

**KILLINGWORTH AMBULANCE ASSOCIATION AND
KILLINGWORTH VOLUNTEER FIRE COMPANY**

DEFINED BENEFIT PENSION PLAN

Amended and Restated as of July 1, 2021

Amended November 3, 2022

1. ARTICLE I DEFINITIONS 6

1.1 "Accrued Benefit" 6

1.2 "Actuarial Equivalent" 6

1.3 "Administrator" 7

1.4 "Anniversary Date" 7

1.5 "Annuity Starting Date" 7

1.6 "Beneficiary" 7

1.7 "Code" 7

1.8 "Delayed Retirement" 7

1.9 "Designated Beneficiary" 7

1.10 "Distribution Calendar Year" 7

1.11 "Early Retirement Date" 7

1.12 "Effective Date of Participation" 7

1.13 "Eligible to Ineligible Classification" 8

1.14 "Enrolled Actuary" 8

1.15 "Fiduciary" 8

1.16 "Investment Manager" 8

1.17 "Life Expectancy" 8

1.18 "Nontransferable Annuity" 8

1.19 "Normal Form of Retirement Benefit" 8

1.20 "Normal Retirement Age" 8

1.21 "Normal Retirement Date" 8

1.22 "Participant" 8

1.23 "Plan" 9

1.24 "Plan Sponsor" 9

1.25 "Plan Trustee" 9

1.26 "Plan Year" 9

1.27 "Pre-Retirement Survivor Annuity" 9

1.28 "Present Value of Accrued Benefit" 9

1.29 "Required Beginning Date" 9

1.30 "Retirement Date" 9

1.31 "Terminated Participant" 9

KILLINGWORTH AMBULANCE ASSOCIATION AND KILLINGWORTH VOLUNTEER FIRE
COMPANY DEFINED BENEFIT PENSION PLAN

As Restated July 1, 2021

1.32 "Total and Permanent Disability" 9

1.33 "Trust Fund" 10

1.34 "Vested" 10

1.35 "Volunteer" 10

1.36 "Year of Participation" 10

2. ARTICLE II ELIGIBILITY 10

2.1 CONDITIONS OF ELIGIBILITY 10

2.2 DETERMINATION OF ELIGIBILITY 10

2.3 ELECTION NOT TO PARTICIPATE 10

2.4 OMISSION OF ELIGIBLE VOLUNTEER; INCLUSION OF INELIGIBLE VOLUNTEER 10

3. ARTICLE III BENEFITS 11

3.1 RETIREMENT BENEFITS 11

3.2 PAYMENT OF RETIREMENT BENEFITS 13

3.3 DISABILITY RETIREMENT BENEFITS 13

3.4 DEATH BENEFITS 13

3.5 TERMINATION OF VOLUNTEER SERVICE BEFORE RETIREMENT 15

3.6 DISTRIBUTION OF BENEFITS 15

3.7 DISTRIBUTION OF BENEFITS UPON DEATH 16

3.8 MINIMUM DISTRIBUTION REQUIREMENTS 17

3.9 TIME OF DISTRIBUTION 22

3.10 DISTRIBUTION FOR MINOR OR INCOMPETENT BENEFICIARY 22

3.11 LOCATION OF PARTICIPANT OR BENEFICIARY UNKNOWN 22

3.12 QUALIFIED DOMESTIC RELATIONS ORDER 22

3.13 DIRECT ROLLOVER 22

4. ARTICLE IV CODE SECTION 415 LIMITATIONS 24

4.1 MAXIMUM ANNUAL BENEFIT 24

5. ARTICLE V CONTRIBUTION AND VALUATION 24

5.1 PAYMENT OF CONTRIBUTIONS 24

5.2 ACTUARIAL METHODS 25

5.3 QUALIFIED MILITARY SERVICE 25

6. ARTICLE VI ADMINISTRATION 25

6.1 POWERS AND RESPONSIBILITIES OF THE PLAN SPONSOR 25

6.2 DESIGNATION OF ADMINISTRATIVE AUTHORITY 25

KILLINGWORTH AMBULANCE ASSOCIATION AND KILLINGWORTH VOLUNTEER FIRE
COMPANY DEFINED BENEFIT PENSION PLAN As Restated July 1, 2021

6.3 POWERS AND RESPONSIBILITIES OF THE ADMINISTRATOR 26

6.4 RECORDS AND REPORTS..... 27

6.5 POWERS AND RESPONSIBILITIES OF THE ENROLLED ACTUARY 27

6.6 APPOINTMENT OF ADVISERS..... 27

6.7 PAYMENT OF EXPENSES..... 28

6.8 POWERS AND RESPONSIBILITIES OF THE PLAN TRUSTEE 28

6.9 POWERS AND RESPONSIBILITIES OF THE INVESTMENT MANAGER..... 30

6.10 INVESTMENT MANAGER INDEMNIFICATION..... 34

6.11 MAJORITY ACTION 34

6.12 ALLOCATION AND DELEGATION OF RESPONSIBILITIES 34

6.13 POWERS OF THE CUSTODIAN 35

6.14 TRANSFER OF INTEREST..... 35

7. ARTICLE VII PLAN AMENDMENT..... 35

7.1 AMENDMENT 35

8. ARTICLE VIII PLAN TERMINATION 36

8.1 TERMINATION OF PLAN 36

9. ARTICLE IX MISCELLANEOUS..... 37

9.1 PARTICIPANT'S RIGHTS 37

9.2 ALIENATION 37

9.3 CONSTRUCTION OF PLAN 37

9.4 GENDER AND NUMBER 37

9.5 LEGAL ACTION 38

9.6 PROHIBITION AGAINST DIVERSION OF FUNDS 38

9.7 PLAN PROTECTIVE CLAUSE..... 38

9.8 INSURER'S PROTECTIVE CLAUSE..... 38

9.9 RECEIPT AND RELEASE FOR PAYMENTS..... 38

9.10 ACTION BY THE PLAN SPONSOR 39

9.11 NAMED FIDUCIARIES AND ALLOCATION OF RESPONSIBILITY 39

9.12 HEADINGS 39

9.13 UNIFORMITY 39

9.14 ELECTRONIC MEDIA..... 40

9.15 PLAN CORRECTION..... 40

KILLINGWORTH AMBULANCE ASSOCIATION AND KILLINGWORTH VOLUNTEER FIRE
COMPANY DEFINED BENEFIT PENSION PLAN

As Restated July 1, 2021

THIS AGREEMENT is made and entered into this ___day of_____, by and between the Town of Killingworth (herein referred to as the "Plan Sponsor") and the Senior Trustee of the Killingworth Volunteer Fire Company and Designated Director of the Killingworth Ambulance Association (herein referred to as the "Plan Trustee").

WHEREAS, the Plan Sponsor originally established a defined benefit plan and trust effective January 1, 1989, (hereinafter called the "Effective Date") known as Town of Killingworth Volunteer Fire Company Defined Benefit Pension Plan and which plan shall hereinafter be known as Killingworth Ambulance Association and Killingworth Volunteer Fire Company Defined Benefit Pension Plan (herein referred to as the "Plan"); and

WHEREAS, under the terms of the Plan, the Plan Sponsor has the ability to amend the Plan, provided the Plan Trustee joins in such amendment.

NOW, THEREFORE, effective July 1, 2021 except as otherwise provided, the Plan Sponsor and the Plan Trustee, in accordance with the provisions of the Plan pertaining to amendments thereof, hereby amend the Plan in its entirety and restate the Plan to provide as follows:

1. ARTICLE I DEFINITIONS

1.1 "Accrued Benefit"

means the retirement benefit a Participant is entitled to receive pursuant to the retirement benefit formula set forth in Section 3.1. The vesting schedule as set forth in Section 3.5 shall apply only in the event a Participant terminates volunteer service prior to Normal Retirement Date. The Participant's Accrued Benefit shall be equal to the amount determined under the retirement benefit formula computed as of the Participant's date of termination of volunteer services to Plan Sponsor.

Notwithstanding anything herein to the contrary, a Participant's Accrued Benefit attributable to the retirement benefit formula at the close of any Plan Year coinciding with or following the Participant's attainment of Normal Retirement Age shall be equal to the monthly retirement benefit formula determined pursuant to Section 3.1(d) based upon service determined at the close of any such Plan Year.

1.2 "Actuarial Equivalent"

means a form of benefit differing in time, period, or manner of payment from a specific benefit provided under the Plan but having the same value when computed using the mortality table in 1994 Group Annuity Reserving Table (94 GAR) as set forth in Revenue Ruling 2001-62, and a Pre-Retirement Interest: 5.0%; and Post-Retirement Interest: 5.0%.

Notwithstanding the foregoing, the mortality table and the interest rate for the purposes of determining an Actuarial Equivalent amount (other than nondecreasing life annuities payable for a period not less than the life of a Participant or, in the case of a Pre-Retirement Survivor Annuity, the life of the surviving spouse) shall be the mortality table and the interest rates specified above or the "Applicable Mortality Table" and the "Applicable Interest Rate" described below, whichever produces the greater benefit:

- (a) The "Applicable Mortality Table" means the mortality table prescribed by Code Section 417(e)(3). For any distribution with an Annuity Starting Date on or after the effective date of these Subsections and before the adoption date of these Subsections, if application of the amendment as of the Annuity Starting Date would have caused a reduction in the amount of any distribution, such reduction is not reflected in any payments made before the adoption date of these Subsections. However, the amount of any such reduction that is required under Code Section 415(b)(2)(B) must be reflected actuarially over any remaining payments to the Participant.
- (b) The "Applicable Interest Rate" means the annual rate of interest on 30-year Treasury securities determined as of the second calendar month preceding the first day of the Plan Year during which the Annuity Starting Date occurs. However, except as provided in Regulations, if a Plan amendment (including this amendment and restatement) changes the time for determining the "Applicable Interest Rate" (including an indirect change as a result of a change in the Plan Year), any distribution for which the Annuity Starting Date occurs in the one-year period commencing at the time the Plan amendment is effective (if the amendment is effective on or after the adoption date) must use the interest rate as provided under the terms of the Plan after the effective date of the amendment, determined at either the

date for determining the interest rate before the amendment or the date for determining the interest rate after the amendment, whichever results in the larger distribution. If the Plan amendment is adopted retroactively (that is, the amendment is effective prior to the adoption date), the Plan must use the interest rate determination date resulting in the larger distribution for the period beginning with the effective date and ending one year after the adoption date.

1.3 "Administrator"

means the Plan Sponsor unless another person or entity has been designated by the Plan Sponsor pursuant to Section 6.2 to administer the Plan on behalf of the Plan Sponsor.

1.4 "Anniversary Date"

means January 1st of each year.

1.5 "Annuity Starting Date"

means, with respect to any Participant, the first day of the first period for which an amount is paid as an annuity, or, in the case of a benefit not payable in the form of an annuity, the first day on which all events have occurred which entitles the Participant to such benefit.

1.6 "Beneficiary"

means the person (or entity) to whom the share of a deceased Participant's interest in the Plan is payable.

1.7 "Code"

means the Internal Revenue Code of 1986, as amended or replaced from time to time.

1.8 "Delayed Retirement"

means a participant continued in volunteer service beyond their Normal Retirement Date.

1.9 "Designated Beneficiary"

means the individual who is designated as the beneficiary under Section 5.4 of the Plan and is the designated beneficiary under Code Section 401(a)(9) and Regulation Section 1.401(a)(9)-4.

1.10 "Distribution Calendar Year"

means 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 Section 3.8(b).

1.11 "Early Retirement Date"

This Plan does not provide for a retirement date prior to Normal Retirement Date.

1.12 "Effective Date of Participation"

means a Volunteer shall become a Participant effective as of the first day of the month coinciding with or next following the date on which such Volunteer met the eligibility requirements of Section 2.1.

1.13 “Eligible to Ineligible Classification”

means the participation of a Participant who becomes a member of an ineligible class will be suspended and such Participant will be entitled to an Accrued Benefit only to the extent of Years of Participation completed while an Eligible Volunteer. Upon returning to an eligible class of Volunteers, a suspended Participant will immediately participate again in the Plan.

1.14 “Enrolled Actuary”

means an insurance statistical and financial analyst licensed by the Joint Board of the Department of Treasury and the Department of Labor to perform annual census reviews of this plan.

1.15 "Fiduciary"

means any person who (a) exercises any discretionary authority or discretionary control respecting management of the Plan or exercises any authority or control respecting management or disposition of its assets, (b) renders investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of the Plan or has any authority or responsibility to do so, or (c) has any discretionary authority or discretionary responsibility in the administration of the Plan.

1.16 "Investment Manager"

means an entity that (a) has the power to manage, acquire, or dispose of Plan assets and (b) acknowledges fiduciary responsibility to the Plan in writing. Such entity must be a person, firm, or corporation registered as an investment adviser under the Investment Advisers Act of 1940, a bank, or an insurance company.

1.17 “Life Expectancy”

means the life expectancy as computed by use of the Single Life Table in Regulation Section 1.401(a)(9)-9.

1.18 “Nontransferable Annuity”

means an individual annuity contract purchased by the Plan from an insurance company, issued to a Participant and which represents distribution of his or her entire Accrued Benefit under the Plan.

1.19 “Normal Form of Retirement Benefit”

means a monthly straight life annuity payable in equal installments for the life of the Participant with a minimum of 120 months of payments to the Participant or his or her Beneficiary.

1.20 "Normal Retirement Age"

means the Participant's 65th birthday. A Participant shall become fully Vested in the Participant's Normal Retirement Benefit upon attaining Normal Retirement Age.

1.21 "Normal Retirement Date"

means the first day of the month coinciding with or next following the Participant's Normal Retirement Age.

1.22 "Participant"

means any member of the Town of Killingworth Volunteer Fire Company, or the Killingworth Ambulance Association who performs services for the Plan Sponsor and who has met the

eligibility and participation requirements Article II.

1.23 "Plan"

means this instrument, including all amendments thereto.

1.24 "Plan Sponsor"

means the Town of Killingworth.

1.25 "Plan Trustee"

means the Senior Trustee of the Killingworth Volunteer Fire Company, and Designated Director of the Killingworth Ambulance Association.

1.26 "Plan Year"

means the Plan's accounting year beginning on January 1st and ending the following December 31st.

1.27 "Pre-Retirement Survivor Annuity"

means an immediate annuity for the life of the surviving spouse of a Participant who dies prior to the Participant's Annuity Starting Date.

1.28 "Present Value of Accrued Benefit"

means the Actuarial Equivalent lump-sum amount of a Participant's Accrued Benefit at date of valuation.

1.29 "Required Beginning Date"

means the Participant's required beginning date (within the meaning of section 401(a)(9)(C)) is April 1 of the calendar year following the later of: (i) the calendar year in which the Participant attains age 72, and (ii) the calendar year in which the Participant retires from volunteer service with the Plan Sponsor maintaining the plan. With respect to a Participant born before July 1, 1949, the Participant's required beginning date is April 1 of the calendar year following the later of (i) the calendar year in which the Participant attains age 70 ½ and (ii) the calendar year in which the Participant retires from the Plan Sponsor maintaining the plan.

1.30 "Retirement Date"

means the date as of which a Participant retires for reasons other than Total and Permanent Disability, whether such retirement occurs on a Participant's Normal Retirement Date or Delayed Retirement Date (see Section 3.1).

1.31 "Terminated Participant"

means a Participant who is no longer providing services to the Plan Sponsor.

1.32 "Total and Permanent Disability"

means a physical or mental condition of a Participant resulting from bodily injury, disease, or mental disorder which renders such Participant incapable of continuing any gainful occupation and which condition constitutes total disability under the federal Social Security Act.

1.33 "Trust Fund"

means the assets of the Plan and Trust as the same shall exist from time to time.

1.34 "Vested"

means the portion of a Participant's benefits under the Plan that are nonforfeitable.

1.35 "Volunteer"

means any member of the Town of Killingworth Volunteer Fire Company, or the Killingworth Ambulance Association who performs volunteer services for the Plan Sponsor.

1.36 "Year of Participation"

means a Plan Year in which a Participant satisfies the requirements of the Standard Operating Procedures (SOP's) of the Killingworth Ambulance Association (KAA) or the By-Laws of the Killingworth Volunteer Fire Company (KVFC).

2. ARTICLE II ELIGIBILITY

2.1 CONDITIONS OF ELIGIBILITY

For all Plan purposes, any Volunteer who has attained age 18 shall be eligible to participate hereunder as of the date such Volunteer has satisfied such requirement.

2.2 DETERMINATION OF ELIGIBILITY

The Administrator shall determine the eligibility of each Volunteer for participation in the Plan based upon information furnished by the Plan Trustee. Such determination shall be conclusive and binding upon all persons, as long as the same is made pursuant to the Plan.

2.3 ELECTION NOT TO PARTICIPATE

A Volunteer who is otherwise eligible to participate in the Plan may make a one-time irrevocable election to waive participation in the Plan. The Volunteer's election to waive participation in the Plan must be in writing and must be delivered to the Administrator within 30 days of the date the Volunteer first becomes eligible to participate in the Plan, or aware of the participation in the plan.

2.4 OMISSION OF ELIGIBLE VOLUNTEER; INCLUSION OF INELIGIBLE VOLUNTEER

If, for any Plan Year, any Volunteer who should be included as a Participant in the Plan is erroneously excluded from the Plan, upon discovery of such omission the Administrator will restore the Volunteer's benefit entitlement so that the omitted Volunteer receives the same amount which the Volunteer would have received had he or she not been omitted from the Plan. The Plan Sponsor will make a subsequent contribution to the Plan if deemed appropriate by the Enrolled Actuary retained by the Administrator.

If any person who should not have been included as a Participant is erroneously included in any Plan Year and discovery of the incorrect inclusion is not made until after a contribution for that Plan Year has been made, the Plan Sponsor will not be entitled to recover the contribution made with respect to the ineligible person, but the amount erroneously attributed will be applied as a forfeiture or as an actuarial gain for the Plan Year in which the error is discovered or for the following Plan Year.

3. ARTICLE III BENEFITS

3.1 RETIREMENT BENEFITS

(a) **Normal Retirement Benefit.** The amount of monthly retirement benefit to be provided for each Participant shall be equal to the Participant's Accrued Benefit. A Participant's Accrued Benefit is the monthly dollar amount shown below for the total number of Years of Participation earned by the Participant.

Years of Participation	Amount of Monthly Retirement Income
0	\$0
1-4	\$150
5	\$175
6	\$200
7	\$225
8	\$250
9	\$275
10	\$300
11	\$325
12	\$350
13	\$375
14	\$400
15	\$425

Years of Participation	Amount of Monthly Retirement Income
16	\$450
17	\$475
18	\$500
19	\$525
20	\$550
21	\$575
22	\$600
23	\$625
24	\$650
25	\$675
26	\$700
27	\$725
28	\$750
29	\$775
30 or more	\$800

(b) **Normal Form.** The normal form of retirement benefit payable to a Participant shall be a monthly pension commencing on the Participant's Retirement Date and continuing for life. If a retired Participant dies prior to the completion of 120 monthly payments, such monthly payments shall be continued to the retired Participant's Beneficiary until the monthly payments made to the retired Participant and to the Beneficiary shall total 120. Alternative forms of distributions may be elected pursuant to the provisions of Section 3.6.

(c) **Early Retirement Date.** The Plan does not provide for an Early Retirement Date. In the event that a Participant terminates volunteer service prior to his or her Normal Retirement Date, the Participant's benefit shall be payable at the Normal Retirement Date.

- (d) **Delayed Retirement Date.** A Participant may be continued in volunteer service beyond Normal Retirement Age and continue to accrue benefits until the age of 72. A Participant who continues in service may delay taking his or her retirement benefit to the first of the month following the earlier of his or her 72nd birthday or the date the Participant ceases to perform volunteer services for the Plan Sponsor. If the Participant continues in volunteer service after accruing the maximum 30 Years of Participation, the Participant's Accrued Benefit will be actuarially adjusted to the first of the month following the earlier of his or her 72nd birthday or the date the Participant ceases to perform volunteer services for the Plan Sponsor. If a Participant continues to perform volunteer services after their 72nd birthday, the Participant must sign a document acknowledging accrual of benefits has stopped.

3.2 PAYMENT OF RETIREMENT BENEFITS

- (a) When a Participant ceases to perform services for the Plan Sponsor and is eligible to, and elects to, commence payment of his or her Accrued Benefit, the Administrator shall immediately take all necessary steps to provide all required documents to the Participant to effectuate payment of the Participant's Accrued Benefit pursuant to the terms of the Plan.
- (b) At any time after the attainment of Normal Retirement Age, a participant may elect to begin receiving benefits based on years of service at the time of election. If a Participant continues to perform volunteer services after electing to begin benefit payments, the Participant must sign a document acknowledging accrual of benefits has stopped.

At the discretion of the Administrator, retirement benefits may be paid from the Plan, or by a Nontransferable Annuity purchased by the Plan and distributed to the Participant. The Nontransferable Annuity contract shall comply with the requirements of the Plan.

3.3 DISABILITY RETIREMENT BENEFITS

If a Participant incurs a Total and Permanently Disability pursuant to Section 1.32 prior to termination of volunteer service and such condition continues for a period of six (6) consecutive months, such Participant shall be eligible to retire and will be entitled to receive an immediate commencement of the Actuarial Equivalent of his or her Vested Accrued Benefit.

3.4 DEATH BENEFITS

- (a) **Death Prior to the Annuity Starting Date.** If a Participant dies prior to the Annuity Starting Date, Participant's Beneficiary shall receive a death benefit equal to the Actuarial Equivalent of the Vested Accrued Benefit.
- (b) **Death Subsequent to the Annuity Starting Date.** Upon the death of a Participant subsequent to the Annuity Starting Date, the Participant's Beneficiary shall be entitled to whatever death benefit may be available under the settlement arrangement pursuant

to which the Participant's benefit is made payable.

- (c) **Proof of Death and Beneficiary.** The Administrator may require such proper proof of death and such evidence of the right of any person to receive the death benefit payable as a result of the death of a Participant as the Administrator may deem necessary. The Administrator's determination of death and the right of any person to receive payment shall be conclusive.
- (d) **Beneficiary Designation.** Unless otherwise elected in the manner prescribed in Section 3.7, the Beneficiary of the death benefit shall be the Participant's surviving spouse. Except, however, the Participant may designate a Beneficiary other than the spouse if:
- 1) the Participant's spouse has validly waived the right to be the Participant's Beneficiary, or
 - 2) the Participant is legally separated or has been abandoned (within the meaning of local law) and the Participant has a court order to such effect, and there is no qualified domestic relations order, within the meaning of Code section 414(p), which provides otherwise, or
 - 3) the Participant has no spouse, or
 - 4) the spouse cannot be located.
- (e) **Revocation of Beneficiary Designation.** The designation of a Beneficiary shall be made on a form satisfactory to the Administrator. A Participant may at any time revoke a designation of a Beneficiary or change a Beneficiary by filing written notice of such revocation or change with the Administrator. However, the Participant's spouse must again consent in writing to any change in Beneficiary unless the original consent acknowledged that the spouse had the right to limit consent only to a specific Beneficiary and that the spouse voluntarily elected to relinquish such right. In the event no valid designation of Beneficiary exists, or if the Beneficiary is not alive at the time of the Participant's death, the death benefit shall be payable to the Participant's spouse, or if none, then to the Participant's estate. Additionally, if the Beneficiary does not predecease the Participant, but dies prior to the distribution of the death benefit, the death benefit will be paid to the Beneficiary's estate.
- (f) **Divorce Revokes Spousal Beneficiary Designation.** Notwithstanding anything in this Section to the contrary, if a Participant has designated the spouse as a Beneficiary, then a divorce decree that relates to such spouse shall revoke the Participant's designation of the spouse as a Beneficiary unless the decree or a "qualified domestic relations order" (within the meaning of Code Section 414(p)) provides otherwise, or a subsequent Beneficiary designation is made.
- (g) **Form of Payment.** The benefit payable under this Section shall be paid pursuant to

the provisions of Sections 3.7 and 3.9.

3.5 TERMINATION OF VOLUNTEER SERVICE BEFORE RETIREMENT

- (a) **Latest Time for Payment.** Payment to a Terminated Participant of the Vested portion of such Participant's Accrued Benefit shall begin not later than the 60th day after the close of the Plan Year in which the Participant attains age 65.
- (b) **Usage of Forfeitures.** That portion of a Terminated Participant's Accrued Benefit that is forfeited shall be used only to reduce future costs of the Plan.
- (c) **Timing of Forfeitures.** That portion of a Terminated Participant's Accrued Benefit that is not Vested shall become a forfeiture upon the distribution of the entire Vested portion of the Accrued Benefit of such Terminated Participant.
- (d) **Vesting Schedule.** A Participant will have a 100% Vested interest in his or her Accrued Benefit upon reaching Normal Retirement Age prior to termination of service, death or disability. A Participant's Vested interest in his or her Accrued Benefit upon Termination of Volunteer Service prior to Normal Retirement Age will be determined based on the Participant's number of years of participation according to the following schedule:

Years of Participation	Vested Interest
<4	0%
4	40%
5	50%
6	60%
7	70%
8	80%
9	90%
10 or more	100%

3.6 DISTRIBUTION OF BENEFITS

- (a) **Normal Form of Retirement Benefit.** The Normal Form of Retirement Benefit is a monthly life annuity payable over the life of the Participant, with the provision that, if a retired Participant dies prior to the completion of 120 payments, such monthly payments shall be continued to the retired Participant's designated Beneficiary until

the monthly payments to the Retired Participant and to the Beneficiary total 120.

- (b) **Married Participants.** A married Participant's benefit will be paid in the form of a joint and 50% survivor annuity with the spouse as the survivor annuitant, which is the Actuarial Equivalent of the Normal Form of Retirement Benefit, unless the spouse of the Participant provides written consent to a different form of payment.
- (c) **Alternative Forms of Distribution.** In the event a married Participant duly elects pursuant to paragraph (b) above not to receive benefits in the form of a joint and 50% survivor annuity, or if such Participant is not married, in the form of a life annuity, with a minimum of 120 months of payments, the Administrator, pursuant to the election of the Participant, shall direct the Plan Trustee to distribute to a Participant or such Participant's Beneficiary an amount which is the Actuarial Equivalent of the monthly retirement benefit provided in paragraph (a) above in one of the following methods:
- 1) One lump-sum payment in cash,
 - 2) Joint and 50% survivor annuity,
 - 3) Joint and 75% survivor annuity, or
 - 4) Monthly life annuity, with a minimum of 120 monthly payments.
- (d) **Mandatory Distributions.** If the Participant's Vested Present Value of Accrued Benefit is less than \$5,000, then the distribution may only be made as an immediate lump sum payment. This distribution will be made regardless of the Participant's and the Participant's spouse's consent. If the Participant's Vested Present Value of Accrued Benefit is \$5,000 or more, the Participant must elect a form of payment to commence no later than 60 days after the end of the Plan Year in which the Participant is entitled to commence benefit payments. If the Participant does not make the required election and the Participant is married, the benefit will be paid in the form of a joint and 50% survivor annuity with his spouse. If the Participant does not make the required election and the Participant is not married, the benefit will be paid in the form of a monthly life annuity, with a minimum of 120 payments.

3.7 DISTRIBUTION OF BENEFITS UPON DEATH

- (a) **Pre-Retirement Survivor Annuity (PRSA).** Unless otherwise elected as provided below, a Vested Participant who dies before the Annuity Starting Date and who has a surviving spouse shall have the death benefit paid to the surviving spouse in the form of a Pre-Retirement Survivor Annuity. The monthly amount payable to the surviving spouse will be the Actuarial Equivalent of the Participant's Vested Accrued Benefit as of the date of death. The Participant's spouse may direct that payment of the Pre-Retirement Survivor Annuity commence within a reasonable period after the Participant's death, but not later than the month in which the Participant would have

- attained the Normal Retirement Age under the Plan if the Participant dies on or before the Normal Retirement Age. If the spouse does not so direct, payment of such benefit will commence at the time the Participant would have attained the Normal Retirement Age.
- (b) **Election to Waive PRSA.** If the present value of the Pre-Retirement Survivor Annuity exceeds \$5,000, then an immediate distribution of the entire amount of the Pre-Retirement Survivor Annuity may be made to the surviving spouse, provided such surviving spouse consents in writing to such distribution. Any consent required under this Paragraph must be obtained not more than one hundred eighty (180) days before commencement of the distribution and shall be made in a manner consistent with Section 3.6(d). The present value shall be determined as provided in Section 1.28.
- (c) **Mandatory Form of Distribution.** If the present value of the Pre-Retirement Survivor Annuity does not exceed \$5,000 at the time of distribution, then the Administrator shall direct the immediate distribution of the present value of the Pre-Retirement Survivor Annuity to the Participant's spouse. The present value shall be determined as provided in Section 1.28.
- (d) **Non-Spouse Beneficiary.** A Vested Participant who dies before the Annuity Starting Date and who has a non-spouse Beneficiary shall have the death benefit paid to the Beneficiary in a lump sum.

3.8 MINIMUM DISTRIBUTION REQUIREMENTS

(a) General Rules

- 1) **Effective Date.** Except as otherwise provided herein, the provisions of this Section will first apply for purposes of determining required minimum distributions for calendar years beginning on and after January 1, 2020. The new minimum distribution rules that permit mandated payments to be made at age 72 took effect on January 1, 2020.
- 2) **Requirements of Treasury Regulations Incorporated.** All distributions required under this Section shall be determined and made in accordance with Code Section 401(a)(9), including the incidental death benefit requirement in Code Section 401(a)(9)(G), and the regulations thereunder.
- 3) **Precedence.** Subject to the qualified joint and survivor annuity requirements of the Plan, the requirements of this Section shall take precedence over any inconsistent provisions of the Plan.

4) Determination of Required Beginning Date

- i. **General Rule.** Except as otherwise provided in this Section, the Participant's Required Beginning Date (within the meaning of section 401(a)(9)(C)) is April 1 of the calendar year following the later of: (i) the calendar year in which the Participant attains age 72, and (ii) the calendar year in which the Participant retires from volunteer service with the Plan Sponsor maintaining the plan.
- ii) **Participants Born Before July 1, 1949.** With respect to a Participant born before July 1, 1949, the Participant's required beginning date is April 1 of the calendar year following the later of (i) the calendar year in which the Participant attains age 70 ½ and (ii) the calendar year in which the Participant retires from the Plan Sponsor maintaining the plan.

(b) Time and Manner of Distribution

- 1) **Payments to Participant.** Distributions of the Participant's entire interest must be paid in the form of periodic annuity payments for the Participant's life or the joint lives of the Participant and Beneficiary or over a period certain that does not exceed the maximum length of a period certain determined in accordance with Section 3.8(c).
- 2) **Death of Participant Before Distributions Begin.** If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:
 - i) **Designated Beneficiary.** If the Participant dies before distributions begin and there is a "Designated Beneficiary," then the Participant's interest will be distributed to the "Designated Beneficiary" either (1) in accordance with regulations over the life of such "Designated Beneficiary", provided the distribution begins no later than December 31 of the calendar year after the calendar year in which the Participant died, or (2) the entire interest is distributed by December 31st of the calendar year containing the fifth anniversary of the Participant's death. The election must be made in accordance with the applicable Internal Revenue Service regulations. If neither the Participant nor the "Designated Beneficiary" makes the election, the entire interest will be distributed by the calendar year containing the fifth anniversary of the Participant's death.
 - ii) **No Designated Beneficiary, 5-Year Rule.** If there is no "Designated Beneficiary" as of September 30th of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31st of the calendar year containing the fifth anniversary of the

Participant's death.

- iii) **Surviving Spouse.** If the Participant's surviving spouse is the Participant's sole "Designated Beneficiary", the date distributions are required to begin shall be no earlier than the date the Participant would have attained age 72. If the surviving spouse dies before the distributions begin, Section 5.8(b)(2)(i) shall be applied as of the surviving spouse were the Participant.

For purposes of this Section 3.8(b), distributions are considered to begin on the Participant's Required Beginning Date. If annuity payments irrevocably commence to the Participant before the Participant's Required Beginning Date, the date distributions are considered to begin is the date distributions actually commence.

- 3) **Form of Distribution.** Unless the Participant's interest is distributed in the form of a Nontransferable Annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year distributions will be made in accordance with Sections 3.8(c), 3.8(d). If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the regulations thereunder.

(c) Determination of Amount to be Distributed Each Year

- 1) **General annuity requirements.** A Participant who is required to begin payments as a result of attaining his or her Required Beginning Date, whose interest has not been distributed in the form of a Nontransferable Annuity purchased from an insurance company or in a single sum before such date, may receive such payments in the form of annuity payments under the Plan. Payments under such annuity must satisfy the following requirements:
 - i) The annuity distributions will be paid in periodic payments made at intervals not longer than one year;
 - ii) The distribution period will be over a life (or lives) or over a period certain not longer than the period described in Section 3.8(d);
 - iii) Once payments have begun over a period certain, the Plan does not permit a Participant to elect a change in the period certain with associated modifications in the annuity payments.
 - iv) Payments will be nonincreasing.

2) Amount Required to be Distributed by Required Beginning Date

- i) In the case of a Participant whose interest in the Plan is being distributed as an annuity pursuant to Subsection (1) above, the amount that must be distributed on or before the Participant's Required Beginning Date is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Participant's benefit accruals as of the last day of the first Distribution Calendar Year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's Required Beginning Date.
 - ii) In the case of a single sum distribution of a Participant's entire Accrued Benefit during a Distribution Calendar Year, the amount that is the required minimum distribution for the Distribution Calendar Year (and thus not eligible for rollover under Code Section 402(c)) is determined under this paragraph. The portion of the single sum distribution that is a required minimum distribution is determined by treating the single sum distribution as a distribution from an individual account plan and treating the amount of the single sum distribution as the Participant's account balance as of the end of the relevant valuation calendar year. If the single sum distribution is being made in the calendar year containing the Required Beginning Date and the required minimum distribution for the Participant's first Distribution Calendar Year has not been distributed, the portion of the single sum distribution that represents the required minimum distribution for the Participant's first and second Distribution Calendar Year is not eligible for rollover.
- 3) Additional Accruals after First Distribution Calendar Year.** If additional benefits accrue in a calendar year after the Participant's first Distribution Calendar Year, distribution of the amount that accrues in that later calendar year must commence in accordance with the first payment interval ending in the calendar year immediately following the calendar year in which that amount accrues. The Plan will not fail to satisfy the requirements of this paragraph and Code Section 401(a)(9) merely because there is an administrative delay in the commencement of the distribution of the additional benefits accrued in a calendar year, provided that the actual payment of such amount commences no later than the end of the first calendar year following the calendar year in which the additional benefit accrues, and the total amount paid during such first calendar year must be no less than the total amount that was required to be paid during that year under this paragraph.

- 4) **Death after Distributions Begin.** If a Participant dies after distribution of the Participant's interest begins in the form of an annuity meeting the requirements of this Section, then the remaining portion of the Participant's interest will continue to be distributed over the remaining period over which distributions were scheduled.

(d) Minimum Distribution Incidental Benefit (MDIB) Requirement.

- 1) **Joint and Survivor Annuity Where the Beneficiary is the Participant's Spouse.** If the Participant's sole beneficiary is the Participant's spouse and the distributions satisfy section 401(a)(9) without regard to the minimum distribution incidental benefit (MDIB) requirement, the distributions to the Participant would be deemed to satisfy the MDIB requirement. For example, if the Participant's benefit is being distributed in the form of a joint and survivor annuity for the lives of the Participant and the Participant's spouse and the spouse is the sole beneficiary of the Participant, the amount of periodic payment payable to the spouse would not violate the MDIB requirement if it were 100% of the annuity payment payable to the Participant, regardless of the difference in the ages between the Participant and the Participant's spouse.
- 2) **Joint Life Annuities Where the Beneficiary is Not the Participant's Spouse.** If distributions commence in the form of a joint and survivor annuity for the lives of the Participant and a Beneficiary other than the Participant's spouse and the Participant is age 72 or older on the Participant's birthday in the calendar year that includes the annuity starting date, then the MDIB requirement will not be satisfied as of the date distributions commence unless, under the distribution option, the periodic annuity payments to the survivor at any time on or after the Participant's Required Beginning Date do not exceed the applicable percentage of the periodic annuity payment payable to the Participant using the table set forth in Section 1.401(a)(9)-6(b) of the regulations. The applicable percentage is based on the adjusted Participant/Beneficiary age difference, which is equal to the excess of the age of the Participant over the age of the beneficiary based on their ages on their birthdays in the calendar year that includes the annuity starting date.

If distributions commence and, as of the Participant's birthday in the calendar year that includes the annuity starting date, the Participant is under age 72, the adjusted Participant/beneficiary age difference is determined by first calculating the Participant/beneficiary age difference as in the prior paragraph and then reducing that age difference by the number of years by which the Participant is younger than age 72 in the Participant's birthday in the calendar year that includes the Annuity Starting Date.

3.9 TIME OF DISTRIBUTION

Except as limited by Sections 3.6 and 3.7, whenever the Plan Trustee, under the direction of the Administrator, is to make a distribution or to commence a series of payments, the distribution or series of payments may be made or begun on such date or as soon thereafter as is practicable.

3.10 DISTRIBUTION FOR MINOR OR INCOMPETENT BENEFICIARY

In the event a distribution is to be made to a minor or incompetent individual, then the Administrator may direct that such distribution be paid to the court-appointed legal guardian or any other person authorized under state law to receive such distribution, or if none, then in the case of a minor Beneficiary, to a parent of such Beneficiary, or to the custodian for such Beneficiary under the Uniform Gift to Minors Act or Gift to Minors Act, if such is permitted by the laws of the state in which said Beneficiary resides. Such a payment to the guardian, custodian or parent of a minor or incompetent individual shall fully discharge the Plan Trustee, Plan Sponsor, and Plan from further liability on account thereof.

3.11 LOCATION OF PARTICIPANT OR BENEFICIARY UNKNOWN

In the event that all, or any portion, of the distribution payable to a Participant or Beneficiary hereunder remain unpaid solely by reason of the inability of the Administrator, after sending a registered letter, return receipt requested, to the last known address, and after further diligent effort, to ascertain the whereabouts of such Participant or Beneficiary, the amount so distributable shall be forfeited and shall be used to reduce the cost of the Plan. In the event a Participant or Beneficiary is located subsequent to the benefit being forfeited, such benefit shall be restored unadjusted for earnings or losses. However, regardless of the preceding, a benefit which is lost by reason of escheat under applicable state law is not treated as a forfeiture for purposes of this Section nor as an impermissible forfeiture under the Code.

3.12 QUALIFIED DOMESTIC RELATIONS ORDER

The Plan will accept a qualified domestic relations order (QDRO) as defined in Code Section 414(p) that assigns to an alternate payee a portion of the Participant's Vested Accrued Benefit under the Plan. The QDRO must (1) provide for a shared interest payment, which commences when the Participant commences his or her benefit, (2) clearly specify the manner for determining the alternate payee's share of the Participant's benefit and (3) does not require the Plan to provide a benefit that is not otherwise provided or available under the Plan. If the QDRO mandates that the Participant elect his or her benefit in the form of a joint and survivor annuity with the alternate payee as the survivor annuitant, the QDRO must acknowledge that the Plan will only enforce that mandated election if the Participant is not married at the time the Participant elects the form of payment for retirement benefits.

3.13 DIRECT ROLLOVER

(a) **Right to direct rollover.** A distributee may elect to have all, or any portion of an

eligible rollover distribution, paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

(b) **Definitions.** For purposes of this Section the following definitions shall apply:

- 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 in a qualified plan, except that 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 ten years or more; or any distribution to the extent such distribution is a required minimum distribution under Code Section 401(a)(9); or any hardship distribution; and any other distribution that is reasonably expected to total less than \$200 during a year. Notwithstanding the above, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax voluntary Volunteer contributions which are not includible in gross income. However, such portion may be transferred only to (1) an individual retirement account or annuity described in Code Section 408(a) or (b), or (2) for taxable years beginning after December 31, 2001 and before January 1, 2007, to a qualified trust that is part of a defined contribution plan that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or (3) for taxable years beginning after December 31, 2006, to a qualified trust or to an annuity contract described in 403(b), if such trust or contract agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.
- 2) **Eligible Retirement Plan.** An eligible retirement plan is an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), (other than an endowment contract), a qualified defined contribution plan described in Code Section 401(a) that accepts the Volunteer's rollover distribution, an annuity plan described in Code Section 403(a), or an annuity contract described in section 403(b), an eligible deferred compensation plan described in Code Section 457(b) which is maintained by an eligible Plan Sponsor described in Code Section 457(e)(1)(A), but only if the plan separately accounts for the amount of the rollover. The definition of "eligible retirement plan" shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in Code Section 414(p). In the case of "distributee" who is a non-spouse designated Beneficiary, (1) the direct

rollover may be made only to an individual retirement account described in Code Section 408(a) or annuity described in Code Section 408(b) ("IRA") that is established on behalf of the designated Beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Code Section 402(c)(11).

- 3) Distributee. A distributee includes a Volunteer or former Volunteer. In addition, a Volunteer's or former Volunteer's surviving spouse and the Volunteer's or former Volunteer's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), are distributees with regard to the interest of the spouse or former spouse.

- (c) **Notice Requirement.** The Administrator of a qualified plan must provide, within a reasonable time before making an eligible rollover distribution, a written explanation to the distributee of the distributee's right to elect a direct rollover and the withholding consequences of not making that election. The explanation also is required to provide certain other relevant information relating to the taxation of distributions as set forth in Regulation section 1.402(f)-1.

4. ARTICLE IV CODE SECTION 415 LIMITATIONS

4.1 MAXIMUM ANNUAL BENEFIT

A Participant's annual benefit payable from the Plan shall not exceed the limitation imposed by Code Section 415 as applicable to governmental plans, the provisions of which are incorporated by reference. If the benefit the Participant would otherwise accrue in a limitation year would produce an annual benefit in excess of the annual limit imposed by the Code Section 415, the rate of accrual will be reduced so that the annual benefit is equal to the maximum annual limit. The annual benefit for a Participant who has not attained Normal Retirement Age will be applied to the Actuarial Equivalent of the Participant's Accrued Benefit otherwise payable under the Plan at Normal Retirement Age, based on the Participant's completed years of participation to date. The limitation year is the Plan Year.

5. ARTICLE V CONTRIBUTION AND VALUATION

5.1 PAYMENT OF CONTRIBUTIONS

No contribution shall be required under the Plan from any Participant. The Plan Sponsor shall pay to the Trust Fund from time to time such amounts in cash as the Administrator and Plan Sponsor shall determine to be necessary to provide the benefits under the Plan determined by the application of accepted actuarial methods and assumptions. The method of funding shall be consistent with Plan objectives.

5.2 ACTUARIAL METHODS

In establishing the liabilities under the Plan and contributions thereto, the Enrolled Actuary will use such methods and assumptions as will reasonably reflect the cost of the benefits. The Plan assets are to be valued on the last day of the Plan Year (or on any other date determined by the Administrator) using any reasonable method of valuation that takes into account fair market value pursuant to Internal Revenue Service regulations.

5.3 QUALIFIED MILITARY SERVICE

Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service will be provided in accordance with Code Section 414(u).

6. ARTICLE VI ADMINISTRATION

6.1 POWERS AND RESPONSIBILITIES OF THE PLAN SPONSOR

- (a) **Appointment of Plan Trustee and Administrator.** In addition to the general powers and responsibilities otherwise provided for in this Plan, the Plan Sponsor shall be empowered to appoint and remove the Plan Trustee and the Administrator from time to time as it deems necessary for the proper administration of the Plan to ensure that the Plan is being operated for the exclusive benefit of the Participants and their Beneficiaries in accordance with the terms of the Plan and the Code. The Plan Sponsor may appoint counsel, specialists, advisers, agents (including any nonfiduciary agent) and other persons as the Plan Sponsor deems necessary or desirable in connection with the exercise of its fiduciary duties under this Plan. The Plan Sponsor may compensate such agents or advisers from the assets of the Plan as fiduciary expenses (but not including any business (settlor) expenses of the Plan Sponsor), to the extent not paid by the Plan Sponsor.
- (b) **Appointment of Investment Manager.** The Plan Sponsor may, by written agreement or designation, appoint at its option an Investment Manager (qualified under the Investment Company Act of 1940 as amended), investment adviser, or other agent to provide investment direction to the Plan Trustee with respect to any or all of the Plan assets. Such appointment shall be given by the Plan Sponsor in writing in a form acceptable to the Plan Trustee and shall specifically identify the Plan assets with respect to which the Investment Manager or other agent shall have authority to direct the investment.

6.2 DESIGNATION OF ADMINISTRATIVE AUTHORITY

The Plan Sponsor shall be the Administrator. The Plan Sponsor may appoint any person, including, but not limited to, the volunteers of the Plan Sponsor, to perform the duties of the Administrator. Any person so appointed who is not a town employee shall signify acceptance by filing written acceptance with the Plan Sponsor. Upon the resignation or removal of any

individual performing the duties of the Administrator, the Plan Sponsor may designate a successor.

6.3 POWERS AND RESPONSIBILITIES OF THE ADMINISTRATOR

The primary responsibility of the Administrator is to administer the Plan for the exclusive benefit of the Participants and their Beneficiaries, subject to the specific terms of the Plan.

The Administrator shall administer the Plan in accordance with its terms. The Administrator shall consult with the Plan Sponsor, Plan Trustee, the Enrolled Actuary and town counsel to construe the terms of the Plan and to determine all questions arising in connection with the administration, interpretation, and application of the Plan. Benefits under this Plan will be paid once determined by the Administrator that the applicant is entitled to them.

In the event of a dispute, the Administrator shall consult with the Plan Sponsor and Plan Trustee. Results of that consult shall be conclusive and binding on all persons

The Administrator may establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of the Plan; provided, however, that any procedure, discretionary act, interpretation or construction shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to be deemed a qualified plan under the terms of Code Section 401(a). The Administrator shall have all powers necessary or appropriate to accomplish the Administrator's duties under the Plan.

The Administrator shall be charged with the duties of the general administration of the Plan as set forth under the terms of the Plan, including, but not limited to, the following:

- (a) responsibility to collect from the KAA and KVFC a list each year of all participants who qualified for that year to be credited with a year of service;
- (b) the authority to review all claims against the Plan, including claims where the settlement amount cannot be calculated or is not calculated in accordance with the Plan's benefit formula. This authority specifically permits the Administrator to settle all non-disputed claims for benefits and any other claims made against the Plan, and recommend to the Plan Sponsor and Plan Trustee the disposition of any disputed claims – for benefits or otherwise;
- (c) to compute, certify, and direct the Plan Trustee with respect to the amount and the kind of benefits to which any Participant shall be entitled hereunder;
- (d) to authorize and direct the Plan Trustee with respect to all discretionary or otherwise directed disbursements from the Trust;

- (e) to maintain all necessary records for the administration of the Plan;
- (f) to interpret the provisions of the Plan and to make recommendation to the Plan Sponsor and Plan Trustee for rules for regulation of the Plan as are consistent with the terms hereof;
- (g) to determine the size and type of any Nontransferable Annuity to be purchased from any insurer and to designate the insurer from which such Nontransferable Annuity shall be purchased;
- (h) to compute and certify to the Plan Sponsor and to the Plan Trustee from time to time the sums of money necessary or desirable to be contributed to the Plan;
- (i) to consult with the Plan Sponsor and the Plan Trustee regarding the short and long-term liquidity needs of the Plan in order that the Plan Trustee can exercise any investment discretion (if the Plan Trustee have such discretion) in a manner designed to accomplish specific objectives;
- (j) to prepare and implement a procedure for notifying Participants and Beneficiaries of their rights to elect joint and survivor annuities and pre-retirement survivor annuities;
- (k) to determine the validity of, and take appropriate action with respect to, any qualified domestic relations order received by it.

6.4 RECORDS AND REPORTS

The Administrator shall keep a record of all actions taken and shall keep all other books of account, records, policies, and other data that may be necessary for proper administration of the Plan and shall be responsible for supplying all information and reports to the Internal Revenue Service, Participants, Beneficiaries and others as required by law.

6.5 POWERS AND RESPONSIBILITIES OF THE ENROLLED ACTUARY

The Enrolled Actuary shall:

- (a) Perform an annual review of the census;
- (b) establish the liabilities under the Plan; and
- (c) provide consult to the Plan Sponsor, Administrator, and Plan Trustee.

6.6 APPOINTMENT OF ADVISERS

The Plan Trustee, with the consent of the Administrator, may appoint counsel, specialists, advisers, agents (including nonfiduciary agents) and other persons as the Administrator or the Plan Trustee deems necessary or desirable in connection with the administration of this Plan,

including but not limited to agents and advisers to assist with the administration and management of the Plan, and thereby to provide, among such other duties as the Administrator may appoint, assistance with maintaining Plan records and the providing of investment information to the Plan's investment fiduciaries.

6.7 PAYMENT OF EXPENSES

All reasonable expenses of administration may be paid out of the Plan assets unless paid by the Plan Sponsor. Such expenses shall include any expenses incident to the functioning of the Administrator, or any person or persons retained or appointed by any named Fiduciary incident to the exercise of their duties under the Plan, including, but not limited to, fees of accountants, counsel, Investment Managers, and other specialists and their agents, and other costs of administering the Plan. Until paid, the expenses shall constitute a liability of the Trust Fund.

If the Administrator, pursuant to the claims review procedure, makes a final written determination denying a Participant's or Beneficiary's benefit claim, then in order to preserve the claim, the Participant or Beneficiary must file an action with respect to the denied claim not later than one hundred eighty (180) days following the date of the Administrator's final determination.

6.8 POWERS AND RESPONSIBILITIES OF THE PLAN TRUSTEE

(a) **Responsibilities.** The Plan Trustee shall have the following categories of responsibilities:

- 1) Assist any Participant regarding the Participant's rights, benefits, or elections available under the plan;
- 2) Assist the Administrator with any disputes;
- 3) Annually prepare a certified list, signed and dated by its designated representative, of all active members in good standing as of the last day of December in a given calendar year. The certified list shall be submitted to the town's Board of Selectmen for approval no later than the next following third Tuesday of January;
- 4) Notify the Administrator of a Plan Participant's death.

(b) **Investment Policy.** The Plan Trustees shall set Investment Policy and monitor reports from the Investment Manager that policy is being adhered to. Plan Trustees shall not be liable for any specific investment actions taken by Investment Managers.

- 1) The Plan Trustee shall be entitled to rely fully on the written (or other form acceptable to the Administrator and the Plan Trustee, including, but not limited to, voice recorded) instructions of the Plan Sponsor, or any Fiduciary or nonfiduciary agent of the Plan Sponsor, in the discharge of such duties, and shall not be liable

for any loss or other liability, resulting from such direction (or lack of direction) of the investment of any part of the Plan assets.

- 2) The Plan Trustee may delegate the duty of executing such instructions to any nonfiduciary agent, which may be an affiliate of the Plan Trustee or any Plan representative.

(c) Investment Powers and Duties of The Plan Trustee

- 1) **Investment Authority.** The Plan Trustee shall, through appointment of Investment Managers, cause the investment and reinvestment of the Trust Fund to keep the Trust Fund invested without distinction between principal and income and in such securities or property, real or personal, wherever situated, as the Plan Trustee shall deem advisable, including, but not limited to, stocks, common or preferred, open-end or closed-end mutual funds, bonds and other evidences of indebtedness or ownership, and real estate or any interest therein. The Plan Trustee shall at all times in making investments of the Trust Fund consider, among other factors, the short and long-term financial needs of the Plan on the basis of information furnished by the Plan Sponsor. In making such investments, the Plan Trustee shall not be restricted to securities or other property of the character expressly authorized by the applicable law for trust investments; however, the Plan Trustee shall give due regard to any limitations imposed by the Code so that at all times the Plan may qualify as a qualified Pension Plan and Trust. The Plan Trustee shall discharge its duties with respect to the Plan solely in the interest of the Participants and Beneficiaries and with the 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.
- 2) **Employment of Bank or Trust Company.** The Plan Trustee may employ a bank or trust company pursuant to the terms of its usual and customary bank agency agreement, under which the duties of such bank or trust company shall be of a custodial, clerical and record-keeping nature.
- 3) **Investment in Trust or Fund Maintained by Plan Trustee.** The Plan Trustee may request the Investment Manager to transfer to a common, collective, pooled trust fund or money market fund maintained by any corporate Trustee or affiliate thereof hereunder, all or such part of the Trust Fund as the Plan Trustee may deem advisable, and such part or all of the Trust Fund so transferred shall be subject to all the terms and provisions of the common, collective, pooled trust fund or money market fund which contemplate the commingling for investment purposes of such trust assets with trust assets of other trusts. The Plan Trustee may request the Investment Manager to transfer any part of the Trust Fund intended for temporary investment of cash balances to a money market fund maintained by or

its affiliates. The Plan Trustee may request the Investment Manager to withdraw from such common, collective, pooled trust fund or money market fund all or such part of the Trust Fund as the Plan Trustee may deem advisable.

- (d) **Action by Majority.** If there shall be more than one Plan Trustee, they shall act by a majority of their number, but may authorize one or more of them to sign papers on their behalf.

6.9 POWERS AND RESPONSIBILITIES OF THE INVESTMENT MANAGER

- (a) **Responsibilities.** The Investment Manager shall have the following categories of responsibilities:

- 1) To manage and control the Plan assets within parameters set up by the Plan Trustees;
- 2) At the direction of the Administrator, to pay benefits required under the Plan to be paid to Participants, or, in the event of their death, to their Beneficiaries; and
- 3) To maintain records of receipts and disbursements and furnish to the Plan Sponsor, Plan Trustees and/or Administrator for each Plan Year a written annual report pursuant to Section 7.6.

- (b) **Investment Direction.** In the event that the Investment Manager shall be directed by the Plan Sponsor, or Plan Trustee or other agent appointed by the Plan Sponsor with respect to the investment of any or all Plan assets, the Investment Manager shall have no liability with respect to the investment of such assets but shall be responsible only to execute such investment instructions as so directed.

- (c) **Other Powers of the Investment Manager.** The Investment Manager in addition to all powers and authorities under common law, statutory authority, including the Act, and other provisions of the Plan, shall have the following powers and authorities, to be exercised at the direction of the Plan Trustee:

- 1) To purchase, or subscribe for, any securities or other property and to retain the same;
- 2) To sell, exchange, convey, transfer, grant options to purchase, or otherwise dispose of any securities or other property held by the Plan, by private contract or at public auction;
- 3) To vote upon any stocks, bonds, or other securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options, and to make any payments incidental thereto; to oppose, or to consent to, or otherwise participate

in, corporate reorganizations or other changes affecting corporate securities, and to delegate discretionary powers, and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities, or other property. However, the Investment Manager shall not vote proxies relating to securities for which it has not been assigned full investment management responsibilities. In those cases where another party has such investment authority or discretion, the Investment Manager or Custodian will deliver all proxies to said party who will then have full responsibility for voting those proxies;

- 4) To cause any securities or other property to be registered in the name of the Trust, and the books and records of the Investment Manager shall at all times show that all such investments are part of the Trust Fund, or to cause any securities or other property to be registered in the Investment Manager's own name or in the name of a nominee or in a street name, provided such securities or other property are held on behalf of the Plan by (i) a bank or trust company, (ii) a broker or dealer registered under the Securities Exchange Act of 1934, or a nominee of such broker or dealer, or (iii) a clearing agency as defined in Section 3(a)(23) of the Securities Exchange Act of 1934;
- 5) To keep such portion of the Trust Fund in cash or cash balances as the Investment Manager may, from time to time, deem to be in the best interests of the Plan, without liability for interest thereon;
- 6) To accept and retain for such time as the Investment Manager may deem advisable any securities or other property received or acquired as Investment Manager hereunder, whether or not such securities or other property would normally be purchased as investments hereunder;
- 7) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
- 8) To settle, compromise, or submit to arbitration any claims, debts, or damages due or owing to or from the Plan (provided such arbitration does not apply to qualification issues or to Participants or Beneficiaries), to commence or defend suits or legal or administrative proceedings, and to represent the Plan in all suits and legal and administrative proceedings;
- 9) To employ and pay from the Trust Fund reasonable compensation to agents, attorneys, accountants and other persons to advise the Plan Trustee as in its opinion may be necessary. The Investment Manager may delegate to any agent, attorney, accountant or other person selected by it any non-Investment Manager power or duty vested in it by the Plan, and the Investment Manager may act or

refrain from acting on the advice or opinion of any such person, and such agent or counsel may or may not be agent or counsel for the Plan Sponsor and Plan Trustee;

- 10) To apply for and procure from responsible insurance companies, to be selected by the Plan Trustee and Administrator, as an investment of the Trust Fund such annuity, or other Contracts (on the life of any Participant) as the Plan Trustee and Administrator shall deem proper;
- 11) To invest funds of the Trust in time deposits or savings accounts bearing a reasonable rate of interest or in cash or cash balances without liability for interest thereon;
- 12) To invest in Treasury Bills and other forms of United States government obligations;
- 13) To invest in shares of investment companies registered under the Investment Company Act of 1940;
- 14) To sell, purchase and acquire put or call options if the options are traded on and purchased through a national securities exchange registered under the Securities Exchange Act of 1934, as amended, or, if the options are not traded on a national securities exchange, are guaranteed by a member firm of the New York Stock Exchange regardless of whether such options are covered;
- 15) To deposit monies in federally insured savings accounts or certificates of deposit in banks or savings and loan associations;
- 16) To pool all or any of the Trust Fund, from time to time, with assets belonging to any other qualified Volunteer pension benefit trust created by the Plan Sponsor or any Affiliated Plan Sponsor, and to commingle such assets and make joint or common investments and carry joint accounts on behalf of this Plan and Trust and such other trust or trusts, allocating undivided shares or interests in such investments or accounts or any pooled assets of the two or more trusts in accordance with their respective interests;
- 17) To do all such acts and exercise all such rights and privileges, although not specifically mentioned herein, as the Trustee may deem necessary to carry out the purposes of the Plan.

(d) Duties of the Investment Manager Regarding Payments. At the direction of the Administrator, the Investment Manager shall, from time to time, in accordance with the terms of the Plan, make payments out of the Trust Fund. The Plan Trustee shall not be responsible in any way for the application of such payments.

- (e) **Investment Manager's Compensation and Expenses and Taxes.** The Investment Manager shall be paid such reasonable compensation as set forth in the Investment Manager's fee schedule (if the Investment Manager has such a schedule) or as agreed upon in writing by the Plan Sponsor and the Plan Trustee. However, an individual serving as Investment Manager who already receives full-time pay from the Plan Sponsor shall not receive compensation from the Plan. In addition, the Investment Manager shall be reimbursed for any reasonable expenses, including reasonable counsel fees incurred by it as Investment Manager. Such compensation and expenses shall be paid from the Trust Fund unless paid or advanced by the Plan Sponsor. All taxes of any kind whatsoever that may be levied or assessed under existing or future laws upon, or in respect of, the Trust Fund or the income thereof, shall be paid from the Trust Fund.
- (f) **Quarterly Reporting.** The Investment Manager, or its agent, shall furnish to the Plan Sponsor, Administrator, and Plan Trustee, a written statement of account with respect to the Plan Year for which such contribution was made setting forth:
- 1) the net income, or loss, of the Trust Fund;
 - 2) the gains, or losses, realized by the Trust Fund upon sales or other disposition of the assets;
 - 3) the increase, or decrease, in the value of the Trust Fund;
 - 4) all payments and distributions made from the Trust Fund; and
 - 5) such further information as the Trustee and/or Administrator deems appropriate.
- (g) **Resignation, Removal and Succession of Investment Manager**
- 1) **Investment Manager Resignation.** Unless otherwise agreed to by both the Plan Trustee and the Plan Sponsor, an Investment Manager may resign at any time by delivering to the Plan Sponsor, at least thirty (30) days before its effective date, a written notice of resignation.
 - 2) **Investment Manager Removal.** Unless otherwise agreed to by both the Plan Sponsor and Plan Trustee, the Plan Sponsor and Plan Trustee may remove an Investment Manager at any time by delivering to the Plan Trustee, at least thirty (30) days before its effective date, a written notice of such Investment Manager's removal.
 - 3) **Appointment of Successor.** Upon the death, resignation, incapacity, or removal of any Investment Manager, a successor may be appointed by the Plan Sponsor and Plan Trustee; and such successor, upon accepting such appointment in writing and delivering same to the Plan Sponsor and Plan Trustee, shall, without further act,

become vested with all the powers and responsibilities of the predecessor as if such successor had been originally named as a Investment Manager herein. Until such a successor is appointed, the remaining Plan Trustee or Investment Manager shall have full authority to act under the terms of the Plan.

- 4) Appointment of Successor Prior to Removal of Predecessor. The Plan Sponsor and Plan Trustee may designate one or more successors prior to the death, resignation, incapacity, or removal of an Investment Manager. In the event a successor is so designated by the Plan Sponsor and Plan Trustee and accepts such designation, the successor shall, without further act, become vested with all the powers and responsibilities of the predecessor as if such successor had been originally named as Investment Manager herein immediately upon the death, resignation, incapacity, or removal of the predecessor.
- 5) Investment Manager's Statement Upon Cessation of Being Investment Manager. Whenever any Investment Manager hereunder ceases to serve as such, the Investment Manager shall furnish to the Plan Sponsor and Administrator a written statement of account with respect to the portion of the Plan Year during which the individual or entity served as Investment Manager. This statement shall be either (i) included as part of the statement of account for the Plan Year required under Section 7.6 or (ii) set forth in a special statement. Any such special statement of account should be rendered to the Plan Sponsor no later than the due date of the annual statement of account for the Plan Year. No successor to the Investment Manager shall have any duty or responsibility to investigate the acts or transactions of any predecessor who has rendered all statements of account required by Section 7.6 and this subparagraph.

6.10 INVESTMENT MANAGER INDEMNIFICATION

The Plan Sponsor agrees to indemnify and hold harmless the Investment Manager against any and all claims, losses, damages, expenses and liabilities the Investment Manager may incur in the exercise and performance of the Investment Manager's power and duties hereunder, unless the same are determined to be due to gross negligence or willful misconduct.

6.11 MAJORITY ACTION

Except where there has been an allocation and delegation of powers, if there shall be more than one Plan Trustee, they shall act by a majority of their number, but may authorize one or more of them to sign papers on their behalf.

6.12 ALLOCATION AND DELEGATION OF RESPONSIBILITIES

If more than one person is appointed as Plan Trustee, the responsibilities of each Plan Trustee may be specified by the Plan Sponsor. In the event that no such delegation is made by the Plan Sponsor, the Plan Trustees may allocate the responsibilities among themselves in a written document signed

by all Plan Trustees, in which event the Plan Trustees shall notify the Plan Sponsor and the Administrator in writing of such action and specify the responsibilities of each Plan Trustee. The Administrator thereafter shall accept and rely upon any documents executed by the appropriate Plan Trustee until such time as the Plan Sponsor and Plan Trustees file with the Administrator a written revocation of such designation.

6.13 POWERS OF THE CUSTODIAN

The Plan Sponsor may appoint a custodian of the Plan assets. A custodian has the same powers, rights and duties as a nondiscretionary Plan Trustee. Any reference to a nondiscretionary Plan Trustee also is a reference to a custodian unless the context of the Agreement indicates otherwise. A limitation of the Plan Trustee's liability by Plan provision also acts as a limitation of the custodian's liability. The custodian will be protected from any liability with respect to actions taken pursuant to the direction of the Plan Trustee, Administrator, the Plan Sponsor, an Investment Manager, a named Fiduciary or other third party with authority to provide direction to the custodian. The resignation or removal of the custodian shall be made as though the custodian were a Plan Trustee.

6.14 TRANSFER OF INTEREST

Notwithstanding any other provision contained in this Plan, the Investment Manager at the direction of the Plan Trustee and Administrator shall transfer the interest, if any, of such a Participant's Accrued Benefit to another trust forming part of a pension, profit sharing, or stock bonus plan that meets the requirements of Code Section 401(a), provided that the trust to which such transfers are made permits the transfer to be made.

7. ARTICLE VII PLAN AMENDMENT

7.1 AMENDMENT

- (a) **General Rule on Plan Sponsor Amendment.** The Plan Sponsor and the Plan Trustee shall have the right at any time to amend this Plan, subject to the limitations of this Section. However, any amendment which affects the rights, duties or responsibilities of the Investment Manager or Administrator may only be made with the Investment Manager's or Administrator's written consent. Any such amendment shall become effective as provided therein upon its execution, and unless otherwise provided in the amendment, shall only apply to those Participants who have an Hour of Service after the effective date of the amendment.
- (b) **Impermissible Amendments.** No amendment to the Plan shall be effective if it authorizes or permits any part of the Trust Fund (other than such part as is required to pay taxes and administration expenses) to be used for or diverted to any purpose other than for the exclusive benefit of the Participants or their Beneficiaries or estates; or causes or permits any portion of the Trust Fund to revert to or become property of the

Plan Sponsor.

8. ARTICLE VIII PLAN TERMINATION

8.1 TERMINATION OF PLAN

(a) **Plan Termination.** The Plan Sponsor and Plan Trustee shall have the right to terminate the Plan by delivering to the Investment Manager and Administrator written notice of such termination. Upon any termination (full or partial), all amounts shall be allocated in accordance with the provisions hereof and the Accrued Benefit, to the extent funded as of such date, of each affected Participant shall become fully Vested and shall not thereafter be subject to forfeiture. However, Participants who were not fully Vested at the time they received a complete distribution of their Vested benefits prior to the date of termination, shall not become entitled to any additional Vested benefits on account of Plan termination. The preceding sentence does not apply to Participants affected by a partial termination by operation of law. Upon full termination of the Plan, the Plan Sponsor and Plan Trustee shall direct the distribution of the assets in the Trust Fund to the Participants in a manner which is consistent with Section 5.6. In such case, the Trustee shall distribute the assets to the remaining Participants in the Plan and to retired Participants in cash or through the purchase of Nontransferable Annuity from an insurer, subject to provision for expenses of administration or liquidation. Such distributions shall be allocated in the following order to the extent of the sufficiency of such assets, basing such allocation on the Accrued Benefit for each such Participant at the date of termination of the Plan:

- 1) to provide pensions to retired Participants who have retired under the Plan prior to its termination without reference to the order of retirement;
- 2) to provide Normal Retirement Benefits to Participants who have reached their Normal Retirement Dates but have not retired on the date of termination, without reference to the order in which they shall have reached their Normal Retirement Date;
- 3) to provide Normal Retirement Benefits to Participants who have not yet reached their Normal Retirement Date on the date of termination, without reference to the order in which they will reach their Normal Retirement Date. Such benefits will be based upon Accrued Benefits as of the date of termination. The balance, if any, of the assets due to erroneous actuarial computation held by the Trust Fund after such allocation shall be returned to the Plan Sponsor and Plan Trustee, but only after the satisfaction of all liabilities with respect to Participants and pensions under the Plan.

9. ARTICLE IX MISCELLANEOUS

9.1 PARTICIPANT'S RIGHTS

This Plan shall not be deemed to constitute a contract between the Plan Sponsor, Plan Trustee and any Participant or to be a consideration or an inducement to provide services by any Participant or Volunteer. Nothing contained in this Plan shall be deemed to give any Participant or Volunteer the right to be retained in the service of the Plan Sponsor or to interfere with the right of the Plan Sponsor to discharge any Participant or Volunteer at any time regardless of the effect which such discharge shall have upon the Volunteer as a Participant of this Plan.

9.2 ALIENATION

- (a) **General Rule.** Subject to the exceptions provided below, and as otherwise permitted by the Code, no benefit which shall be payable out of the Trust Fund to any person (including a Participant or the Participant's Beneficiary) shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge the same shall be void; and no such benefit shall in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements, or torts of any such person, nor shall it be subject to attachment or legal process for or against such person, and the same shall not be recognized by the Trustee, except to such extent as may be required by law.
- (b) **Exception for QDROs.** Subsection (a) shall not apply to a "qualified domestic relations order" defined in Code Section 414(p).

9.3 CONSTRUCTION OF PLAN

- (a) **Applicable State Laws.** This Plan and Trust shall be construed and enforced according to the Code and the laws of the State of Connecticut, other than its laws respecting choice of law.
- (b) **Single Subsections.** This Plan and Trust may contain single subsections. The existence of such single subsections shall not constitute scrivener's errors.

9.4 GENDER AND NUMBER

- (a) **Masculine and Feminine.** Wherever any words are used herein in the masculine, feminine or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply.
- (b) **Singular and Plural.** Whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.

9.5 LEGAL ACTION

In the event any claim, suit, or proceeding is brought regarding the Trust and/or Plan established hereunder to which the Plan Trustee, the Plan Sponsor or the Administrator may be a party, and such claim, suit, or proceeding is resolved in favor of the Plan Trustee, the Plan Sponsor, or the Administrator, they shall be entitled to be reimbursed from the Trust Fund for any and all costs, attorney's fees, and other expenses pertaining thereto incurred by them for which they shall have become liable.

9.6 PROHIBITION AGAINST DIVERSION OF FUNDS

Except as provided below and otherwise specifically permitted by law, it shall be impossible by operation of the Plan or of the Trust, by termination of either, by power of revocation or amendment, by the happening of any contingency, by collateral arrangement or by any other means, for any part of the corpus or income of any Trust Fund maintained pursuant to the Plan or any funds contributed thereto to be used for, or diverted to, purposes other than the exclusive benefit of Participants or their Beneficiaries.

9.7 PLAN PROTECTIVE CLAUSE

The Plan Sponsor, Administrator, Plan Trustee, and their successors, shall not be responsible for the validity of any Nontransferable Annuity issued hereunder or for the failure on the part of the insurer to make payments provided by any such Nontransferable Annuity, or for the action of any person which may delay payment or render a Nontransferable Annuity null and void or unenforceable in whole or in part.

9.8 INSURER'S PROTECTIVE CLAUSE

Except as otherwise agreed upon in writing between the Plan Sponsor and the insurer, an insurer which issues any Nontransferable Annuity hereunder shall not have any responsibility for the validity of this Plan or for the tax or legal aspects of this Plan. The insurer shall be protected and held harmless in acting in accordance with any written direction of the Plan Trustee and shall have no duty to see to the application of any funds paid to the Plan Trustee, nor be required to question any actions directed by the Plan Trustee. Regardless of any provision of this Plan, the insurer shall not be required to take or permit any action or allow any benefit or privilege contrary to the terms of any Nontransferable Annuity which it issues hereunder, or the rules of the insurer.

9.9 RECEIPT AND RELEASE FOR PAYMENTS

Any payment to any Participant, the Participant's legal representative, Beneficiary, or to any guardian or committee appointed for such Participant or Beneficiary in accordance with the provisions of the Plan, shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Plan Trustee and the Plan Sponsor, either of whom may require such Participant, legal representative, Beneficiary, guardian or committee, as a condition precedent to such payment, to execute a receipt and release thereof in such form as shall be determined by the Plan Trustee or

Plan Sponsor.

9.10 ACTION BY THE PLAN SPONSOR

Whenever the Plan Sponsor under the terms of the Plan is permitted or required to do or perform any act or matter or thing, it shall be done and performed by a person duly authorized by its legally constituted authority.

9.11 NAMED FIDUCIARIES AND ALLOCATION OF RESPONSIBILITY

The "named Fiduciaries" of this Plan are (1) the Plan Sponsor, (2) Plan Trustee, (3) the Administrator, and (3) any Investment Manager appointed hereunder. The named Fiduciaries shall have only those specific powers, duties, responsibilities, and obligations as are specifically given them under the Plan, including, but not limited to, any agreement allocating or delegating their responsibilities, the terms of which are incorporated herein by reference. In general, the Plan Sponsor shall have the sole responsibility for making the contributions provided for under Section 4.1; and shall have the authority to appoint and remove the Plan Trustee and the Administrator; to formulate the Plan's "funding policy and method"; and to amend or terminate, in whole or in part, the Plan. The Administrator shall have the sole responsibility for the administration of the Plan, including, but not limited to, the items specified at Article II of the Plan, as the same may be allocated or delegated thereunder. The Plan Trustee shall have the sole responsibility of management of the assets held under the Trust, except to the extent directed pursuant to Article VII or with respect to those assets, the management of which has been assigned to an Investment Manager, who shall be solely responsible for the management of the assets assigned to it, all as specifically provided in the Plan. Each named Fiduciary warrants that any directions given, information furnished, or action taken by it shall be in accordance with the provisions of the Plan, authorizing or providing for such direction, information or action. Furthermore, each named Fiduciary may rely upon any such direction, information or action of another named Fiduciary as being proper under the Plan and is not required under the Plan to inquire into the propriety of any such direction, information or action. It is intended under the Plan that each named Fiduciary shall be responsible for the proper exercise of its own powers, duties, responsibilities and obligations under the Plan as specified or allocated herein. No named Fiduciary shall guarantee the Trust Fund in any manner against investment loss or depreciation in asset value. Any person or group may serve in more than one Fiduciary capacity.

9.12 HEADINGS

The headings and subheadings of this Plan have been inserted for convenience of reference and are to be ignored in any construction of the provisions hereof.

9.13 UNIFORMITY

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner. In the event of any conflict between the terms of this Plan and any Nontransferable Annuity purchased hereunder; the Plan provisions shall control.

9.14 ELECTRONIC MEDIA

The Administrator may use telephonic or electronic media to satisfy any notice requirements required by this Plan, to the extent permissible under regulations (or other generally applicable guidance). In addition, a Participant's consent to an immediate distribution may be provided through telephonic or electronic means, to the extent permissible under regulations (or other generally applicable guidance). The Administrator also may use telephonic or electronic media to conduct plan transactions such as enrolling Participants to the extent permissible under regulations (or other generally applicable guidance).

9.15 PLAN CORRECTION

The Administrator, in conjunction with the Plan Sponsor and Plan Trustee, may undertake such correction of Plan errors as the Administrator deems necessary, including correction to preserve qualification of the Plan under Code Section 401(a) or to correct a fiduciary breach. Without limiting the Administrator's authority under the prior sentence, the Administrator, as it determines to be reasonable and appropriate, may undertake correction of the Plan document, operational, demographic and Plan Sponsor eligibility failures under a method described in the Plan. The Administrator, as it determines to be reasonable and appropriate, also may undertake or assist the appropriate Fiduciary or Plan official in undertaking correction of a fiduciary breach.

IN WITNESS WHEREOF, this Plan has been executed by the Plan Sponsor and Plan Trustee on the day, month and year set forth on page 6 of this Agreement.

PLAN SPONSOR

First Selectman

PLAN TRUSTEE

Senior Trustee Killingworth Volunteer Fire
Company

Designated Director of the Killingworth
Ambulance Association