each Participant's Annual Compensation before the adjustment required by this rule.

- 1.4 "Association" means the TOC Management Services, an Oregon corporation.
- 1.5 "Benefit Hour of Service" means an Hour of Service for which contributions are required to be made by a Participating Employer on behalf of a Participant.
- 1.6 "Board" means the Board of Trustees of this Plan.
- 1.7 "Custodian" means the bank or trust company appointed pursuant to paragraph 12.2.
- 1.8 "Disability" is defined in Article 10.
- 1.9 "Early Retirement Date" shall mean the later of the date:
 - (a) on which a vested Participant shall reach age 55; or
 - (b) after age 55 when a Participant shall become vested if the Participant shall not be vested at age 55.
- 1.10 "Effective Date" of the original Plan was June 1, 1986 and the restated effective date is January 1, 1997 except as otherwise specifically provided.
- 1.11 "Eligibility Hour of Service" means an Hour of Service for which eligibility service is earned pursuant to paragraph 5.1.
- 1.12 "Employee" means a person employed by a Participating Employer.
- 1.13 "Highly Compensated Employee" shall include an active Employee or former Employee. An Employee, who performs services for Employer at any time during the current Plan Year, shall be a Highly Compensated Employee if, for Plan Years

Agreement and Declaration of Trust

In April 1986, the TOC and Western States Regional Council No. III, International Woodworkers of America, AFL-CIO agreed that participants would not accrue benefits for hours worked after May 31, 1986 in the Timber Operators Council, Inc.-I.W.A. Pension Plan. TOC and Western States Regional Council No. III, International Woodworkers of America, AFL-CIO also agreed to establish a new defined contribution plan for hours worked after May 31, 1986. This defined contribution plan was established for hours worked after May 31, 1986. In July 1987, Western States Regional Council No. III, International Woodworkers of America, AFL-CIO, changed its name to International Woodworkers of America, U.S., AFL-CIO. On May 1, 1994, International Woodworkers of America, U.S., AFL-CIO became Woodworkers District Lodge 1, IAM, AFL-CIO. This plan and trust agreement complies with the Employee Retirement Income Security Act of 1974 (ERISA) as amended. The restatement is effective as of January 1, 2003, through Amendment No. 6.

Article 1 Definitions

The following words shall have the following meanings unless the context clearly indicates otherwise:

- 1.1 "Account Balance" means a Participant's Account Balance derived from a Participating Employer's contribution to this Plan. Account Balance does not include a rollover from another Plan which is a separate vested account.
- 1.2 "Administrator" means the person or company appointed by the Board to supervise the administration of this Plan.
- 1.3 "Annual Compensation" shall mean the amount of all W-2 earnings for personal services paid to the Participant by Employer in the Plan Year increased by any amount which a Participant elects to contribute to a Plan pursuant to IRC §125; § 132(f)(4); §402(e)(3); §402(h) or §403(b). Annual Compensation only includes compensation actually paid or included in gross income during the Limitation Year. The maximum Annual Compensation for determining all benefits under the Plan shall not exceed the sum of \$200,000, which shall be increased pursuant to regulations of the Secretary of the Treasury and shall be reduced if the period of time to calculate compensation shall be less than the 12 months. The cost of living adjustment in effect for a calendar year applies to Annual Compensation for the determination period that begins

time during which no duties were performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence. No more than 501 Hours of Service shall be credited under this paragraph for any single continuous period (whether or not the period occurs in a Plan Year). Hours under this paragraph shall be calculated and credited pursuant to '2530.200b-2 of the Department of Labor Regulations; and

- (c) each hour for which back pay, irrespective of mitigation of damages, shall be either awarded or agreed to by the Participating Employer. The same Hours of Service shall not be credited both under paragraph (a) or paragraph (b), as the case may be, and under this paragraph (c). These hours shall be credited to the Employee for the Plan Year for which the award or agreement pertains rather than the Plan Year in which the award, agreement or payment shall be made.

- 1.15 "Inactive Participant" means a former Participant for whom contributions are not required to be made to the Plan.
- 1.16 "Investment Manager" means a fiduciary (a)who has the power to manage, acquire, or dispose of any assets of the Plan; (b)who is (i)registered as an Investment Adviser under the Investment Advisers Act of 1940; (ii)is a bank, as defined in the Act; or (iii)is an insurance company qualified to perform services described in subparagraph (a)under the laws of more than one State; and (c)has acknowledged in writing that it is a fiduciary with respect to the Plan.
- 1.17 "District 1" means the Woodworkers District Lodge 1, IAM, AFL-CIO.
- 1.18 "Limitation Year" means the 12-month period ending on May 31.
- 1.19 "Local Lodge" means a union chartered by, or affiliated with, the IAM, AFL-CIO.
- 1.20 "One Year Break in Service." Except as provided in paragraph 7.2, an individual shall incur a One Year Break in Service if the individual shall have less than 300 Benefit and/or Eligibility Hours of Service in a year. The year or years to calculate the Break in Service shall be the Plan Year. A Participant shall

beginning after December 31, 1996, the Employee:

- (a) during the Plan Year or the preceding Plan Year (look back year) was a 5-percent owner at any time; or
- (b) during the look back year:
 - (i) received compensation from the Employer in excess of \$80,000, as indexed, and
 - (ii) if the Employer elects the application of this clause for the look back year, was in the top-paid group of Employees for such preceding year. An Employee is in the top-paid group of Employees if such Employee is in the group consisting of the top 20-percent of the Employees when ranked on the basis of compensation paid during such year.

Compensation, for purposes of determining who is a Highly Compensated Employee, shall mean Annual Compensation as defined in paragraph 2.2, above. The indexing of the \$80,000 shall be made pursuant to IRC §415(d), for purposes of determining who is a Highly Compensated Employee.

A highly compensated former employee includes any Employee who separated from service prior to the Plan Year, performs no service for the Employer during the Plan Year and was a highly compensated active employee for either (i) the Plan Year the Employee separated from service; or (ii) any Plan Year ending on or after the Employee attained age 55.

- 1.14 "Hour of Service" means
 - (a) each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Participating Employer. The hours shall be credited to the Employee for the Plan Year in which the duties shall be performed; and
 - (b) each hour for which an Employee is paid, or entitled to payment, by the Participating Employer for a period of

- 1.24 "Parties" means the "Association" and "District 1."
- 1.25 "Plan" means this pension plan.
- 1.26 "Plan Year" means the period from June 1 of any calendar year to May 31 of the next calendar year.
- 1.27 "Qualified Domestic Relations Order" shall mean a domestic relations order which creates or recognizes an alternate payee's rights to, or assigns to an alternate payee, all or a portion of the Participant's account balance. The domestic relations order shall specify (a) the name and last known mailing address of the Participant and each alternate payee; (b) the amount or percentage of the Participant's account balance payable to each alternate payee or the method to calculate the amount payable to each alternate payee; (c) the number of payments or periods to which the order shall apply; and (d) a statement that the order shall apply to this Plan. The Administrator shall determine whether a domestic relations order is a "Qualified Domestic Relations Order" upon following consistently applied reasonable procedures adopted by the Administrator.
- 1.28 "Retiree" means a former Participant who is receiving a pension from this Plan.
- 1.29 "Retirement Date" means the date on which a Participant shall reach age 65.
- 1.30 "TOC-I.W.A. Pension Plan" means the Defined Benefit Pension Plan maintained by the Parties which was terminated on May 31, 1986.
- 1.31 "Year of Service" means a Plan Year in which an employee was employed by a Participating Employer for at least 750 Hours of Service.
- 1.32 "Year of Vesting Service" means a Plan Year in which an employee was employed by a Participating Employer for at least 750 Benefit Hours of Service, 750 Eligibility Hours of Service or a combination of 750 Benefits Hours of Service or Eligibility Hours of Service.

Article 2 Employer Participation and Contributions

- 2.1 Eligibility. An employer shall be eligible to participate in this Plan which (a) is a party to a collective bargaining agreement with a Local Lodge which requires the employer to contribute to the Plan; or (b) elects to participate in the Plan pursuant to a collective bargaining agreement with a Local Lodge; or (c) is

receive credit of not more than 301 Hours of Service to prevent a One Year Break in Service if the Participant shall be absent from work for any period of time because of the placement of a child with the Participant in connection with the adoption of a child or because of the Participant's pregnancy, birth of a child, or caring for a child immediately after the birth or placement of a child with the Participant. During the absence, the Participant shall receive credit for Hours of Service which the Participant normally would have been credited or eight hours per day if the Board shall be unable to determine the Hours of Service which the Participant normally would have been credited during the absence; provided, however, that the number of Hours of Service credited to the Participant shall equal the minimum number of Hours of Service necessary to prevent a One Year Break in Service. The Hours of Service credited under this paragraph shall be granted in the Plan Year in which the absence shall commence if the credited Hours of Service shall be necessary to prevent a One Year Break in Service; otherwise, the Hours of Service shall be credited in the immediate following Plan Year. The Hours of Service credited under this provision shall be only for the purpose of preventing a break in service and shall not be credited to either Benefit Hours of Service or Eligibility Hours of Service. The Board shall establish reasonable rules which shall permit a Participant to establish the duration of an absence and that the absence is for a reason set forth above.

- 1.21 "Participant" means an employee of a Participating Employer on whose behalf the employer is required to make contributions to the Plan and who has satisfied the Plan's eligibility requirements. "Participant" includes an employee of District 1 on whose behalf contributions are payable to the Plan; provided, however, that the employee of District 1 is not a participant in another negotiated qualified Plan which has been bargained for in good faith and to which District 1 contributes.
- 1.22 "Participating Employer" means an employing unit, which has qualified and agreed to participate in this Plan and is required to contribute to the Plan and the eligible employees of which unit share in the Plan's benefits.
- 1.23 "Participation Agreement" means a written agreement between a Participating Employer and the Board setting forth the basis on which contributions are to be made to this Plan.

- (a) Liability. A current or former Participating Employer which fails or refuses to make any required contribution or file any report by the due date shall be liable for the delinquent contribution, interest on the delinquent contribution at the rate of the U. S. National Bank of Oregon's prime interest rate plus 2 percent, liquidated damages, costs, disbursements, reasonable auditors' fees, reasonable attorneys' fees and other expenses incurred in connection with the collection whether or not an action or suit shall be filed to collect the delinquent contribution. In addition, the Employer shall be liable to reimburse the Participant for the amount required pursuant to applicable fiduciary requirements or Department of Labor regulations. The Board may take any action against the delinquent employer as it, in its discretion, deems advisable, including bringing suit or action in any court of competent jurisdiction to compel an accounting and to recover the employer's liability to the Plan. If a suit or action shall be filed, there shall be added to the obligation of the delinquent employer, as set forth above, reasonable expenses of litigation and reasonable auditors' fees and reasonable attorneys' fees on any trial or any appeal thereof. Attorneys' fees and auditors' fees paid by the Plan shall be presumed to be reasonable. The Participating Employer hereby waives any defense based on the statute of limitations.
- (b) Termination. A Participating Employer shall be terminated from future participation in the Plan and its Participants shall lose all future benefit accruals if the Participating Employer shall be delinquent in its contributions for more than one month past the month in which the contributions were required to be paid to the Plan. The Board, in its sole discretion, shall determine if a terminated Participating Employer and its Participants shall be readmitted to the Plan.
- (c) Underpayment. If an underpayment shall be discovered, the underpayment shall be corrected and shall be added to the contribution made for the Plan Year of collection. This amount shall be added to the contribution made in the Plan Year of collection and allocated in the year

- District 1 or a Local Lodge; or (d) is the Administrator.
- 2.2 Effective Date. The effective date of participation of a Participating Employer shall be the first day on which the employer is required to make contributions to the Plan under the employer's Participation Agreement.
- 2.3 Payment. Each Participating Employer shall make monthly contributions to the Plan from its effective date of participation. A Participating Employer with an effective date of participation prior to the date of execution of its Participation Agreement shall pay to the Plan, within 30 days from the date of execution of the employer's Participation Agreement, the amount necessary to bring its payments current.
- 2.4 Rate of Contribution. Each Participating Employer shall contribute and pay to the Plan an amount determined by a collective bargaining agreement entered into between the employer and a Local Lodge. If the employer has no collective bargaining agreement, the amount shall be fixed and determined by either the collective bargaining agreement under which the employer has elected to participate under paragraph 2.1(b) or the employer's Participation Agreement.
- 2.5 Contributions as Debt of Employer. All of a Participating Employer's payments shall constitute a debt of the employer which is collectible by the Plan.
- 2.6 Payment as Satisfaction of Financial Obligation. Payment by a Participating Employer of the required contributions and other payments shall be a complete discharge of its financial obligation under this Plan except as provided by law.
- 2.7 Records to Board. Each Participating Employer shall provide with each monthly payment to the Plan a report containing the information the Board requires to enable it to properly administer the Plan. On request of the Board, an employer shall make available for examination by the Board, or its designated representative, all payroll and employment records reasonably required to enable the Board to properly and effectively perform its functions. The Board shall have the right, at any time, to audit the payroll and employment records of any current or former Participating Employer to determine that appropriate reports and contributions are, or were, made for all compensable hours of covered employees.
- 2.8 Failure to Make Contributions.

Article 3 Employee Participation

- 3.1 Effective Date of Contributions for an Employee. The effective date of contributions on behalf of an employee shall be the first day for which a Participating Employer is required to make contributions to the Plan on behalf of the employee.
- 3.2 Eligibility to Participate. An employee shall be eligible, and shall participate, if the employee shall satisfy either of the following requirements:
- (a) the employee had a Benefit Hour of Service in the TOC-I.W.A. Pension Plan after May 31, 1984 and before June 1, 1986 and had not retired or died before May 1, 1986 and was vested either by the terms of the TOC-I.W.A. Pension Plan or by that Plan's termination;
 - (b) all other employees shall complete 750 Hours of Service in the employment of a Participating Employer within 12 consecutive months commencing with the date on which the employee shall first perform an Hour of Service for a Participating Employer. However, if an employee shall not complete the 750 Hours of Service within this period of time, the 750 Hours of Service shall be measured by the Plan Year; the first Plan Year used in the computation shall include the anniversary date of the employee's commencement of employment. An employee shall become a Participant on the first day of the Plan Year in which the employee shall complete 750 Hours of Service except as set forth in paragraph 4.1(b), below. An Inactive Participant shall be a Participant upon completion of an Hour of Service if the Inactive Participant was either vested or incurred a One Year Break in Service but had not incurred five consecutive One Year Breaks in Service. An Inactive Nonvested Participant who has incurred five consecutive One Year Breaks in Service shall be required to reestablish eligibility pursuant to this paragraph.

Article 4 Allocation of Contributions

- 4.1 Allocation.
- (a) General. Each Participant shall be credited with the

collected in the same manner and among the Participants not excluded, as defined below, based on the contribution for the Plan Year in which the underpayment occurred. The allocation shall not be made to Participants whose Account Balance shall have been distributed at the time of allocation. Any deficiency not allocated shall be paid to the Plan's suspense account.

2.9 Overpayment of Contributions.

- (a) Without Mistake of Fact. If a Participating Employer shall make an overpayment without a mistake of fact, the Participating Employer shall not be entitled to recoup any part of the excess and it shall remain to the credit of the accounts of the Participants to whom it was allocated for the Plan Year in which the contribution was made. The overpayment shall not reduce the amount of any contribution by the Participating Employer in any subsequent Plan Year.
- (b) Mistake of Fact. If an overpayment shall be made by mistake of fact, the Board shall have the right to:
 - (1) allow all, or a portion, of the excess to remain in the Plan and remain to the credit of the accounts of the Participants to whom it was allocated; or
 - (2) return to the Participating Employer all, or a portion, of the excess contribution within one year after the payment of the contribution.

2.10 Liquidated Damages. The regular and prompt payment of employer contributions to the Plan is essential to the maintenance of the Plan. The amount of liquidated damages resulting from any failure to promptly make contributions shall be the greater of 20 percent of the amount of the contribution due or \$50. This amount shall become due and payable by the delinquent employer to the Plan upon the day immediately following the day on which the contribution becomes delinquent and shall be payable in addition to the delinquent contribution.

2.11 Jurisdiction. All disputes between the Plan or its Board and a Participating Employer shall be filed and adjudicated in either the appropriate Court of the State of Oregon in Multnomah County or the United States District Court for the District of Oregon.

\$40,000, as adjusted for increases in the cost-of-living pursuant to IRC 415(d); or (b) 100 percent of the Participant's compensation within the meaning of IRC 415(c)(3) for the Limitation Year. However, the sum of \$40,000 may be exceeded if authorized by regulations issued by the Secretary of Treasury. An annual addition shall consist of the Participating Employer's contribution and forfeitures. The Participant's Annual Compensation, which is in excess of the compensation which would be required to produce the maximum annual addition, shall be disregarded for purposes of the Participating Employer's contribution to the Plan or plans. If an allocation in excess of the annual addition would have been made to a Participant's Account Balance, the Administrator shall reallocate the excess amount to the suspense account. If the Participating Employer shall have more than one Defined Contribution Plan, the reallocation first shall be made in the Participating Employer's plan other than this Plan.

Article 5 Eligibility Service

5.1 Eligibility Service. Eligibility Hours of Service, which is not part of Benefit Hours of Service, shall be used in addition to Benefit Hours of Service for the purpose of determining qualification for, and vesting of, benefits. Benefits under the Plan shall be based on all Benefit Hours of Service and not Eligibility Hours of Service. Eligibility Hours of Service is employment which qualifies in any one of the following categories:

- (a) employment with a Participating Employer after the employer's effective date of participation in a job classification for which contributions are not required, provided that the employee moves without a termination of employment to a job classification with the same employer for which contributions are required;
- (b) employment with a Participating Employer, affiliate or subsidiary of that employer in a job classification for which contributions are not required, provided that the employee moves without a termination of employment from a job classification with the same employer for which contributions were required;
- (c) employment as a union official or representative after participation if the Participant is granted a leave of

Participating Employer's contribution made on the Participant's behalf according to paragraph 2.4, above. An allocation shall be made for the Participant in the first Plan Year in which the Participant shall participate in the Plan commencing on the date on which the employee shall become a Participant in the Plan pursuant to paragraph 3.2. Except as set forth in paragraph 4.1(b), below, a Participant, or former Participant, after satisfying the Plan's initial eligibility requirement, shall receive an allocation for a Plan Year if the Participant shall have 300 Benefit Hours of Service and/or Eligibility Hours of Service in a Plan Year. In addition, a Participant with less than 300 Benefit Hours of Service and/or Eligibility Hours of Service shall receive an allocation for the Plan Year or the Plan Year following the Plan Year in which the Participant's employment shall be terminated by a shut down or discontinuance of a plant or department which is certified by the Board.

- (b) Employers Who Commence Participation After November 30. If an employer shall become a Participating Employer after November 30, then an employee employed on the effective date shall receive an allocation in the first Plan Year if the employee shall have 300 Benefit Hours of Service and/or Eligibility Hours of Service in the first Plan Year if the employee shall either
 - (i) complete 750 Hours of Service within 12 consecutive months commencing with the effective date; or
 - (ii) complete 750 Hours of Service in the first Plan Year commencing June 1 following the employer's effective date of participation.

4.2 Participant's Rights. The fact that an allocation shall be made and credited to the Participant's Account Balance shall not vest in the Participant any right, title or interest in and to any asset except at the time or times and upon the terms and conditions expressly set forth in this Plan.

4.3 Annual Addition. An annual addition to all Participating Employer Defined Contribution Plans may not be made for a Participant in a Plan Year that shall exceed the lesser of (a)

However, a vested Participant who shall

- (a) terminate employment because of a disability or plant closure;
- (b) receive all of the Participant's Account Balance; and
- (c) return to employment and subsequently become a Participant shall, for purposes of determining vesting for subsequent distributions, retain the Years of Vesting Service for all years for which the Participant previously received a distribution.

6.4 Vesting Credit for Past Service with Employer. A Participant, whose effective date of coverage is the same as the Participant's employer's effective date of participation, shall be entitled to one Year of Vesting for each Year of Service that the Participant earned under the Participating Employer's qualified or non-qualified deferred compensation plan. The Years of Vesting Service earned under the employer's deferred compensation plan shall be measured at the employer's effective date of participation and for the Years of Service during which the Participant was in the last continuous employ of the Participating Employer.

Article 7 Termination of Employment Prior to Retirement, Breaks in Service and Forfeitures

7.1 Account Balance on Termination. A Participant's Account Balance shall be paid to the Participant pursuant to Article 11. The Participant's nonvested Account Balance shall be forfeited and shall be credited to the Plan's suspense account.

7.2 Breaks in Service. Years of Vesting Service, as defined in paragraph 1.30, shall include all Benefit Years of Service or Eligibility Years of Service with a Participating Employer after the Effective Date except as set forth in paragraphs 6.2 and 6.3. If a nonvested Participant shall have a One Year Break in Service, Years of Vesting Service before the One Year Break in Service shall not be included in Years of Vesting Service until the Participant shall have completed a Year of Vesting Service after the One Year Break in Service. If a Participant shall not have any vested Account Balances and shall incur a One Year Break in Service, Years of Vesting Service after the One Year Break in Service shall not be included in Years of Vesting Service prior to the One Year Break in Service if the number of

absence to act as a union official or representative under the terms of the collective bargaining agreement by the last Participating Employer which was required to contribute to the Plan on behalf of the employee when the employee was a Participant in this Plan or in TOC-I.W.A. Pension Plan.

5.2 Determination of Eligibility Service. A Participant shall receive 190 Eligibility Hours of Service for each full calendar month of employment.

5.3 No Duplication of Service. A Participant shall not receive Eligibility Hours of Service and Benefit Hours of Service for the same Hour of Service.

Article 6 Vesting

6.1 Vesting. A Participant shall be fully vested in the Participant's Account Balance if the Participant shall satisfy any of the following requirements:

- (a) the Participant accumulates a total of five Years of Vesting;
- (b) a Participant with two Years of Vesting Service is terminated by the shutdown or discontinuance of a plant or department which is certified by the Board;
- (c) a Participant shall be fully vested when the Participant shall reach the Retirement Date.

6.2 Vesting Credits from TOC-I.W.A. Pension Plan. A Participant, who shall be initially eligible to participate in this Plan pursuant to paragraph 3.2(a), shall receive Years of Vesting Service equal to the years of vesting the Participant earned under the TOC-I.W.A. Pension Plan, as defined in paragraph 1.28.

6.3 Vesting Credit after Termination of Employment and Payment of Benefits. A vested Participant, who shall:

- (a) terminate employment because of either early retirement or normal retirement;
- (b) receive payment of all of the Participant's Account Balances; and
- (c) return to employment and subsequently become a Participant shall not, for purposes of determining vesting for subsequent distributions, retain the Years of Vesting Service for the years for which the Participant previously received a distribution.

to a formula determined by the Board.

Article 8 Retirement Benefits

8.1 Normal Retirement.

- (a) A Participant may retire on or after the Retirement Date. A Participant shall be 100-percent vested in the Participant's Account Balance if the Participant shall retire on or after the Retirement Date. A Participant may defer the payment of benefits until after the Participant's actual termination of employment if the Participant shall retire on or after the Retirement Date. The Participant's Account Balance shall be paid pursuant to Article 11.
- (b) A Participant shall be eligible for an allocation from a Participating Employer's contribution in the Plan Year in which the Participant shall retire on or after the Retirement Date even though the Participant shall not have 300 Benefit Hours of Service in the Plan Year.

8.2 Early Retirement.

- (a) A vested Participant may retire on or after the Early Retirement Date. A Participant may defer the payment of benefits until after the Participant's actual termination of employment if the Participant shall retire on or after the Early Retirement Date. The Participant's Account Balance shall be paid pursuant to Article 11.
- (b) A Participant shall be eligible for an allocation from a Participating Employer's contribution in the Plan Year in which the Participant shall retire on or after the Early Retirement Date even though the Participant shall not have 300 Benefit Hours of Service in the Plan Year.

Article 9 Death Benefits

- 9.1 Vested Benefit. A vested deceased Participant's Account Balance shall be paid pursuant to Article 11. A deceased Participant shall be eligible for an allocation from a Participating Employer's contribution in the Plan Year in which the Participant shall die even though the Participant shall not have 300 Benefit Hours of Service in the Plan Year. The Trustee shall pay the amount pursuant to Article 11 to the beneficiary designated by the Participant.

consecutive One Year Breaks in Service equals or exceeds the greater of either (a) five consecutive One Year Breaks in Service, or (b) the aggregate number of Years of Vesting Service before the One Year Break in Service. A Participant shall not incur a Break in Service during the period of time during which the Participant shall:

- (a) serve in the Armed Forces of the United States if the Participant's benefits shall be preserved for the Participant by the Uniformed Services Employment and Reemployment Act of 1994, as amended, or by any prior or other similar legislation;
- (b) serve as an official or representative of District 1 or Local Lodge;
- (c) be on a leave of absence caused by a disability.

- 7.3 Forfeiture. If a Participant shall terminate employment, a Participant shall forfeit the nonvested portion of the Participant's Account Balance after the Participant's fifth consecutive One Year Break in Service.

- 7.4 Inactive Participant. If a Participant shall not be eligible for further participation in the Plan but shall earn Eligibility Hours of Service, the Participant's Account Balance on the date that the Participant shall become ineligible, shall continue to vest, shall become payable or shall be forfeited, as the case may be, in the same manner and to the same extent as if the employee remained a Plan Participant. An Inactive Participant shall not receive an allocation from a contribution made by a Participating Employer after the date on which the Inactive Participant shall not be eligible to participate in the Plan.

- 7.5 Suspense Account. All forfeitures during the Plan Year or unallocated Plan assets shall be credited to the Plan's suspense account; investment gains or losses shall not be allocated to the suspense account. As of each Plan Year, the total amount in the suspense account shall be withdrawn and allocated in the following order:

- (a) to pay the Plan's expenses for the Plan Year ending on that Plan Year;
- (b) to pay the expenses for the following Plan Year. An amount equal to the amount referred to in subparagraph (a), above, shall be held as a reserve for the expenses;
- (c) to the Plan's Participants, as of that Plan Year, according

spouse of a former participant of the TOC-I.W.A. Pension Plan, a Participant or an Inactive Participant for an amount which originates, as a dividend or from the contingency reserve, from the participating annuity issued by Metropolitan Life Insurance Company.

Article 10 Disability Benefits

- 10.1 Vested Benefit. A vested disabled Participant shall be paid the Participant's Account Balance pursuant to Article 11. A vested disabled Participant may retire at any age. A disabled Participant shall be eligible for an allocation from a Participating Employer's contribution in the Plan Year in which the Participant shall become disabled even though the Participant shall not have 300 Benefit Hours of Service in the Plan Year.
- 10.2 Definition of, and Qualification for, Disability. The term "disability" shall mean the inability to engage in any substantial, gainful activity by reason of a medically determinable impairment that may be expected to be of long, continued and indefinite duration. The Participant shall not be entitled to receive a disability retirement benefit if the disability were incurred during, or results from, any military service.
- 10.3 Application for Benefits. A Participant shall file an application for disability benefits. A Participant's application for disability benefits shall contain a medical certification that the Participant is disabled as defined in 10.2. A Social Security disability pension shall be some evidence of disability as defined in 10.2 but shall not be the sole criteria for the Participant to be eligible to receive disability retirement benefits from this Plan. The Board may require the Participant to submit to a physical examination by a physician or surgeon selected by the Board and at the expense of the Plan.

Article 11 Form of Payment

- 11.1 Form of Payment. The form of payment, except as set forth in paragraph 11.5 or in a qualified domestic relations order, shall be a life annuity for an unmarried Participant and a qualified joint and survivor annuity for a married Participant. The qualified joint and survivor annuity is a nontransferable annuity payable for the lifetime of the Participant with a survivor annuity for the Participant's spouse. The survivor annuity shall be not less than

- 9.2 Beneficiary Designation. A Participant's spouse shall be the Participant's beneficiary unless the spouse shall consent to the designation of another beneficiary. A written designation of beneficiary and spousal consent shall be on a form approved by the Board. The spouse's consent shall be written; shall be valid only for that spouse; shall be witnessed by a notary public; shall designate a beneficiary or class of beneficiaries; shall designate a form of payment of benefits; and shall acknowledge the effect of the election. The Participant may change the designation provided that the Participant's spouse shall consent in writing to any subsequent change of beneficiary or form of payment of benefits. However, the Participant's spouse's consent shall not be required if the original consent expressly permits the Participant to designate, without further consent of the Participant's spouse, a different beneficiary or form of payment of benefits; this consent must acknowledge that the spouse has the right to limit consent to a specific beneficiary and/or a specific form of benefit where applicable, and that the spouse voluntarily elects to relinquish either or both of these rights. A spouse's consent shall not be required if it shall be established to the Administrator's satisfaction that a spouse's consent cannot be obtained because there is no spouse or the spouse cannot be located. The written designation may be changed from time to time by the Participant. If a spouse shall be designated in writing as the beneficiary and the Participant and the designated spouse shall be divorced, the written designation of the former spouse shall be void as of the date of the divorce. If no valid written designation is made, or the designee predeceases the Participant, then the Participant shall be deemed to have designated the following as beneficiaries and contingent beneficiaries with priority in the order named:
- (a) the Participant's spouse;
 - (b) the Participant's children and children of deceased children per stirpes. Children include natural children and adopted children;
 - (c) the Participant's parents;
 - (d) the Participant's estate.
- 9.3 Metropolitan Life Insurance Company Payments. Except as required by a Qualified Domestic Relations Order, a death benefit shall not be payable to anyone other than a surviving

at the date that payments shall commence. However, the life expectancy may be redetermined periodically but not more frequently than annually.

If the Participant, or the Participant's designated beneficiary, shall die after the required beginning date as defined in paragraph 11.7, below, the benefits shall be paid as rapidly as the method of distribution being used pursuant to paragraphs (b) or (c), above. A benefit paid in the form of a qualified preretirement survivor annuity, described in paragraph 11.2(a), shall be paid proportionately from Employee and Employer's contributions. All distributions from the Plan shall be consistent with the provisions and regulations of IRC §401(a)(9) including, without limitation, the incidental benefit requirements of §1.401(a)(9)-2. The regulations and provisions of IRC §401(a)(9) shall prevail if there shall be an inconsistency between the Plan and the regulations and provisions of IRC §401(a)(9). The first periodic payment shall commence not later than the time specified in paragraph 11.3, below. Thereafter, the amount of each annual payment, including the payment for the year in which the first required payment shall be made, shall be made not later than December 31 of that calendar year.

11.2 If the Participant's spouse shall not be the designated beneficiary, for calendar years beginning with the first distribution for the first distribution calendar year, the amount distributed shall not be less than the quotient obtained by dividing the Participant's benefit by the lesser of (1) the applicable life expectancy; or (2) if the Participant's spouse shall not be the designated beneficiary, the applicable divisor in the table set forth in Q&A-4 of §1.401(a)(9)-2. Distributions after a Participant's death shall be distributed using the applicable life expectancy set forth in paragraph 11.1(a) or (b), above, without regard to the proposed regulation §1.401(a)(9)-2.

11.2 (a) The Administrator shall furnish a Participant with a complete written explanation of the form of payment not less than 30 days or more than 90 days prior to the annuity starting date. The annuity starting date means (i) the first day of the first period for which an amount is payable as an annuity or (ii) the first day on which all events have occurred which

50 percent of the amount of the annuity which is payable during the joint lives of the Participant and the Participant's spouse; shall be actuarially equivalent to a single life annuity for the life of the Participant; shall include both Participant's contributions and Participating Employer's contributions; and shall be actuarially equivalent to a single payment. The surviving spouse may elect to have the annuity distributed within a reasonable period of time after the Participant's death. A qualified joint and survivor annuity may also include an annuity in a form having the effect of an annuity described above. The Participant's spouse shall receive a survivor annuity, which is described above, if a Participant shall die without selecting a form of payment and if payment of benefits had not commenced. However, subject to an election pursuant to paragraph 11.2, the Participant or the Participant's designated beneficiary may receive the benefits in one or more of the following forms which is actuarially equivalent to a nontransferable annuity:

- (a) a single payment. If a single payment shall be selected, a Participant may elect to receive an amount estimated to be 60 percent of the Participant's Account Balance as a partial payment of the Participant's total benefits. The 60 percent partial payment shall be made within a reasonable period of time after approval of the Participant's pension. The balance of the Participant's benefits shall be paid to the Participant as soon thereafter as is administratively possible; or
- (b) as monthly installments of not less than \$100. More than 50 percent of the present value of the Participant's Account Balance shall be payable to the Participant, or the Participant's beneficiary in the event of the Participant's death, as measured as of the date that payments shall commence. The monthly installments may extend for a period of time equal to the joint life expectancy of the Participant and the Participant's beneficiary which shall be measured as of the date that payments shall commence; or
- (c) as monthly installments of not less than \$100 payable over the life expectancy of the Participant or the life expectancy of the Participant and the Participant's spouse. The life expectancy originally shall be calculated

the notice, to determine whether or not to elect to receive a distribution; and (b) shall be informed that if the individual elects a distribution prior to the 30-day period, he or she may revoke the election within seven days; (c) the individual, after receiving the notice, affirmatively elects a distribution; and (d) the distribution commences more than seven (7) days after the individual receives the notice.

- (b) A Participant may elect to waive a qualified joint and survivor annuity and/or a qualified preretirement survivor annuity. The Participant's spouse shall consent in writing to a waiver of the qualified joint and survivor annuity and/or qualified preretirement survivor annuity. The spouse's consent shall be valid only for that spouse; shall be witnessed by a Plan representative or a notary public; shall designate a beneficiary or class of beneficiaries; shall designate a form of payment other than a qualified joint and survivor annuity and/or a qualified preretirement survivor annuity; and shall acknowledge the effect of the election. The Participant may change the designation provided that the Participant's spouse shall consent in writing to any subsequent change of beneficiary or form of payment of benefits. However, the Participant's spouse's consent shall not be required if the original waiver expressly permits the Participant, without the spouse's consent, to change the beneficiary or form of payment of benefits; this consent must acknowledge that the spouse has the right to limit consent to a specific beneficiary and/or a specific form of benefit where applicable, and that the spouse voluntarily elects to relinquish either or both of these rights. A consent shall not be valid unless the Participant received the notice set forth in subparagraph (a), above. A spouse's consent shall not be required if it shall be established to the Administrator's satisfaction that a spouse's consent cannot be obtained because there is no spouse or the spouse cannot be located. The spouse referred to in this paragraph shall be either the Participant's current spouse or a prior spouse who has rights granted under a Qualified Domestic Relations

entitle the Participant to a benefit not in the form of an annuity, or (iii) the first day of the first period for which a disability benefit is to be received if the benefit is not an auxiliary benefit. The notice shall include (i) the terms and conditions of the qualified joint and survivor annuity; (ii) the Participant's right to make, and the effect of an election to waive, a qualified joint and survivor annuity; (iii) the rights of the Participant's spouse; and (iv) the right to make, and the effect of, a revocation of an election to waive a qualified joint and survivor annuity. In addition, the Administrator shall provide a Participant with a written explanation of the qualified preretirement survivor annuity comparable to the explanation of the qualified joint and survivor annuity. The Administrator shall provide the written explanation before the latest of (i) the period beginning with the first day of the Plan Year in which the Participant attains age 32 and ending with the close of the Plan Year preceding the Plan Year in which the Participant attains age 35, (ii) within a reasonable period of time after the individual becomes a Participant of the Plan; or (iii) a reasonable period of time ending after the Participant separates from service if the Participant shall separate from service before attaining age 35. A reasonable period of time shall mean, for purposes of this paragraph, a two-year period of time beginning one year prior to the date the applicable event occurs and ending one year after that date. A Participant, who shall be entitled to a written explanation, shall also be entitled to a specific written explanation of the financial effect on the Participant of the various forms of benefits. The information shall be furnished not later than 30 days after the request by the Participant; the Participant's request shall be made within 60 days of receipt by mail or personal delivery of the original information. A distribution, to which IRC §§401(a)(11) and 417 do not apply, may commence in less than 30 days after the required §1.411(a)-11(c) notice if a Participant or a Participant's beneficiary (a) shall be informed that the individual has a 30-day period of time, after receipt of

or the alternate payee shall determine the time of the commencement of the payment, except as set forth in paragraph 11.5. Pursuant to a policy established by the Administrator and consistently applied, an alternate payee may elect to receive a distribution of a lump sum immediately upon the Administrator's determination that he or she is entitled to benefits under a Qualified Domestic Relations Order. Spousal consent shall not be required at any time if benefits shall be payable as a qualified joint and survivor annuity. A distribution may commence in less than 30 days after the required §1.411(a)-11(c) notice if a Participant or a Participant's beneficiary (a) shall be informed that the individual has a 30-day period of time, after receipt of the notice, to determine whether or not to elect to receive a distribution; (b) shall be informed that if the individual elects a distribution prior to the end of the 30-day period he or she may revoke the election within seven (7) days of making the election; (c) the individual, after receiving the notice, affirmatively elects a distribution; and (d) the distribution commences more than seven (7) days after the individual receives the notice. However, payments shall begin not later than 60 days after the later of the close of the Plan Year in which:

- (a) the Participant shall attain the earlier of age 65 or the retirement age specified in Article 2; or
 - (b) the Participant shall terminate employment with the Employer.
- If the Participant or the Participant's designated beneficiary shall elect to defer the commencement of the payment of benefits, payment of benefits shall commence, in a form determined by the Administrator, not later than the required beginning date as defined in paragraph 11.7, below. A Participant may incur a penalty tax if payments shall commence either (a) before the Participant shall attain the age of 59 1/2 except in the event of the Participant's death, disability or separation from service after attainment of age 55, or (b) after the required beginning date. The Administrator shall not be responsible to advise the Participant, or the Participant's designated beneficiary, of the income tax consequences of any payment of benefits or withdrawal of contributions.

Order pursuant to IRC §414(p).

- (c) The time to waive a qualified joint and survivor annuity shall be within the period of time commencing 90 days before the annuity starting date and ending on the annuity starting date. The annuity starting date is defined in paragraph 11.2(a), above. The time to waive a qualified preretirement survivor annuity shall be the period of time which shall begin on the first day of the Plan Year in which the Participant shall attain age 35 and shall end on the date of the Participant's death. If the Participant shall separate from service prior to the Participant attaining age 35, the election period shall commence on the date of separation.
- (d) A Participant who has not attained age 35 as of the end of any current Plan Year may make a special qualified election to waive the qualified preretirement survivor annuity for the period of time beginning on the date of the election and ending on the first day of the Plan Year in which the Participant shall attain age 35. The election shall not be valid unless the Participant shall receive a written explanation of the qualified preretirement survivor annuity in terms that are comparable to the explanation required in paragraph 7.2(b). Qualified preretirement survivor annuity coverage shall be automatically reinstated as of the first day of the Plan Year in which the Participant shall attain age 35. Any new waiver on or after that date shall be subject to the requirements of paragraph 11.2(b), above.
- (e) With respect to distributions under the Plan made for calendar years beginning on or after January 1, 2002, the Plan will apply the minimum distribution requirements of section 401(a)(9) of the Internal Revenue Code in accordance with the final regulations under section 401(a)(9) notwithstanding any provision of the Plan to the contrary.

11.3 Subject to the rules set forth in IRC 401(a)(9) payment of benefits shall commence not earlier than the Participant's termination of employment and Early Retirement Date except for death; disability; or pursuant to a Qualified Domestic Relations Order. The Participant, the Participant's designated beneficiary

form of distribution of benefits prior to the Participant's death, the designated beneficiary shall elect the method of distribution no later than the earlier of (1) December 31 of the calendar year in which distribution is required to begin; or (2) December 31 of the calendar year which contains the fifth anniversary of the Participant's date of death. The Participant's entire benefit shall be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death if the Participant shall have no designated beneficiary or if the designated beneficiary shall not elect a method of distribution. Distribution of a Participant's benefits is considered to begin on the required beginning date, as defined in section 11.8, below, even if distributions were made prior to that date. The date of distribution for an annuity is considered to begin on the date the distribution actually commences if the distribution irrevocably commences to the Participant before the required beginning date.

11.5

- (a) For Plan Years beginning before August 6, 1997. The Administrator shall determine the time and form of distribution if the present value of the Participant's vested account balance derived from Participant's contributions shall be \$3,500 or less. If the vested account balance at the time of distribution shall exceed \$3,500, then the account balance at any subsequent time shall be deemed to exceed \$3,500. The present value shall be calculated with an interest rate which shall be the lesser of the Plan's interest rate or the Pension Benefit Guaranty Corporation's applicable interest rate as of the first day of the Plan Year which contains the annuity starting date. The distribution shall be made immediately and as a lump-sum payment. A distribution after the annuity starting date, as defined in paragraph 11.2(a), above, shall not be permitted pursuant to this paragraph unless the Participant and the Participant's spouse shall consent to the distribution. The failure of a Participant or a Participant's spouse to consent to a distribution, when a benefit is immediately distributable,

11.4

If a Participant shall die after the required beginning date as defined in paragraph 11.7, below, the unpaid balance of the account balance shall be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death except as set forth below:

- (a) a qualified preretirement survivor annuity shall commence not later than the month in which the Participant would have attained the Plan's earliest retirement age;
- (b) if payment of benefits shall commence on or before December 31 of the calendar year following the calendar year in which the Participant died, or a later date as permitted by regulations, the portion of a Participant's account balance payable to a designated beneficiary may be payable in a single payment or in periodic installments for a term certain over a period of time not greater than the designated beneficiary's life expectancy measured as of the date of commencement of payment of benefits;
- (c) if the designated beneficiary is the deceased Participant's surviving spouse, the commencement of payment of benefits may be delayed until December 31 of the calendar year in which the deceased Participant would have attained age 70 1/2. The account balance may be payable pursuant to a form authorized in section 11.1, above. However, if the surviving spouse shall die before the commencement of payment of benefits, the payments shall commence as if the surviving spouse were the Participant and the date of death of the surviving spouse shall be substituted for the date of death of the deceased Participant.

An account balance payable to a deceased Participant's child shall be treated as if the account balance were payable to the Participant's surviving spouse if the account balance shall become payable to the surviving spouse when the child shall attain the age of majority or on the other events as specified by regulations.

If a Participant shall not make an election of the time and

terminated and if the Participant's vested account balance shall exceed \$5,000, the Administrator may determine the time and form of distribution, without the Participant's or the Participant's spouse's consent.

- 11.6 Payment Change. The Participant, or the Participant's beneficiary, for any reason may direct the Board not more than once in each Plan Year to change any installment payment to a Participant or the Participant's beneficiary.
- 11.7 For purposes of this Article, the following words shall have the following meaning unless the context clearly indicates otherwise:
- (a) Applicable life expectancy. The life expectancy or joint and last survivor expectancy calculated using the individual's attained age as of the individual's birthday in the applicable calendar year reduced by one for each calendar year which has elapsed since the date the life expectancy was first calculated. If life expectancy is recalculated, the applicable life expectancy shall be the life expectancy as recalculated. The applicable calendar year shall be the first distribution calendar year, and, if life expectancy is recalculated, the succeeding calendar year.
 - (b) Designated beneficiary. The individual who is designated as the beneficiary under the Plan according to IRC §401(a)(9) and the proposed regulations thereunder.
 - (c) 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 this Article.
 - (d) Life expectancy. Life expectancy and joint and last survivor expectancy are computed by using the expected return multiples in Tables V and VI of section 1.72-9 of the income tax regulations. Unless otherwise elected by the Participant or the Participant's spouse by the time

is deemed to be a revocable election to defer commencement of payment of any benefit until the later of age 62 or the Participant's Retirement Date. A Participant with spousal consent may subsequently consent to a distribution to commence prior to the later of age 62 or the Participant's Retirement Date. If the Participant's vested account balance shall exceed \$3,500, the Administrator may determine the time and form of distribution, without the Participant's or the Participant's spouse's consent, if this Plan shall be terminated and if the Employer shall not maintain another Defined Contribution Plan.

- (b) For Plan Years beginning after August 5, 1997. The Administrator shall determine the time and form of distribution if the present value of the Participant's vested account balance derived from Employer and Participant's contributions (other than accumulated deductible Employee contributions) shall be \$5,000 or less. If the vested account balance at the time of distribution shall exceed \$5,000, then the account balance at any subsequent time shall be deemed to exceed \$5,000. The present value shall be calculated with an interest rate which shall be the lesser of the Plan's interest rate or the Pension Benefit Guaranty Corporation's applicable interest rate as of the first day of the Plan Year which contains the annuity starting date. The distribution shall be made immediately and as a lump-sum payment. A distribution after the annuity starting date, as defined in paragraph 11.2(a), above, shall not be permitted pursuant to this paragraph unless the Participant and the Participant's spouse shall consent to the distribution. The failure of a Participant or a Participant's spouse to consent to a distribution, when a benefit is immediately distributable, is deemed to be a revocable election to defer commencement of payment of any benefit until the later of age 62 or the Participant's Retirement Date. A Participant with spousal consent may subsequently consent to a distribution to commence prior to the later of age 62 or the Participant's Retirement Date. If this Plan shall be

purposes of this section if the Participant is a 5-percent owner as defined in IRC §416(i) (determined according to §416 but without regard to whether the Plan is Top Heavy) at any time during the Plan Year ending in the calendar year in which the owner attains age 70 ½.

Calendar Years beginning before January 1, 1997.

- (1) General rule. The required beginning date of a Participant is the first day of April of the calendar year following the calendar year in which the Participant attains age 70 1/2.
- (2) Transitional rules. The required beginning date of a Participant who attained age 70 1/2 before January 1, 1988, shall be determined according to (i) or (ii), below:
 - (i) Non-5-percent owners. The required beginning date of a Participant, who is not a 5-percent owner, is the first day of April of the calendar year following the calendar year in which the later of retirement or attainment of age 70 1/2 occurred.
 - (ii) 5-percent owners. The required beginning date of a Participant, who is a 5-percent owner during any year beginning after December 31, 1979, is the first day of April following the later of:
 - (a) the calendar year in which the Participant shall have attained age 70 1/2; or
 - (b) the earlier of the calendar year with or within which ends the Plan Year in which the Participant shall have become a 5-percent owner, or the calendar year in which the Participant shall have retired.

The required beginning date of a Participant,

distributions are required to begin, life expectancies shall be recalculated annually. The election shall be irrevocable as to the Participant or the Participant's spouse and shall apply to all subsequent years. The life expectancy of a non-spouse beneficiary may not be recalculated.

(e) Participant's benefit.

- (1) 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 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.
- (2) Exception for second distribution calendar year. For purposes of paragraph (1), above, if any portion of the minimum distribution for the first distribution calendar year is made in the second distribution calendar year on or before the required beginning date, the amount of the minimum distribution made in the second distribution calendar year shall be treated as if it had been made in the immediately preceding distribution calendar year.

(f) Required beginning date distribution rules.

Calendar Years beginning after December 31, 1996 and before January 1, 2002.

- (1) General Rule. The required beginning date for a Participant is April 1 of the calendar year following the later of:
 - (i) the calendar year in which the Participant attains the age of 70 ½; or
 - (ii) the calendar year in which the Participant retires.
- (2) 5-percent owner. The required beginning date is April 1 of the calendar year in which a 5-percent owner-Participant attains age 70 ½. A Participant is treated as a 5-percent owner for

investment of the Plan's assets. The Custodian shall be subject to the directions of the Investment Manager. The Custodian may be relieved of accountability and responsibility for any investments or sale of assets made in compliance with the directions of the Investment Manager to the extent provided by agreement between the Board and the Custodian.

12.3 Selection of Investment Manager. The Board may select an Investment Manager or managers for all or a portion of the Plan's assets. The Investment Manager shall acknowledge in writing that it is a fiduciary of the Plan and shall be (a) registered as an investment adviser under the Investment Advisers Act of 1940; (b) a bank; or (c) an insurance company qualified to manage, acquire or dispose of assets of an employee benefit plan under the laws of more than one state. The Board shall be furnished with a written statement that the Investment Manager is a qualified investment manager and the manager's acceptance of the appointment. An Investment Manager may be removed by the Board at any time upon written notice to the Investment Manager. An Investment Manager shall have the right to resign at any time by giving the Board not less than 60 days written notice. A retiring or terminated Investment Manager shall immediately file with the Board a written account of its transactions from the date of its last accounting to the date of its removal or resignation.

12.4 Investment Decisions. Periodically, the Board shall advise the Investment Manager of additional assets available for investment. An Investment Manager shall exercise all investment decisions for the assets under its control pursuant to the provisions of this trust. If an Investment Manager shall resign or be removed, the Board shall manage the investments of the Plan previously under the control of the Investment Manager until the Board shall appoint another Investment Manager.

12.5 Orders for Purchase or Sale. An Investment Manager may issue orders for the purchase or sale of securities directly to a broker and the Custodian shall execute and deliver appropriate trading authorizations. Written notification of the issuance of each order shall be given promptly to the Custodian by the Investment Manager and the execution of each order shall be confirmed by written advice of the broker to the Custodian. The notification from the Investment Manager shall be authority for the

who is not a 5-percent owner who attained age 70 1/2 during 1988 and who had not retired as of January 1, 1989, is April 1, 1990.

(3) 5-percent owner. A Participant is treated as a 5-percent owner for purposes of this section if the Participant is a 5-percent owner as defined in IRC §416(i) (determined in accordance with §416 but without regard to whether the Plan is Top Heavy) at any time during the Plan Year ending with or within the calendar year in which the owner attained age 66 1/2 or any subsequent Plan Year.

(4) Once distributions have begun to a 5-percent owner under this section, they must continue to be distributed, even if the Participant ceases to be a 5-percent owner in a subsequent year.

11.8 The provisions of this Article shall be effective, except as noted, for calendar years commencing after December 31, 1993.

11.9 Any benefit which shall not be claimed by, or paid to a Participant prior to the required beginning date, shall be used to pay the expenses of the Plan and Trust. However, the Participant shall have the right to subsequently demand and receive the amount of the benefits which were used to pay the expenses. The amount repaid to the Participant shall equal the amount used to pay the expenses and shall not be increased or decreased by any investment gain or loss.

Article 12 Management of Plan's Assets

12.1 Plan's Assets Constitutes Trust. The Plan's assets shall be held in trust to be used to pay the Plan's benefits and expenses as provided by this Plan and as authorized by the Board. The Plan's assets shall not be diverted to, or used for, purposes other than as provided in this Plan.

12.2 Appointment of Custodian. The Plan's assets shall be held by a Custodian appointed by the Board to hold and disburse the assets according to an agreement executed by the Board and Custodian. The Board, in its discretion, may change the Custodian. The Custodian shall be a bank or trust company incorporated under the laws of the United States or any state. The Board shall employ at least one qualified Investment Manager to direct the

the United States or a state if the financial institution is a fiduciary of the Plan; if the Plan shall invest in a common or group trust, the terms of the common or group trust shall be incorporated as part of this Plan and shall control the investment and administration of the Plan's assets within the common or group trust; the Plan's assets shall not be bound as to the character of any investment by any state statute, rule of court or custom governing the investment of trust funds except as provided by the Employee Retirement Income Security Act of 1974;

- (b) sell, exchange, convey, transfer or dispose of, and to grant options with respect to, any property, real or personal, at any time held by the Plan. Any sale may be made by private contract or by public auction, and for cash or upon credit, or partly for cash and partly upon credit; a person dealing with the Plan's assets shall not be bound to supervise the application of the proceeds of any transaction or to inquire into the validity, expediency or propriety of the transaction;
- (c) retain, manage, operate, repair, improve, mortgage or lease for any period, any real or personal property, and to purchase and carry insurance in an amount and against hazards as may be advisable;
- (d) vote in person or by general or limited proxy with respect to any bonds, stocks or other securities held by the Plan; to exercise any option applicable to any bond, stock or other security for the conversion into other securities; to exercise any rights to subscribe for additional bonds, stocks or other securities, and to make any and all necessary payments therefore; to join in, or to dissent from, or oppose the reorganization, recapitalization, consolidation, liquidation, sale or merger of corporations or properties in which the Plan may be interested and upon the terms and conditions as may be prudent;
- (e) accept and hold any security or other property received by the Board under the provisions of this Article, whether or not the Board would be authorized to invest in such security;

Custodian to pay for the securities against the receipt of, or to deliver securities sold against the payment for, the securities.

- 12.6 Multiple Investment Managers. If the Board shall appoint more than one Investment Manager, each Investment Manager shall be responsible for the investment of the Plan's assets allocated to the Investment Manager. An Investment Manager shall not be liable for the acts or omissions of another fiduciary unless (a) the Investment Manager knowingly participates in, or knowingly attempts to conceal, the act or omission of another fiduciary, and the Investment Manager knows the act or omission is a breach of a fiduciary responsibility by the other fiduciary; or (b) the Investment Manager has knowledge of a breach of a fiduciary responsibility by the other fiduciary and shall not make reasonable efforts to remedy the breach; or (c) the Investment Manager's breach of its own fiduciary responsibility permits the other fiduciary to commit a breach.
- 12.7 Segregation of Assets. The Plan's books, records and accounts may reflect the segregation of the Plan's assets in separate accounts for each Investment Manager.
- 12.8 Investment of Assets. The Plan's assets shall be invested and reinvested as a pooled fund. The Board or the Investment Manager shall consider the effect of any investment upon the tax-exempt status of the Plan or the income tax consequences to the Plan. The Board or the Investment Manager shall invest the assets with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.
- 12.9 Types of Investments. The Board, or the Investment Manager, is, and shall be, authorized and empowered in its direction, but not by limitation, to:
 - (a) invest and reinvest the Plan's assets in bonds, insurance policies, mortgages, debentures, preferred or common stocks, stock options, mutual funds, financial futures, options on financial futures, a common or group trust which provides for the pooling of assets of qualified plans which trust is maintained by a fiduciary which is a bank or an insurance company, or other real or personal property, or deposit the Plan's assets in an interest bearing account in a financial institution supervised by

Each Party may appoint an alternate trustee who shall serve in the absence of a trustee. Each Party shall certify to the Board's co-chairmen the names of the members of the Board selected by it. Either Party may remove and replace any of its Board members at any time by written notice to the other Party and to the Board's co-chairmen. The Board may designate the Administrator to record its proceedings and maintain its records. The union trustees shall select one co-chairman and the employer trustees shall select the other co-chairman. A co-chairman shall preside at alternative meetings of the Board. However, if a co-chairman shall not be present at a meeting, the other co-chairman shall preside at the meeting.

13.3 Board Meetings. Two Board members selected by the Association and two Board members selected by District 1 shall constitute a quorum. All decisions of the Board shall be by unanimous vote. The members appointed by the Association shall have one vote and the members appointed by District 1 shall have one vote. In the event of any dispute which cannot be settled by the Board, the Board shall then appoint an impartial chairman who shall have one vote. The Board shall apply to the presiding judge of the Federal District Court for the District of Oregon to appoint a person to act as an impartial person if the Board shall be unable to agree upon an impartial person.

13.4 Powers of Board. The Board shall have all power necessary to implement the purposes of the Plan, including without limitation:

- (a) Interpretation. The Board shall have discretionary authority: to interpret and construe the provisions of the Plan; to adopt rules and regulations necessary to carry out the purposes of the Plan; to determine an individual's eligibility for benefits and the amount of benefits; to decide any disputes which may arise relative to the rights of Participants, past and present, and beneficiaries under the terms of this Plan; to give instructions and directions to the Plan's agents; and to direct the administration of the Plan.
- (b) Employment of Agents. The Board shall have the right to employ or discharge agents, the Custodian, and any Investment Manager and may rely upon the written opinions or certificates of any agent, counsel, certified public accountant, actuary, Investment Manager,

- (f) make, execute, acknowledge and deliver any and all appropriate deeds, leases, assignments and other instruments;
- (g) borrow or raise money, with the approval of the Board, for the purposes of the Plan from others to the extent and upon terms and conditions as may be desirable or proper; and for any amount borrowed to issue the Board's promissory note and to secure the repayment of the loan by pledging all or any part of the Plan's assets; and a person lending money to the Plan shall not be bound to supervise the application of the money borrowed, or to inquire into the validity, expediency or propriety of any borrowing;
- (h) cause any investments to be registered in, or transferred into, its name as trustee, or the name of the Board's nominee or nominees, or to retain the investment in unregistered form or in a form permitting transfer only by delivery; however, the books and records of the Board shall at all times show that all investments are part of the Plan's assets;
- (i) invest in all forms of insurance;
- (j) perform all acts, whether or not expressly described or referred to above, which may be necessary, proper or desirable for the protection or enhancement of the Plan's assets; and
- (k) invest the Plan's assets with any other employer's plan which is either an IRC §457 plan or a qualified plan pursuant to IRC §401(a) on the condition that the income and expenses shall be divided proportionately between the plans.

Article 13 Administration of the Plan

13.1 Board as Administrative Agency. The Plan shall be administered by the Board which shall convene at least twice in each Plan Year.

13.2 Composition of Board and Co-Chairmen. The Board shall consist of six members, three of whom shall be selected by the Association and three of whom shall be selected by District 1.

- determine to be reasonable, necessary or desirable. The expenses shall be expenses of the Plan.
- (h) Pension Review Committee. The Board shall appoint a Pension Review Committee to provide a full and fair review of a Participant's or beneficiary's claim.
 - (i) Bonding. The Board shall provide for the financial bonding of the Administrator and for bonding of other employees, members of the Board or fiduciaries as may be required by law and shall pay the costs of such bonding from the Plan's assets.
 - (j) Indemnity. From the Plan's assets, the Board shall indemnify a member or former member of the Board against any and all claims, losses, damages, expenses and liabilities arising from any act of commission or omission if the act is determined, either by a court or a neutral party, not to be a breach of fiduciary responsibility by the member of the Board. From the Plan's assets, the Board may indemnify a fiduciary or the Administrator against any and all claims, losses, damages, expenses and liabilities arising from any act of commission or omission if the act is determined, either by a court or a neutral party, not to be a breach of fiduciary responsibility by the fiduciary or Administrator. The indemnification may include reasonable attorney's fees and all other costs and expenses reasonably incurred by the member of the Board, a fiduciary or the Administrator in defense of any action brought against the individual or entity arising from the act of commission or omission.
 - (k) Payment by Mistake of Fact or Law. If a payment shall be made by mistake of fact or law, the Board of Trustees shall have the right to return to the employer the payment within six months after the date of the determination that payment was made to the Plan by mistake of fact or law.
 - (l) Payment of Benefits. The Board may authorize payment of benefits to which an individual is entitled (a) to the individual; (b) to any person having custody of the individual; (c) to the legal guardian of the property of the individual; or (d) to any person who, or corporation

physician or fiduciary. The cost of all agents, the Custodian or an Investment Manager shall be paid by the Plan.

- (c) Allocation of Fiduciary Responsibility. The Board may allocate fiduciary responsibilities, other than the Trustee's responsibilities, to other fiduciaries. If the Board shall make an allocation, then the specified fiduciary shall be responsible for the allocated duties and the other fiduciaries shall not be liable for any breach of fiduciary responsibility for the allocated duties except as set forth in the next sentence. A fiduciary shall not be liable or responsible for the acts of commission or omission of another fiduciary unless (a) the fiduciary knowingly participated in, or knowingly attempted to conceal, the act or omission of another fiduciary and the fiduciary knew the act or omission was a breach of a fiduciary responsibility by the other fiduciary; or (b) the fiduciary has knowledge of a breach by the other fiduciary and shall not make reasonable efforts to remedy the breach; or (c) the fiduciary's breach of a fiduciary responsibility permitted the other fiduciary to commit a breach.
- (d) Administration. The Board shall have the right to enter into agreements with an Administrator to administer the Plan and to maintain all Plan records.
- (e) Delegation of Duties. The Board shall have the right to delegate duties to a third or committee, including an executive committee, which shall be composed of an equal number of Association Board members and District 1 Board members. A committee shall have the duties and rights delegated to it by the Board.
- (f) Collection of Payments. The Board shall collect required payments to the Plan. To implement this responsibility, the Board may require audits or reports in a number and a form which it deems necessary or desirable from all parties associated with the Plan. The Board may assign for collection or institute legal proceedings to collect any amount due to the Plan.
- (g) Authorization of Expenses. The Board shall authorize all payments for the Plan's expenses which the Board shall

audit shall be delivered to the Board as soon as possible after completion of the audit.

Article 14 Amendment or Termination of the Plan

- 14.1 Term of Plan. The Plan shall continue in effect until terminated by mutual agreement of the Association and District 1 or by the death of the last Participant.
- 14.2 Amendment. The Board may recommend amendments to the Association and District 1. An amendment shall become effective only upon adoption of an agreement by the Association and District 1. Amendments shall be made to qualify, and to maintain the qualification of, the Plan under the Internal Revenue Code of 1986, as amended. An amendment shall not be made which deprives a Retiree, Retiree's beneficiary or joint annuitant of any existing right or cause any part of the Plan's assets to revert, or to be diverted, to the benefit of any employer, union or other person other than the Participants or beneficiaries. If the vesting provisions shall be amended, a Participant with three or more Years of Service shall have the right to elect either the amended vesting provision or the vesting provision without regard to the amendment.
- 14.3 Discontinuance of Contributions or Termination. The rights of all Participants to all Account Balances shall be nonforfeitable if there shall be a complete discontinuance of contributions by all Participating Employers or the Plan shall be terminated. In the event of total or partial termination of this Plan, the rights of all affected Participants to all Account Balances shall be nonforfeitable. After payment of expenses properly chargeable against the trust, the Board shall determine the time of commencement of payment of benefits and the method of distribution pursuant to Article 11. The distribution may be made at the Board's discretion either simultaneously with, or subsequent to, the termination of the Plan. This trust shall cease after the distribution of all assets of the trust. A Participating Employer's contribution to this trust, or the income of this trust, shall not be paid to, or shall not revert in, any employer and shall not be used for any purpose other than the exclusive benefit of the Participants or their beneficiaries.
- 14.4 Merger. In the case of any merger or consolidation with, or transfer of assets or liabilities to, any other plan, each

which, shall be furnishing maintenance, support, services or hospitalization to the individual. The receipt of a person or corporation to whom, or to which, the disbursements are made shall be a sufficient release for the Board and the recipient shall not be required to account to the Board, to any court, or to any other person for the disposition of the proceeds.

- (m) The Board, shall have authority, in its discretion, to take voluntary corrective action that is reasonable and necessary to remedy any inequity defect that results from incorrect information received or communicated in good faith, or from administrative or operational error. Such steps may include, but shall not be limited to:
- (i) taking any action required or permitted under the employee plans compliance resolution system of the Internal Revenue Service ("IRS"), as amended from time to time, any asset management or fiduciary conduct error correction program available through the Department of Labor ("DOL"), any similar correction program instituted by the IRS, DOL or other administrative agency;
 - (ii) reallocating Plan assets or making adjustments in amounts of future payments to Participants, beneficiaries or alternate payees; and
 - (iii) instituting and prosecuting actions to recover benefit payments made in error or on the basis of incorrect or incomplete information.
- (n) Other Acts. The Board shall perform all other acts, whether or not expressly described or referred to above, which may be necessary, proper or desirable to implement the objectives and provisions of the Plan.
- (o) The Board shall have the right to determine who shall be the beneficiary of a payment which originates, as a dividend or from the contingency reserve, from the participating annuity issued by Metropolitan Life Insurance Company.
- 13.5 Annual Certified Audit. An annual certified audit of the Plan shall be made by a competent firm of certified public accountants selected by the Board. A statement of the results of the annual

may review and copy pertinent documents and may submit issues and comments in writing. The Board of Trustees shall decide the appeal within 45 days from the receipt of the claimant's request for review. If special circumstances require, the Board of Trustees may delay a decision for 60 days provided that the claimant shall be given notice. The notice shall be given prior to commencement of the extension; shall state the special circumstances which require the extension; and shall state the expected date of the decision. The Board of Trustees shall notify the claimant in writing, as soon as possible of its decision but not later than 5 days after the decision.

A claimant shall not undertake any legal action for a claim until all rights under the claims appeal procedure shall have been exhausted.

Article 16 Spendthrift Provisions

- 16.1 Personal Protection. The provisions of this Plan are intended as personal protection for the Participants. A Participant shall not have any right to assign, anticipate or transfer any asset held for the Participant's benefit, including amounts credited to the Participant's Account Balance. The benefits under this Plan shall not be subject to seizure by legal process or be in any way subject to the claims of the Participant's creditors, except for (a) a domestic relations order entered before January 1, 1985; or (b) a qualified domestic relations order entered after December 31, 1984. A qualified domestic relations order is a domestic relations order which creates or recognizes an alternate payee's right to, or assigns to an alternate payee, all or a portion of the Participant's Account Balance. The domestic relations order shall specify (a) the name and last known mailing address of the Participant and each alternate payee; (b) the amount or percentage of the Participant's Account Balance payable to each alternate payee or the method to calculate the amount payable to each alternate payee; (c) the number of payments or periods to which the order shall apply; and (d) a statement that the order shall apply to this Plan. The Plan's benefits, or the trust assets, shall not be considered an asset of a Participant in the event of the Participant's insolvency or bankruptcy.
- 16.2 Attempted Assignment or Receipt by Third Party. If a Participant shall attempt to assign, anticipate or transfer any asset held for the Participant's benefit, or should the benefits be received by

Participant of this Plan shall receive immediately after the merger, consolidation or transfer a benefit which is equal to the benefit the Participant would have been entitled to receive immediately before the merger, consolidation or transfer as if the Plan had then terminated. However, this provision shall not be construed to be a termination or discontinuance of the Plan.

Article 15 Claims Appeal Procedure

- 15.1 Claims Appeal Procedure. A claimant shall be given notice if a pension shall be wholly or partially denied. If the claimant shall not be satisfied with the decision, the claimant may submit the claim to the Pension Review Committee for a determination within 60 days of the denial. The Pension Review Committee shall review the issue and the claimant shall be given written notice of the decision 45 days after submission of the claim. However, the Pension Review Committee may obtain a 30 day extension of time to make the decision if the Pension Review Committee shall not be able to make a decision for reasons beyond its control. To obtain the extension, the Pension Review Committee shall:
- (a) Give the claimant written notice of the extension prior to the expiration of the 45 days;
 - (b) Advise the claimant of the circumstances requiring the extension of time;
 - (c) Advise the claimant of the expected date of the decision;
 - (d) Explain the standards on which a pension is awarded;
 - (e) State the unresolved issues that prevent a decision from being made; and
 - (f) State the additional information required to resolve the issues and permit the claimant at least 45 days to provide specified information.

The Pension Review Committee may have a second 30-day extension of time to make a decision if it follows the procedure set forth in the preceding sentence.

The claimant may appeal to the Board of Trustees the decision of the Pension Review Committee. The appeal shall be written and made within 180 days after the receipt of the decision of the Pension Review Committee. For the appeal, the claimant or the claimant's representative

- 17.4 Board's Determination. The Board's findings shall be conclusive in determining the Plan's income or losses which shall be the profit and income received and accrued, less the losses and expenses incurred and paid by the Plan, plus any increase, or minus any decrease, in the value of the Plan's assets not actually realized and received or incurred and paid by the Plan.

Article 18 Situs, Construction of Plan and Miscellaneous

- 18.1 Recovery of Excess Benefit Payments. A Participant or a Participant's beneficiary shall not be entitled to more than one pension at the same time from the Plan. The amount of all improper benefits paid to a person shall be a debt from the person to the Plan which may be deducted from future benefits payable to the person or the person's beneficiary or which may be recovered by an appropriate proceeding instituted by the Board.
- 18.2 Principal Office. The Plan's principal office shall be located in Portland, Oregon.
- 18.3 Governing Law. All questions relating to the validity, construction and administration of the Plan shall be determined according to the laws of the State of Oregon subject to applicable and controlling laws of the United States. The Plan and any amendment to the Plan shall be construed to maintain the Plan's qualification under the Internal Revenue Code of 1986, as amended.
- 18.4 Invalidity of a Provision. If any provision of the Plan shall be declared invalid or unenforceable, the remaining provisions shall be effective.
- 18.5 Designation of Beneficiary Form. Each Participant, by executing a designation of beneficiary form, agrees for the Participant, the Participant's beneficiaries and successors to be bound by all of the provisions of the Plan.
- 18.6 Right to Employment or Plan Benefits. The establishment of this Plan, the creation of any account, or the payment of any benefits shall not create in any employee, Participant or other party a right to continuing employment or create any claim against the Plan for any payment except as set forth in the Plan.
- 18.7 Funding Policy. The Board shall establish a funding policy for the Plan taking into account both short and long term expected benefit payments from the Plan.

anyone other than the Participant or the Participant's designated beneficiary, the Board in the Board's sole and absolute discretion, may terminate the Participant's interest in the benefits and hold or apply on behalf of the Participant the Participant's benefits for the Participant, the Participant's spouse, children or other dependents.

Article 17 Accounting Procedure

- 17.1 Valuation of Plan's Assets. The Board shall value the Plan's assets whenever it deems necessary and at least annually as of the close of business on each Plan Year. The Board shall value the Plan's assets at its fair market value or, if permitted, on an amortized basis and shall incur no liability for any determination of value if the determination shall be made in good faith.
- 17.2 Adjustment of Accounts. On the basis of the valuation, all accounts shall be adjusted to reflect the effect of income received and accrued, realized and unrealized profits and losses, expenses and all other transactions of the period. The Board's findings on these matters shall be conclusive.
- 17.3 Procedure for Adjustment. The amount credited to each Participant shall be adjusted periodically and at least as of each Plan Year. The following credits and debits shall be made to a Participant's Account Balance:
- (a) in the case of a Participant for, or on behalf of, whom payments have been made there shall be debited the total amount of the payments made from the Participant's Account Balance during the period since the last adjustment date. In the case of an Inactive Participant, there shall be debited the amount of the Inactive Participant's Account Balance which was forfeited;
 - (b) each Participant's Account Balance shall be credited or debited with the portion of the net income or net loss of the Plan's assets during the period since the last adjustment which the amount in the Account Balance as adjusted by paragraph 17.3(a) above, bears to the total of all accounts as of the preceding adjustment date, also adjusted according to paragraph 17.3(a), above;
 - (c) each Participant shall be credited with the Participating Employer's current contribution that is allocated to the Participant as provided by the Plan.

violate IRC §401(a)(4); shall be used consistently for all Participants and all corrective distributions for the Plan Year; and shall be used for allocating income to Participants' accounts.

- (b) The ADP for the Highly Compensated Employees must satisfy either of two tests. First, ADP for the Highly Compensated Employees for the Plan Year shall not be more than 1.25 times the ADP of the nonhighly compensated employees for the prior Plan Year. Second, the excess of the Highly Compensated Employees' ADP over the ADP of the nonhighly compensated employees for the prior Plan Year shall not be more than 2 percentage points and the Highly Compensated Employees' ADP shall not be more than 2 times the ADP of the nonhighly compensated employees. The Employer may amend the Plan to switch to same Plan Year testing without having to notify the IRS or to obtain IRS approval. If this switch is made, the Employer may not switch back to prior Plan year testing except as permitted under IRS §§401(k)(3)(A) and 401(m)(2)(A). See IRS Notice 98-1 or any superseding authority.

- (c) The Participant's election shall be permitted if the Plan shall remain a qualified plan.

- (1) A distribution of the Excess Contribution, plus any income or minus any loss, shall be paid within two and one-half months but not later than the end of the Plan Year following the Plan Year for which the Excess Contribution relates. The Participating Employer of the Participant shall be subject to a 10-percent excise tax if the distribution of the Excess Contribution shall not be made within two and one-half months after the last day of the Plan Year for which the contribution relates. The Plan shall fail to satisfy IRC §401(a)(4) and/or §401(k)(3) if the distribution shall not be made prior to the end of the Plan Year following the Plan Year for which the Excess Contribution relates.
- (2) The income or loss allocated to the corrective distribution shall be equal to the sum of the gain or loss for the Plan Year and the allocated gain

Article 19 401(k) Contributions and Employer Matching Contributions

- 19.1 Eligibility. All Participants shall be eligible to participate in the 401(k) portion of the Plan.
- 19.2 Contributions. A Participant shall not be obligated or required to contribute to the Plan. However, a Participant may elect to reduce the Participant's Annual Compensation to make a contribution to the Plan. The annual reduction shall not exceed the applicable limit of IRC §402(g) and IRC §414(v), shall be made according to uniform rules established by the Board, shall be accounted for separately and shall be available to all eligible Participants on a nondiscriminatory basis. The Board, at least once each Plan Year, shall permit a Participant to commence participation in the Plan, to modify the amount or frequency of deferrals or to terminate participation in the Plan. However, an Employee who shall become eligible during the Plan Year may commence participation as of the day that the Employee shall become a Participant.

- (a) A Participant, who shall exceed the amount set forth in IRC §402(g) (Excess Deferral), shall give written notice to the Administrator not later than April 15 of the year following the Participant's taxable year in which there was an Excess Deferral. An Excess Deferral, not distributed by April 15, shall be included in the Participant's gross income both in the taxable year of deferral and the taxable year of distribution. The Plan may distribute all or a portion of a contribution made on behalf of a Participant if both the Participant and the Plan designate the distribution as an Excess Deferral. A Participant is deemed to have designated the distribution as an Excess Deferral.

A distribution of an Excess Deferral shall be increased by the income, or be reduced by the loss, on the Excess Deferral. The income or loss allocated to the corrective distribution shall be equal to the sum of the gain or loss for the Participant's taxable year and the allocated gain or loss for the period between the end of the taxable year to the date of distribution. The income or loss may be calculated by any reasonable method, provided that the method shall not

- determined next, based on the dollar amount of Elective Deferrals made by or on behalf of the Highly Compensated Employee.
- (c) The Elective Deferrals of the Highly Compensated Employee with the highest dollar amount of Elective Deferrals shall be reduced by the amount that will cause that Participant's Elective Deferrals to equal the Elective Deferrals of the Highly Compensated Employee with the next highest dollar amount of Elective Deferrals. This amount shall then be distributed to the Highly Compensated Employee with the highest dollar amount of Elective Deferrals; provided, however, if a lesser reduction, when added to the total dollar amount already distributed under these steps, if any, would equal the total of the Excess Contributions, only the lesser reduction amount shall be distributed.
 - (d) If the amount distributed shall be less than the total of the Excess Contributions, the preceding steps shall be repeated until the total of the Excess Contributions shall be distributed.
 - (e) The amount of a Participant's contribution shall be limited to an amount which will permit the Participating Employer an income tax deduction for all employee contributions.
 - (f) The following words shall have the following meanings, for purposes of this Article, unless the context clearly indicates otherwise:
 - (1) 'Actual Deferral Percentage' (ADP) shall mean, for a Plan Year and for either the Highly Compensated Employees or

or loss for the period of time between the end of the Plan Year to the date of distribution. The income or loss may be calculated by any reasonable method, provided that the method shall not violate IRC §401(a)(4); shall be used consistently for all Participants and all corrective distributions under the Plan for the Plan Year; and shall be used for allocating income to Participants' accounts.

- (3) For plan years beginning after December 31, 1996, the Excess Contribution (plus any income or minus any loss) shall be distributed until the Plan satisfies the ADP test pursuant to the following steps:
 - (a) First, the highest permitted Actual Deferral Ratio ("ADR") for the Highly Compensated Employees must be determined. In determining the highest permitted ADR, the ADR of the Highly Compensated Employee with the highest ADR is reduced to equal the ADR of the Highly Compensated Employee with the next highest ADR. If a lesser reduction would enable the Plan to meet the ADP test, only the lesser reduction may be made. This process is repeated until the Plan would satisfy the ADP test. The highest ADR remaining under the Plan after this leveling process is completed is the highest permitted ADR. The amount by which each Highly Compensated Employee's Elective Deferrals must be reduced is the Employee's Excess Contribution. The sum of these reductions represents the total of the Excess Contributions that must be distributed.
 - (b) The amount of the Excess Contributions to be distributed to each Highly Compensated Employee must be

- addition.
- (4) For Plan Years beginning after December 31, 1996, "Excess Contribution" shall mean, for each Highly Compensated Employee, the amount by which the Participant's elective contributions must be reduced in order for the Participant's actual deferral ratio to equal the highest actual deferral ratio permitted under the ADP test. Excess Contributions shall be treated as an annual addition.
 - (5) 'Excess Deferral' shall mean the amount of the Elective Deferral which shall exceed the dollar amount of permissible Elective Deferral pursuant to IRC §402(g) for a Plan Year. The Excess Deferral shall be treated as an annual addition and shall be included in the Participant's gross income unless the Excess Deferral shall be distributed no later than the first April 15 following the close of the Participant's taxable year.

- 19.3 Catch-up Contributions. All Participants who attain the age of 50 before the close of the Plan Year shall be eligible to make catch-up contributions pursuant to IRC 414(v). The catch-up contributions shall not be taken into account for purposes of the provisions of the Plan in implementing the limitations of IRC 402(g) and 415. The Plan shall not be treated as failing to satisfy the provisions of the Plan's implementation of IRC 401(k)(3); 401(k)(11); 401(k)(12); 410(b); or 416 because of catch-up contributions.
- 19.4 A Participant shall be 100-percent vested in the 401(k) contributions and earnings on the 401(k) contributions.
- 19.5 The computation period for purposes of IRC Sections 402(g) and

nonhighly compensated employees, tested separately, the average of the Actual Deferral Ratios (calculated separately for each Participant). Employer's contribution for a Participant shall include a Participant's Elective Deferral, including any excess elective deferral whether or not distributed.

- (2) 'Actual Deferral Ratio' shall mean a Participant's Elective Deferral divided by the Participant's compensation, as defined in this Article, for the period of time during the Plan Year that the Participant was eligible to participate in the Plan.
- (3) 'Elective Deferral' shall mean any Employer contribution to the Plan, at the Participant's election, in lieu of cash compensation. A Participant's Elective Deferral shall include the sum of all Employer's contributions, on behalf of the Participant, to any qualified 401(k) plan; any simplified employee pension cash or deferred arrangement described in IRC §402(h)(1)(B); any eligible deferred compensation plan under IRC §457; any plan described in IRC §501(c) (18); and any Employer contribution, made pursuant to a salary reduction, to purchase an annuity under IRC §403(b). However, an Elective Deferral shall not include any amount distributed as an excess annual

defined below:

- (1) **Eligible Rollover Distribution.** An eligible rollover distribution is any distribution of all, or any portion of, the balance to the credit of the distributee. However, an eligible rollover distribution does not include any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary; or for a specified period of 10 years or more; or any distribution to the extent the distribution is required under IRC §401(a)(9); or a hardship distribution; and the portion of any distribution that is not includible in gross income. However, an employee's after tax employee contributions, which are not included in gross income, may be rolled over to a plan described in IRC §408(a) or (b); 401(a); 403(a) which agrees to separately account for the amounts transferred, including separately accounting for the distribution which is includible in gross income and the portion which is not includible.
- (2) **Eligible Retirement Plan.** An eligible retirement plan is an individual retirement account described in IRC §408(a); an individual retirement annuity described in IRC §408(b); an annuity plan described in IRC §403(a); an annuity described in IRC 403(b); an eligible Defined Contribution Plan described in IRC 457(b) which is maintained by an eligible employer described in IRC 457(e)(1)(A); The definition of eligible retirement plan also applies to a spouse or former spouse who is an alternate payee as defined in IRC 414(p).
- (3) **Distributee.** A distributee includes (a) a Participant or former Participant; or (b) the surviving spouse of the Participant or former

401(k) shall be the calendar year.

19.6 **Employer Matching Contributions.**

- (a) A Participating Employer shall make matching contributions based on a Participant's 401(k) contributions pursuant to the Participating Employer's collective bargaining agreement.

- (b) The vesting for the matching contributions shall be as follows:

<u>Years of Vesting Service</u>	<u>Percentage of Vesting</u>
less than 3 years	0%
3 years or more	100%

Years of Vesting Service with the Employer, making the matching contribution, shall be calculated based on the elapsed time. Vesting shall commence on the "Employment Commencement Date" and shall accrue through the "Severance of Employment Date" as defined in Reg. 1.410(a)-7(b)(4).

- (c) The computation period, for purposes of calculating vesting under paragraph 19.5, shall be the twelve consecutive months and each twelve consecutive months, thereafter, commencing on the day on which the Participant first performs an Hour of Service.
- (d) Forfeitures of the matching contributions shall be used to pay reasonable administrative costs associated with the forfeiture and the balance shall reduce the Employer's future matching contributions.

19.7 **Payment of Benefits.** Payment of benefits shall not commence earlier than:

- (a) Participant's death;
- (b) Participant's disability;
- (c) Qualified Domestic Relations Order; or
- (d) Participant's termination of employment.

19.8 **Controlling Provisions.** The provisions of the Plan shall control the 401(k) portion of the Plan except as specifically modified by Article 19.

Article 20 Rollover

- 20.1 (a) A distributee may elect, at the time and in the manner prescribed by the Trustees, to have any portion of an eligible rollover distribution paid in a direct rollover to an eligible retirement plan specified by the distributee. The terms are

nonforfeiture of the Participant's accrued benefits under the Plan and for the purpose of determining the accrual of benefits under the Plan.

- (d) A Participant re-employed under Chapter 43 is entitled to accrued benefits that are contingent upon the making of, or are derived from, employee contributions or elective deferrals only to the extent the Participant makes payment to the plan with respect to such contributions or deferrals. No such payment may exceed the amount the Participant would have been permitted or required to contribute had the Participant remained continuously employed by the Participating Employer throughout the period of qualified military service. Any payment to such plan shall be made during the period beginning with the date of re-employment and the duration of which is limited to the lesser of: (i) 3 times the period of the qualified military service, or (ii) 5 years.

Article 22 Unclaimed Benefits

22.1 Neither the Trustees, nor the Administrator, shall be obligated to search for, or ascertain the whereabouts of, any Participant or Beneficiary. The Trustees, by certified or registered mail addressed to the Participant's or Beneficiary's last known address of record with the Administrator or Participating Employer, shall notify any Participant or Beneficiary that she or he is entitled to a distribution under the Plan, and the notice shall state the provisions of this section. If (i) the Participant's vested account balance is (a) \$5,000 or less, or (b) greater than \$5,000 and the Participant has passed the Retirement Date, and (ii) the Participant or Beneficiary fails to claim the Participant's benefits or make his or her whereabouts known in writing to the Administrator by the earlier of the date that is immediately prior to the earlier of (a) 61/2 years after the date of notification, or (b) the Participant's required beginning date for distributions under IRC §401(a)(9), the Trustees shall hold, administer and distribute the Participant's account balance as follows:

- (a) If the whereabouts of the Participant is unknown, but the whereabouts of the Participant's Beneficiary is then known, the Trustee may direct a distribution to the Beneficiary.

Participant; or (c) a spouse or former spouse, who is the alternate payee under a Qualified Domestic Relations Order as defined in IRC §414(p).

- (4) Direct Rollover. A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.
- (b) If, after accepting a rollover on behalf of a Participant which the Administrator reasonably concluded was eligible at the time, the Administrator determines that the rollover contribution included an ineligible rollover amount, the amount of the invalid rollover contribution, plus any earnings attributable thereto shall be distributed to the Participant within a reasonable time after making the determination.
- (c) The Trustees are authorized to accept a direct or indirect transfer of assets for the benefit of a Participant from another plan qualified pursuant to IRC §401(a) or assets from an Individual Retirement Account subject to the policies and procedures which may be established and amended by the Trustees from time to time.

Article 21 Qualified Military Service

21.1 Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with IRS §414(u). With respect to this requirement, the following shall apply:

- (a) A Participant re-employed under United States Code, Title 38, Chapter 43 ("Chapter 43"), shall be treated as not having incurred a break in service with the Participating Employer by reason of the Participant's period of qualified military service. The term "qualified military service" means any service in the uniformed services (as defined in Chapter 43) by any individual if such individual is entitled to re-employment rights under Chapter 43 with respect to such service.
- (b) Each period of qualified military service served by a Participant is, upon re-employment under Chapter 43, deemed with respect to the Plan to constitute service with the Participating Employer for the purpose of determining

shall be approved and qualified by the Internal Revenue Service as meeting the requirements of the Internal Revenue Code and regulations issued thereunder with respect to employee trusts which shall permit employers to deduct for income tax purposes the amount of its contributions to the trust. If this Plan shall be determined by the Internal Revenue Service not to be initially qualified, this Plan shall be void and all employer contributions which were paid and conditioned on qualification shall be returned to the Participants. If the Plan shall not be initially qualified, the Participants shall not have any rights or claims to any assets to the trust.

TOC-Woodworkers, IAM Defined Contribution Plan and Trust

- (b) If the whereabouts of the Participant and the Participant's Beneficiary is unknown, but the whereabouts of one or more of the Participant's relatives by blood, adoption or marriage are known, the Trustee may direct a distribution of the Participant's account to any one or more of such relatives and in such proportions as the Trustee may determine.
- (c) If the Trustee does not know or learn the whereabouts of any of the above persons within the time limits prescribed above, then the Trustee may declare the Participant's account to be treated as a forfeiture; provided, however, the account shall be reinstated in the event that the Participant or Beneficiary shall ever appear and make a claim. The Trustee may notify the Social Security Administration or the Internal Revenue Service Disclosure Staff of the Participant's or Beneficiary's failure to claim the distribution and request that the applicable agency contact the recipient either before or after the forfeiture.
- (d) While payment is pending, the Trustee may hold the Participant's account in a segregated account invested at the discretion of the Trustee. However, after an account balance shall be declared forfeited, a Participant or Beneficiary shall not be entitled to an investment return except as required by law. Any payment made pursuant to this provision shall operate as a complete discharge of all obligations of the Trustee, Administrator, and the Plan's agents to the extent of the distributions.

22.2 Any benefit which shall not be claimed by, or paid to a Participant prior to the required beginning date, shall be used to pay the expenses of the Plan and Trust. However, the Participant shall have the right to subsequently demand and receive the amount of the benefits which were used to pay the expenses. The amount repaid to the Participant shall equal the amount used to pay the expenses and shall not be increased or decreased by any investment gain or loss.

Article 23 Trust Established

23.1 This Plan is intended to qualify as a tax-exempt trust under the provisions of Section 401 of the Internal Revenue Code. This agreement is executed upon the express condition precedent that it