

CHURCH OF THE NAZARENE SINGLE DEFINED BENEFIT PLAN

THIS AGREEMENT made as of this 16th day of October, 2014 by and between The Church of the Nazarene, Inc. (f/k/a the General Board of the Church of the Nazarene), a Missouri nonprofit corporation, and the Board of Pensions and Benefits USA of the Church of the Nazarene, a Missouri pro forma decree corporation, hereby amending and restating in its entirety the Church of the Nazarene Single Defined Benefit Plan. It is the intention of the Church that this Plan be a qualified plan under Section 401(a) of the Internal Revenue Code as in effect on the day before enactment of the Employee Retirement Income Security Act (ERISA) in 1974. This Plan does not elect to comply with ERISA. Effective as of January 1, 1996, the General Church Pension Plan of The Church of the Nazarene (The "General Church Plan") merged into the "Basic" Pension Plan for Churches on Participating U.S. and Canadian Districts (the "Basic Plan") and the name of the Plan was changed to the Church of the Nazarene Single Defined Benefit Plan (the "Plan" or the "Single Plan"). Except as provided in the Plan, there shall be no new Participants in the General Church Plan, the Basic Plan or the Single Plan after December 31, 1995. Because separate benefit formulas have been retained, there are references in this Plan document to Articles or other provisions which apply solely to the Basic Pension Plan or the General Church Plan. All other provisions apply to the Single Plan except where otherwise provided in this Plan Document.

Article I

Definitions - (Basic Plan and Single Plan, where applicable)

The following words and phrases, when used hereafter in this Plan, shall have the meanings set forth below:

1.1 "**Accrued Benefit**" means the monthly retirement pension which a Participant has earned up to any date.

1.2 "**Actuarial Equivalent**" means that each payment to a Participant under any of the optional forms of benefits described in Article VII or VII-A (other than the Normal Form described in Section 6.1 or Section 6A.1) will be equal in value to the benefit provided under the Normal Form and will be determined in accordance with the actuarial assumptions set out on Exhibit A attached hereto.

1.3 "**Applicant**" means a Participant or a Participant's widow or widower as provided in Article II.

1.4 "**Code**" means the Internal Revenue Code of 1986, as applicable to a church plan as defined in Section 414(e) of the Code.

1.5 "**Board**" means the Board of Pensions and Benefits USA of the Church of the Nazarene which administers this Plan. The "Board" shall also constitute the "Plan Administrator" and "Named Fiduciary" under the Plan.

1.6 "**Church**" or "**Corporation**" means The Church of the Nazarene, Inc., a Missouri nonprofit corporation. Prior to April 1, 2014, the term "General Board" or "Church" meant the General Board of the Church of the Nazarene, a Missouri pro forma decree corporation.

1.7 "**Employee**" means each Participant described in and who meets the requirements of Section 2.1, Section 2.2, or Section 2.3 of this Plan.

For years beginning after December 31, 2008, (i) an individual receiving a differential wage payment, as defined by Code Section 3401(h)(2), shall be treated as an Employee of the Employer making the payment, (ii) the differential wage payment shall be treated as Compensation, and (iii) the Plan shall not be treated as failing to meet the requirements of any provision described in Code Section 414(u)(1)(C) by reason of any contribution or benefit which is based on the differential wage payment.

1.8 “**Employer**” under this Plan refers, collectively, to The Church of the Nazarene, Inc. (f/k/a the General Board of the Church of the Nazarene), the Nazarene Theological Seminary, Nazarene Compassionate Ministries, Inc., and to churches on participating districts of the Church of the Nazarene which, for purposes of this Plan, acts through the Corporation. Effective February 20, 2003, the Church of the Nazarene Foundation shall be considered an Employer to the extent that an Active Participant in the General Church Plan may continue to be an Active Participant after transfer of employment from an Adopting Employer to the Church of the Nazarene Foundation.

1.9 “**Effective Date**” of this Plan as amended and restated shall be January 1, 2015, except where otherwise provided in this Plan.

1.10 “**Fiscal Year**” or “**Plan Year**” shall mean the annual period beginning on January 1 and ending December 31.

1.11 Under the Basic Plan, “**Service**” or “**Year of Service**” includes the following:

(a) “Year of Service” means each year of full-time active service credited to a Participant as shown in district journals for service as a district-licensed or ordained minister or for service as a district-credentialed layman serving in the full-time ministry as of December 31, 1985 (as more fully provided in Section 2.3), with a district participating in payment of the Pensions and Benefits Fund of the Church, commencing as of the January 1 next following the commencement of such full-time active service. A Participant shall receive a full one Year of Service credit for the year in which the Participant terminates from full-time service.

(b) In the event that a pastor’s or staff member’s church(es) shall fail to contribute to the Pensions and Benefits Fund for a period of five consecutive years, then no Year of Service shall be credited to such pastor or staff member for such five year period; provided, however, this subparagraph shall not apply to evangelists and those Participants serving in connectional assignments.

(c) (1) Full-time associate ministers who are district-licensed or ordained receive a Year of Service credit when earning at least fifty percent of their Compensation from such ministry and who perform at least 30 hours per week of paid service for 30 or more weeks during the year.

(2) Effective January 1, 2006, full-time evangelists and full-time co-evangelists receive a Year of Service credit for conducting services for 30 or more Sundays per year in Nazarene churches on districts participating in the payment of the Fund. In the event this criteria is not met, full-time evangelists and full-time co-evangelists can receive a Year of Service credit for conducting 26 or more revival events per year (as defined by the Church) in Nazarene churches on districts participating in the payment of the Pensions and Benefits Fund. To receive such a Year of Service credit, an evangelist must satisfy one or the other of such alternative criteria, which may not be used in combination for such purpose.

(d) For all applications received after January 1, 2001, in the event that two Participants shall be serving or have served as co-pastors or co-evangelists, each Participant shall receive full credit for one Year of Service for each year of active ministerial service, as defined in Section 1.11(a) and, if applicable, Sections 1.11(c)(1) or 1.11(c)(2) of the Plan.

(e) Any Year of Service in which a Participant is eligible for participation in a church institutional pension plan is not eligible to be counted as a Year of Service under this Plan, except for the purpose of meeting the minimum ten Years of Service requirement for vesting under Section 5.5.

(f) The Years of Service of ordained and licensed ministers of any denomination or group of churches having merged with the districts participating in the Pensions and Benefits Fund before 1982 shall be counted on the same basis as service rendered to the Church of the Nazarene, based upon the service records of such merging denomination or group of churches. All mergers occurring in 1982 or thereafter shall involve negotiation of pension benefits at the time of the merger.

1.12 “**Nonforfeitable**” shall mean a Participant’s or widow’s or widower’s unconditional claim, legally enforceable against the Plan, to the Participant’s Accrued Benefit.

1.13 “**Participant**” means any person who is covered under the Plan in accordance with Article II hereof (except as to a widow or a widower as provided in Section 2.4).

1.14 “**Pension**” means a series of monthly amounts which are payable to a person who is entitled to receive benefits under the Plan.

1.15 “**Plan**” means the Church of the Nazarene Single Defined Benefit Plan as herein restated and as it may be amended from time to time.

1.16 “**Retirement Age**,” in the case of a Participant, means attainment of age 65 or of age 62 (or thereafter), if the Early Retirement Pension described in Section 5.8 or in Article VI-A, as the case may be, has been elected by the Participant.

1.17 “**Trust**” means the Trust created under the Plan.

1.18 “**Trust Fund**” means the assets from time to time held by the Trustee, pursuant to this Agreement.

1.19 “**Trustee**” means the Board of Pensions and Benefits USA of the Church of the Nazarene.

1.20 “**Valuation Date**” shall mean the first day of any Plan Year.

1.21 Under the Basic Plan, “**Compensation**” means an Employee’s base salary paid during the Plan Year by the Employer to an Employee for services rendered to the Employer, including overtime pay, bonuses, contributions made by the Employer under the Plan, payments made by the Employer for group insurance, hospitalization and like benefits, and contributions made by the Employer under any other Employee benefit plan it maintains; provided, however, an Employee’s Compensation shall not be reduced for any purpose under this Plan by a salary reduction amount elected by the Employee under any plan maintained by the Employer which qualifies under Sections 125 or 403(b) of the Code nor, solely for purposes of Section 1.11(c)(1), amounts excluded under Section 107 of the Code. The Compensation taken

into account with respect to a Participant for any calendar year shall not exceed \$150,000, as adjusted by the Secretary of the Treasury pursuant to section 401(a)(17)(B) of the Code. This provision is effective for Plan Years beginning after December 31, 1996.

For both the Basic Plan and the General Church Plan, if a Participant is a five percent owner or is one of the 10 highest-paid highly compensated employees (as defined in Code section 414(q)), the Participant's Compensation shall be determined in accordance with the rules of Code section 414(q)(6), except that, in applying such rules, the term "family" shall include only the spouse of the Participant and any lineal descendants of the Participant who have not attained age nineteen (19) before the close of the calendar year. If, as a result of the application of such rules, the \$150,000 limitation (as adjusted) is exceeded, then the limitation shall be prorated among the affected individuals in proportion to each such individual's Compensation as determined under the preceding paragraph before application of the dollar limitation in this paragraph. The provisions of this paragraph shall not apply for any Plan Year beginning after December 31, 1996.

The annual compensation of each Participant taken into account in determining benefit accruals in any Plan Year beginning after December 31, 2001, shall not exceed \$200,000. Annual compensation means compensation during the plan year or such other consecutive 12-month period over which compensation is otherwise determined under the Plan (the determination period). For purposes of determining benefit accruals in a Plan Year beginning after December 31, 2001, compensation for any prior determination period shall be limited to \$200,000.

The \$200,000 limit on annual compensation described in the preceding paragraph shall be adjusted for cost-of-living increases in accordance with section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

Effective for any Plan Year beginning on or after July 1, 2007, except as specifically described herein, Compensation shall not include amounts paid to an Employee after his or her severance from employment with the Employer. Notwithstanding the foregoing, Compensation shall include regular pay paid after an Employee's severance from employment with the Employer if (i) the payment is regular compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; (ii) the payment would have been paid to the Employee prior to a severance from employment if the Employee had continued in employment with the Employer; and (iii) the payment is made by the later of 2 1/2 months after the date of the Employee's severance from employment with the Employer or by the end of the Plan Year that includes the date of the Employee's severance from employment. Any other payment of compensation paid after severance of employment that is not described in this paragraph is not considered Compensation, even if payment is made within the time period described in clause (iii) of the preceding sentence.

1.22 **"Highly Compensated Employee"** means an Employee who, during the Plan Year or during the preceding Plan Year, is a more than 5% owner of the Employer (applying the constructive ownership rules of Code § 318), or who, during the preceding Plan Year, has Compensation in excess of \$80,000 (as adjusted by the Commissioner of Internal Revenue for the relevant year). Compensation for this purpose must include "elective contributions". The Committee must make the determination of who is a Highly Compensated Employee consistent with Code § 414(q) and regulations issued under that Code section. Elective contributions are amounts excludible from the Employee's gross income under Code §§125, 402(e)(3), 402(h), 403(b) or 408(p), and contributed by the Employer, at the Employee's election, to a Code § 401(k) arrangement, a Simplified Employee Pension, SIMPLE plan, cafeteria plan or tax-sheltered annuity. Elective contributions also include: (1) compensation deferred under a Code § 457 plan

maintained by the Employer; and (2) employee contributions “picked up” by a governmental entity and, pursuant to Code § 414(h)(2), treated as Employer contributions. This provision is effective for Plan Years beginning after December 31, 1996.

1.23 “**Period Of Qualified Military Service**” shall include any period of military service with respect to which the requirements of (a) through (c) below are met, and after which a return to employment with the Employer is initiated, as provided in Section 414(u) of the Internal Revenue Code. The rules set forth in (d) and (e) below shall apply to any such Period of Qualified Military Service. The provision is effective as of December 12, 1994.

(a) The individual’s service constitutes “service in the uniformed services,” determined as follows:

(i) “Service in the uniformed services” means the performance of duty on voluntary or involuntary basis in a uniformed service under competent authority and includes active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard duty, and a period for which an individual is absent from employment for the purpose of an examination to determine the fitness of the individual to perform any such duty.

(ii) “Uniformed services” means the Armed Forces of the United States, the Army National Guard and the Air National Guard when engaged in active duty for training or inactive duty training or full-National Guard duty, the commissioned corps of the Public Health Service, and any other category of persons designated by the President of the United States in time of war or emergency.

(b) The individual’s service in the uniformed services is not terminated by reason of a dishonorable or bad conduct discharge or any other circumstance described in Section 4304 of Title 38 of the U.S. Code, or its successor.

(c) The individual has satisfied the advance notice, cumulative length of absence, reporting and all other requirements that must be met in order for the individual to be entitled to reemployment rights with the Employer and pension plan rights pursuant to Chapter 43 of Title 38 of the U.S. Code, or its successor.

(d) An Employee’s Compensation during a Period of Qualified Military Service shall be computed at the rate that would have applied to the Employee, but for the Period of Qualified Military Service, or, in case the determination of such rate is not reasonably certain, on the basis of the Employee’s average rate of compensation during the twelve month period immediately preceding the Period of Qualified Military Service (or, if shorter, the period of employment immediately preceding the Period of Qualified Military Service).

(e) In no event shall periods of military service, when aggregated, result in more than five (5) years (or such other period required by law) of Vested Service or Accrual Service under this Plan. Additional periods, although not credited, shall not give rise to a one-year break in service, provided that such periods continue to entitle the individual to reemployment rights pursuant to Chapter 43 of Title 38 of the U.S. Code, or its successor.

Article I - A

Definitions - (General Church Plan only)

1A.1 “**Accrual Service**” means the total of an Employee’s countable service with the Employer beginning on his Entry Date and ending on his Severance from Service Date, expressed in whole years. If his Severance from Service Date occurs due to reaching Normal or Late Retirement Date, countable service shall be expressed in whole years (counting fractional parts of a year as a whole year). If his Severance from Service Date occurs due to reaching Early Retirement Date, countable service shall be expressed in whole years and fractional parts of a year.

However, Accrual Service is modified as follows:

(i) Service before a date excluded: Service before January 1, 1961, is excluded.

(ii) Other service excluded: Service while an Employee was not an Active Participant or an active participant under the Prior Plan is excluded.

1A.2 “**Average Compensation**” means, on any given date, the average of an Employee’s Monthly Compensation on those five Compensation Dates (all Compensation Dates, if less than five) which give the highest average out of all Compensation Dates occurring before the earlier of the given date or his Retirement Date. Compensation Date means the January 1 immediately before an Employee’s Entry Date and the same date of each following year on which he is an Active Participant. “**Compensation**” means an Employee’s base salary paid during the Plan Year by the Employer to an Employee for services rendered to the Employer, excluding overtime pay, bonuses, contributions made by the Employer under the Plan, payments made by the Employer for group insurance, hospitalization and like benefits, and contributions made by the Employer under any other Employee benefit plan it maintains; provided, however, an Employee’s Compensation shall not be reduced for any purpose under this Plan by a salary reduction amount elected by the Employee under any plan maintained by the Employer which qualifies under Sections 125 or 403(b). The Compensation taken into account with respect to a Participant for any calendar year shall not exceed \$150,000, as adjusted by the Secretary of the Treasury pursuant to section 401(a)(17)(B) of the Code. This provision is effective for Plan Years beginning after December 31, 1996.

For purposes of this Section, effective for any Plan Year beginning on or after July 1, 2007, except as specifically described herein, “Compensation” shall not include amounts paid to an Employee after his or her severance from employment with the Employer. Notwithstanding the foregoing, “Compensation” shall include regular pay paid after an Employee’s severance from employment with the Employer if (i) the payment is regular compensation for services during the Employee’s regular working hours, or compensation for services outside the Employee’s regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; (ii) the payment would have been paid to the Employee prior to a severance from employment if the Employee had continued in employment with the Employer; and (iii) the payment is made by the later of 2 1/2 months after the date of the Employee’s severance employment with the Employer or by the end of the Plan Year that includes the date of the Employee’s severance from employment. Any other payment of compensation paid after severance of employment that is not described in this paragraph is not considered Compensation, even if payment is made within the time period described in clause (iii) of the preceding sentence.

The annual compensation of each Participant taken into account in determining benefit accruals in any Plan Year beginning after December 31, 2001, shall not exceed \$200,000. Annual compensation means compensation during the plan year or such other consecutive 12-month period over which compensation is otherwise determined under the Plan (the determination period). For purposes of determining benefit

accruals in a Plan Year beginning after December 31, 2001, compensation for any prior determination period shall be limited to \$200,000.

The \$200,000 limit on annual compensation described in the preceding paragraph shall be adjusted for cost-of-living increases in accordance with section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

1A.3 “**Contributions**” mean

Employer Contributions

Required Contributions

as set out in Article III, unless the context clearly indicates only one is meant.

1A.4 “**Early Retirement Date**” means the first day of the month before a Participant’s Normal Retirement Date which the Participant selects for the start of his retirement benefit. This day shall be on or after the date on which he ceases to be an Employee and the date he has attained age 60.

1A.5 “**Eligible Employee**” means any full-time Employee of the Employer, excluding missionaries, attorneys, engineers, and other persons doing independent professional work who are retained by the Employer. A “full-time” Employee is one whose customary employment is 30 or more hours per week.

For years beginning after December 31, 2008, (i) an individual receiving a differential wage payment, as defined by Code Section 3401(h)(2), shall be treated as an Eligible Employee of the Employer making the payment, (ii) the differential wage payment shall be treated as Compensation, and (iii) the Plan shall not be treated as failing to meet the requirements of any provision described in Code Section 414(u)(1)(C) by reason of any contribution or benefit which is based on the differential wage payment.

1A.6 “**Group Contract**” means the group annuity contract or contracts into which the Trustee enters with the Insurer for the purpose of payment of benefits provided under this Plan and for the purpose of investment of all of the Contributions made under the Plan. The term Group Contract as it is used in this Plan is deemed to include the plural unless the context clearly indicates the singular is meant.

1A.7 “**Hour-Of-Service**” means, for an Employee, each hour for which he is paid, or entitled to payment, for performing duties for the Employer.

1A.8 “**Inactive Participant**” means a former Active Participant who has an Accrued Benefit. See the Inactive Participant Section of Article II.

1A.9 “**Insurer**” means Principal Life Insurance Company and any other insurance company or companies named by the Trustee.

1A.10 “**Late Retirement Date**” means, for a Participant who continues working for the Employer after his Normal Retirement Date, the first day of the month after the date a Participant ceases to be an Employee (the date he ceases to be an Employee, if he ceases to be an Employee on the first day of the month).

His Late Retirement Date shall be the date his retirement benefit begins if his retirement benefit has not already begun.

1A.11 “**Monthly Compensation**” means, on any Compensation Date, an Employee’s monthly Compensation on such date.

If an Employee is not an Employee on the Compensation Date, his Compensation on his latest Entry or Reentry Date, whichever applies, shall be treated as his Compensation on the Compensation Date.

1A.12 “**Monthly Date**” means each Yearly Date and the same day of each following month during the Plan Year beginning on such Yearly Date.

1A.13 “**Normal Retirement Age**” means the age at which the Participant’s normal retirement benefit becomes nonforfeitable. A Participant’s Normal Retirement Age is 65.

1A.14 “**Normal Retirement Date**” means the earliest first day of the month on or after the date the Participant reaches his Normal Retirement Age. His Normal Retirement Date shall be the date his retirement benefit begins if he has ceased to be an Employee on such date and his retirement benefit has not already begun.

1A.15 “**Period Of Service**” means a period of time beginning on an Employee’s Employment Commencement Date or Reemployment Commencement Date (whichever applies) and ending on his Severance from Service Date.

1A.16 “**Predecessor Employer**” means a local Nazarene church, Nazarene district, or Nazarene church agency, including Nazarene Compassionate Ministries, Inc., and the Church of the Nazarene Foundation.

1A.17 “**Prior Employees’ Plan**” means the **Retirement Plan For Certain Employees Of The Church Of The Nazarene** as in effect before January 1, 1987.

1A.18 “**Prior Officers’ Plan**” means the **Deferred Compensation Plan For The Elected Officers, As Defined, Of The Church Of The Nazarene** as in effect before January 1, 1987.

1A.19 “**Prior Plan**” means the retirement plan of the General Board of the Church of the Nazarene before January 1, 1987.

1A.20 “**Prior Plan Assets**” mean the assets accumulated under the Prior Plan which have not been distributed as of January 1, 1987, and which are held under this Plan.

1A.21 “**Prior Plan Deferred Benefit**” means the monthly amount of any deferred retirement benefit payable on a Participant’s Normal Retirement Date on the Normal Form to which he was entitled because of a quit or discharge which occurred before August 1, 1979.

1A.22 “**Required Contribution Account**” means, on any date, the total of a Participant’s Required Contributions with interest. A Participant’s Required Contribution Account shall be reduced by the amount of any distribution of his Required Contribution Account.

Interest shall be credited at the rate of five percent per annum compounded annually.

Interest shall be credited on each Required Contribution from the end of the Plan Year for which it was made until the Monthly Date on or before the Required Contribution Account is distributed. Interest shall be credited from January 1, 1961, on contributions made and interest credited under the Prior Plan.

1A.23 “**Required Contributions**” means nondeductible contributions required from a Participant in order to participate in this Plan. See the Required Contributions By Participants Section of Article III.

1A.24 “**Severance From Service Date**” means the date on which an Employee quits, retires, dies, or is discharged.

1A.25 “**Vesting Percentage**” means the percentage used to determine that portion of a Participant’s Accrued Benefit resulting from Employer Contributions which is nonforfeitable (cannot be lost since it is vested).

A Participant’s Vesting Percentage is shown in the following schedule opposite the number of whole years of his Vesting Service.

Vesting Service (whole years)	Vesting Percentage
Less than 3	0
3	20
4	40
5	60
6	80
7 or more	100

However, the Vesting Percentage for a Participant who is an Employee shall be 100% on or after the earlier of (I) the date he reaches his Normal Retirement Age or (ii) the date he meets the requirement(s) for an Early Retirement Date.

In any event, a Participant’s Vesting Percentage shall be zero if his Severance from Service Date occurs either by resignation or discharge due to embezzlement, dishonesty, fraud, conviction of a felonious or other charge involving moral turpitude, all in connection with such Participant’s affairs, or willful or intentional injury to any Employees of the Employer, or due to any conspiracy against the Employer. The provisions of this paragraph shall be exercised without discrimination and shall be uniformly applicable to all Participants. The decision of the Employer shall be binding, final, and conclusive as to any Participant.

If the schedule used to determine a Participant’s Vesting Percentage is changed, the Participant’s nonforfeitable percentage on the day before the date of the change is not reduced under this Plan.

1A.26 “**Vesting Service**” means the sum of (a) and (b) below:

(a) The total of an Employee’s countable service with the Employer before January 1, 1961. This total is expressed in whole years.

(b) The total of an Employee’s completed years of continuous service with the Employer on and after January 1, 1961, from his Employment Commencement Date to his Severance from Service Date.

However, Vesting Service is modified as follows:

Other service included: An Employee's service with all Predecessor Employers shall be included as service with the Employer provided not more than 12 months have elapsed between employment by a Predecessor Employer and the Employer or between employment by a Predecessor Employer and another Predecessor Employer.

Article II

Participation - (Basic Plan only)

2.1 **Ordained Ministers.** Ordained ministers in the Church of the Nazarene who have reached Retirement Age may be eligible for a Pension if all other qualifications under the Plan are satisfied.

2.2 **District-Licensed Ministers.** District-licensed ministers with service equivalent to that of ordained ministers may be granted a Pension upon the same conditions as required for ordained ministers.

2.3 **Laymen Serving in Full-Time Ministry.** This Plan extends to those laymen with district credentials who satisfy the conditions set out in Section 1.11(c)(1) or (2), as of December 31, 1985, but subject to the following limitations:

Only those laymen having recognized district credentials or recognized district roles as:

Commissioned Minister of Christian Education

Commissioned Song Evangelist

Commissioned Minister of Music

Consecrated Deaconess

and whose ministry is performed in the area specified by such district credentials may become eligible.

Service as a licensed Director of Christian Education, Licensed Deaconess, or registered song evangelist may be recognized if this service was equivalent to that performed by one holding one of the above listed credentials or roles.

2.4 **Widows or Widowers.**

(a) Subject to the provisions of Article VII, a widow or widower may be eligible to receive a Pension under this Plan at age 62 or thereafter, equal to 60 percent of the amount for which his or her spouse was eligible; provided, however, a widow or widower who has attained age 60 may elect to receive a Pension under this Plan after the attainment of age 60 and prior to attainment of age 62 except that, in such event, the Pension payable to such widow or widower shall be further reduced in amount by 0.6 percent for each month that the date of the first payment of such Pension precedes the first day of the month following the month in which such widow or widower would attain age 62. An election by a widow or widower to receive a reduced Pension prior to attainment of age 62 may not be validly revoked except within 30 days after the Board's notice to the widow or widower of the Board's determination of the amount of the reduced Pension payable to such widow or widower. Such an amount shall be determined without regard to whether or not the Participant had elected the Early Retirement Pension.

(b) Subject to the provisions of Section 5.6, a widow or widower with a deferred vested pension may be granted a disability pension before age 62, provided the disability has been determined by the U.S. Social Security Administration or its Canadian equivalent. Evidence of such determination must be submitted with the application to the Board.

(c) The marriage to a Participant by a widow or widower of a Participant's second or subsequent marriage must have occurred not less than one year prior to the death of his or her spouse who was a Participant in this Plan.

(d) Effective with respect to applications received after December 31, 2003, notwithstanding any other provision of this Plan, in the case of a widow or widower who has attained age 62, if such a widow or widower submits an application after attaining age 62, payment of a pension will be made retroactively to the first day of the month after such widow or widower was first eligible to begin receiving a regular benefit under the Plan. The amount of the pension payable to such widow or widower shall be the amount of the pension calculated under the provisions of this Plan increased by the amount of pension which would have been payable from the first day of the month after the widow or widower was eligible to begin receiving a regular benefit under the Plan to the first day of the month following the approval of the applicant's application by the Board, with such increased amount to be paid in installments. The monthly installment amount will be determined by the widow or widower's life expectancy as of the approval date, and the installments will be paid over the duration of the widow or widower's remaining life.

Article II – A

Participation - (General Church Plan only)

2A.1 Active Participant.

(a) An Employee may first become an Active Participant (begin active participation in the Plan) on the earliest Yearly Date on or after January 1, 1987, on which he is an Eligible Employee and has met the eligibility requirement set forth below. This date is his Entry Date.

- (1) He is age 21 or older.

Each Employee who was an active participant under the Prior Plan on December 31, 1986, shall become an Active Participant as of January 1, 1987. His entry date under the Prior Plan is deemed to be his Entry Date under this Plan.

(b) An Inactive Participant may again become an Active Participant (resume active participation in the Plan) on the date he again performs an Hour-Of-Service as an Eligible Employee. This date is his Reentry Date.

Upon again becoming an Active Participant, he shall cease to be an Inactive Participant.

(c) A former Participant may again become an Active Participant (resume active participation in the Plan) on the date he again performs an Hour-Of-Service as an Eligible Employee. This date is his Reentry Date.

An Eligible Employee shall become an Active Participant on his Entry Date or Reentry Date (whichever applies) if he agrees to make Required Contributions. This agreement must be in writing and completed no later than thirty days after his Entry or Reentry Date. If he does not complete the agreement within the time allowed, he shall become an Active Participant as of the first following Yearly Date on which he is an Eligible Employee and has completed the written agreement to make these Contributions. This shall be his adjusted Entry Date (or adjusted Reentry Date, if it applies).

There shall be no duplication of benefits for a Participant under this Plan because of more than one period as an Active Participant.

2A.2 Inactive Participant.

An Active Participant shall become an Inactive Participant (stop accruing benefits under the Plan) on the earliest of the following:

- (a) The date on which he ceases to be an Eligible Employee (on his Retirement Date if he ceases to be an Eligible Employee within one month of his Retirement Date).
- (b) The effective date of complete termination of the Plan.
- (c) His Severance from Service Date.
- (d) His Voluntary Discontinuance Date.

An Employee or former Employee who was an inactive participant under the Prior Plan on December 31, 1986, shall become an Inactive Participant under this Plan on January 1, 1987. Eligibility for any benefits payable to him or on his behalf and the amount of the benefits shall be determined according to the provisions of the Prior Plan, unless otherwise stated in this Plan.

2A.3 Cessation Of Participation.

A Participant, whether active or inactive, shall cease to be a Participant on the earlier of the following:

- (a) The date of his death.
- (b) The date he receives a single sum distribution which is in lieu of all of his benefits under the Plan if his Vesting Percentage is 100%.

An Inactive Participant shall also cease to be a Participant on the earliest date on which he is not entitled to a deferred monthly income under the Vested Benefits Section of Article V.

2A.4 Adopting Employers

Each of the employers controlled by or affiliated with the Plan Sponsor and listed below is an Adopting Employer. Each Adopting Employer participates in this Plan. Any additional Adopting Employer's agreement to participate in this Plan shall be in writing. An Adopting Employer has no rights or privileges under this Plan.

If the Adopting Employer did not maintain its plan before its date of adoption specified below, its date of adoption shall be the Entry Date for any of its employees who have met the requirements in the Active Participant Section of Article II as of that date. Transfer of employment, without interruption, between an Adopting Employer and another Adopting Employer or the Employer shall not be considered an interruption of service.

However, for the purposes of the Temporary Limitation Of Benefits Section of Article IV, the employees of each Adopting Employer are considered separately in determining the highly paid employees under the Plan. The date the Adopting Employer's plan was originally effective shall be substituted for the date the Plan was originally effective. If the Adopting Employer did not maintain its plan before its date of adoption specified below, its date of adoption shall be the date its plan was originally effective.

Forfeitures arising from an Adopting Employer's Contributions shall be used for the benefit of all Participants.

An employer shall not be an Adopting Employer if it ceases to be controlled by or affiliated with the Plan Sponsor or if such an employer establishes a separate retirement plan for its employees and receives a transfer of assets and liabilities from this Plan with respect to such separate retirement plan.

If an employer ceases to be an Adopting Employer and does not continue a retirement plan for the benefit of its employees, partial termination may result and the provisions of Article VII apply.

Adopting Employers

Name

Date Of Adoption

Nazarene Theological Seminary
Nazarene Compassionate Ministries, Inc.
Church of the Nazarene Foundation

August 1, 1979
October 6, 1990
February 20, 2003

Article III

Participant Contributions

3.1 A Participant in the Basic Plan may not make a voluntary contribution to the Trust under this Plan.

3.2 No Participant in the Single Plan or the Basic Plan may make a rollover contribution to the Trust under this Plan.

3.3 Direct Rollover of Eligible Rollover Distributions: For distributions made after December 31, 1992, a participant may elect to have any portion of such participant's eligible rollover distribution paid directly to an eligible retirement plan specified by the participant in a direct rollover designation. For purposes of this Section 3.3, a participant includes a participant's surviving spouse and the participant's spouse or former spouse who is an alternate payee under a qualified domestic relations order.

3.4 **Definitions.** The following definitions apply to Section 3.3:

(a) Eligible Rollover Distributions: An eligible rollover distribution is any distribution of all or any portion to the accrued benefit of the Participant, except an eligible rollover distribution does not include: any distribution which is one of a series of substantially equal periodic payments (not less frequently than annually) made for life (or life expectancy) of the Participant or the joint lives (or joint life expectancies) of the Participant and the Participant's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent required under Code § 401(a)(9); and the portion of any distribution which is not included in gross income. An eligible rollover distribution shall not include a hardship distribution.

(b) Eligible Retirement Plan: An eligible retirement plan is an individual retirement account described in Code § 408(a), an individual retirement annuity described in § 408(b), an annuity plan described in § 403(a) or a qualified trust described in Code § 401(a), which accepts the participant's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.

(c) Direct Rollover: A direct rollover is a payment by the Plan to the eligible retirement plan specified by the distributee.

(d) Modification of definition of eligible retirement plan. For purposes of the direct rollover provisions in section 3.4 of the Plan, an eligible retirement plan shall also mean an annuity contract described in section 403(b) of the Code and an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan. 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 section 414(p) of the Code.

3.5 **Direct Rollover of Non-Spousal Distribution**

(a) Non-Spouse Beneficiary Rollover Right. For distributions after December 31, 2009, a non-spouse beneficiary who is a ‘designated beneficiary’ under Code § 409(a)(9)(E) and the Regulations thereunder, by a direct trustee-to-trustee transfer (‘direct rollover’), may roll over all or any portion of such beneficiary’s distribution to an individual retirement account that beneficiary establishes for purposes of receiving a distribution. In order to be able to roll over the distribution, the distribution otherwise must satisfy the definition of an eligible rollover distribution.

(b) Certain Requirements Not Applicable. Although a non-spouse beneficiary may roll over directly a distribution as provided in this Section 3.5, such a distribution is not subject to the direct rollover requirements of Code §401(a)(31), the notice requirements of Code §402(f) or the mandatory withholding requirements of Code §3405(c). If a non-spouse beneficiary receives a distribution from the Plan, the distribution is not eligible for a “60 day rollover.”

(c) Trust Beneficiary. If the Participant’s named beneficiary is a trust, the Plan may make a direct rollover to an individual retirement account on behalf of the trust, provided the trust satisfies the requirements to be a designated beneficiary within the meaning of Code § 401(a)(9)(E).

(d) Required Minimum Distributions Not Eligible For Rollover. A non-spouse beneficiary may not roll over an amount which is a required minimum distribution, as determined under applicable Treasury Regulation and other Internal Revenue Service guidance. If the Participant dies before such Participant’s required beginning date and the non-spouse beneficiary rolls over to an individual retirement account the maximum amount eligible for rollover, the beneficiary may elect to use either the five year rule or the life expectancy rule, pursuant to Treasury Regulation § 1.409(a)(9)-3, A-4(c), in determining the required minimum distribution from the individual retirement account that receives the non-spouse beneficiary’s distribution.

3.6 Direct Rollover to Qualified Plan/403(b). For Taxable years beginning after December 31, 2006, a Participant may elect to transfer employee after-tax contributions by means of a direct rollover to a qualified plan or to a 403(b) plan that agrees to account separately for amount so transferred (including interest thereon), including accounting separately for the portion of such distribution which is includable in gross income and the portion of such distribution which is not includable in gross income.

3.7 Roth IRA Rollover. For distributions made after December 31, 2007, a Participant or beneficiary may elect to roll over directly an eligible rollover distribution to a Roth IRA described in Code § 408A(b). For this purpose, the term eligible rollover distribution includes a rollover distribution described in Section 3.6 of the Plan.

Article IV

Employer Contributions

4.1 The contributions required to fund the cost of the Pension benefits provided by the Plan shall be made by the Employer through contributions made to the Pensions and Benefits Fund of the Church. The Employer shall contribute to the Trustee of the Trust Fund from time to time such sums as are required, in accordance with actuarial practices acceptable to the Internal Revenue Service, to fund the total cost of benefits provided by the Plan, but not in excess of the amount provided for under Section 415 of the Code. The Board shall establish a funding policy and method and shall meet at least annually to review such funding policy and method. All actions taken with respect to such funding policy and method and the reasons therefore shall be reflected in the written records of the Board.

4.2 All contributions made by the Employer under this Plan shall be paid to the Trustee. Except as otherwise provided below, all assets of the Trust Fund, including investment income, shall be retained for the exclusive benefit of Participants and their beneficiaries, shall be used to pay benefits to such persons or to pay administrative expenses to the extent not paid by the Employer, and shall not revert to or inure to the benefit of the Employer.

4.3 Notwithstanding any provision of this Plan to the contrary, in no event shall a Participant's benefit under the Plan exceed the maximum amount permitted under section 415 of the Code and the regulations promulgated thereunder. For purposes of the preceding sentence:

(a) The projected annual pension for any Plan Year with respect to a Participant whose benefit has not yet commenced, and the annual pension paid during any Plan Year to a participant whose benefit has commenced, may not exceed the lesser of:

(i) \$90,000. This amount shall be automatically adjusted by multiplying such limit by the cost of living adjustment factor prescribed by the Secretary of the Treasury under Code section 415(d) in such manner as the Secretary shall prescribe.

(ii) 100% of the Participant's average 415 Compensation for his high three consecutive years of employment.

(b) If a Participant's benefit is paid in any form other than a straight life annuity or a qualified joint and survivor annuity, such benefit shall be converted on an Actuarial Equivalent basis to a straight life annuity beginning at the same age for purposes of applying the limitation in subsection (a).

(c) If a Participant's benefit commences before he attains age 62, the limitation of subsection (a)(1) shall be the Actuarial Equivalent of a \$90,000 annual benefit commencing at age 62. However, the limitation of subsection (a)(1) shall not be reduced below:

(i) if the benefit begins at or after age 55, \$75,000; or

(ii) if the benefit begins before age 55, the Actuarial Equivalent of a \$75,000 annual benefit commencing at age 55.

(d) If a Participant's benefit commences after he attains age 65, the limitation of subsection (a)(1) (as reduced in (f), below, if necessary) shall be adjusted so that it is the Actuarial Equivalent of a benefit of such dollar limitation commencing at age 65.

(e) Notwithstanding the preceding provision of this section, the pension payable with respect to a Participant shall be deemed not to exceed the limitations of this section if the following conditions are met:

(i) The annual benefit derived from Employer Contributions payable under this Plan and all other defined benefit plans of the Employer does not exceed \$10,000 for the Plan Year, or for any prior Plan Year.

(ii) The employer has not at any time maintained a defined contribution plan in which the Participant participated.

(f) If a Participant has less than 10 years of participation in this Plan, the dollar limitation under subsection (a)(1) shall be reduced by one-tenth for each year (or part thereof) of participation less than 10.

(g) If a Participant has less than 10 years of service with the Employer, the limitations referred to in subsections (a)(2) and (e)(1) shall be reduced by one-tenth for each year (or part thereof) of service less than 10.

(h) To the extent provided in Treasury regulations, the provisions of subsections (f) and (g) shall be applied separately with respect to each change in the benefit structure of the Plan.

(i) If the Participant is also a participant in one or more defined contribution plans maintained by the Employer, the sum of the Participant's defined benefit plan fraction and defined contribution plan fraction, determined according to Code section 415(e), for any Plan Year may not exceed 1.0. If the sum of a Participant's defined benefit fraction and defined contribution fraction would otherwise exceed 1.0 for any Plan Year, the benefit otherwise payable under this Plan shall be adjusted to the extent necessary to reduce the sum of such fractions to 1.0. This provision shall not apply to Plan Years beginning after December 31, 1999.

(j) If benefits payable under any provision of the Plan would exceed the limitations under Code Section 415, then, notwithstanding any other provision of the Plan, such benefits shall be reduced to the extent necessary to ensure that such limitations are not exceeded; provided, that if a Participant's benefits under this Plan, in combination with benefits provided under any other defined contribution plan maintained by the Employer, would exceed such limitations, then any Annual Additions credited under the defined contribution plan shall be reduced to the extent necessary to ensure that such limitations are not exceeded, and if such reduction in annual additions under the defined contribution plan is inadequate to avoid such limitations being exceeded, benefits under this Plan shall next be reduced to the extent necessary to ensure that such limitations are not exceeded.

(k) For purposes of this Section, all employers aggregated under the rules of Sections 414(b), (c) and (m) of the Code shall be considered the Employer.

For purposes of calculating the limitations applicable to the Plan under Section 415 of the Code, the following words shall have the following meanings:

(a) The word “415 compensation” shall mean Compensation as defined in Section 1.21. This provision is effective for Plan Years beginning after December 31, 1997.

(b) The words “Limitation Year” shall mean the Plan Year.

(c) For purposes of calculating a Participant’s highest average compensation, the words “year of service” shall mean the Plan Year.

(d) “Social Security Retirement Age” means the age used as the retirement age under Section 216(f) of the Social Security Act, except that such section shall be applied (1) without regard to the age increase factor and (2) as if the early retirement age under Section 216(l)(2) of such Act were 62.

(e) “Annual Additions” are the following amounts allocated on behalf of a Participant for a Limitation Year under a defined contribution plan maintained by the Employer: (a) all Employer contributions; (b) all forfeitures; and (c) all Employee contributions. Except to the extent provided in Treasury regulations, Annual Additions include excess contributions described in Code § 401(k) and excess aggregate contributions described in Code § 401(m), irrespective of whether the plan distributes or forfeits such excess amounts. Excess deferrals under Code § 402(g) are not Annual Additions unless distributed after the correction period described in Code § 402(g). Amounts allocated after March 31, 1984, to an individual medical account (as defined in Code § 415(l)(2)) included as part of a pension or annuity plan maintained by the Employer also are Annual Additions. Furthermore, Annual Additions include contributions paid or accrued after December 31, 1985, for taxable years ending after December 31, 1985, attributable to post-retirement medical benefits allocated to the separate account of a key employee (as defined in Code § 419A(d)(3)) under a welfare benefit fund (Code § 419(e)) maintained by the Employer. For a Limitation Year, the Annual Additions allocated on behalf of any Participant, to all defined contribution plans maintained by the Employer, may not exceed the Maximum Permissible Amount. The “Maximum Permissible Amount” is the lesser of (I) \$30,000 (or if greater, the \$30,000 amount as adjusted under Code §415(d), or (II) 25% of the Participant’s Compensation for the Limitation Year. If there is a short Limitation Year because of a change in Limitation Year, the Committee will multiply the \$30,000 limitation (or larger limitation) on Annual Additions by the following fraction:

$$\frac{\text{Number of months in the short Limitation Year}}{12.}$$

The 25% limitation does not apply to Annual Additions attributable to an individual medical account or to post-retirement medical benefits under a welfare benefit fund.

(f) A defined contribution plan is a retirement plan which provides for an individual account for each participant and for benefits based solely on the amount contributed to the participant’s account, and any income, expenses, gains and losses, and any forfeitures of accounts of other participants which the plan may allocate to such participant’s account. The Committee must treat as a single plan all defined contribution plans maintained by the Employer, whether or not terminated. For purposes of the limitations of this Article V, the Committee will treat employee contributions made to a pension or annuity plan (including this Plan) maintained by the Employer as a separate defined contribution plan. The Committee also will treat as a defined contribution plan an individual medical account (as defined in Code § 415(l)(2)) included as part of a pension or annuity plan maintained by the Employer, a simplified employee pension plan (as defined in Code § 408(k)) and, for taxable years ending after December 31, 1985, a welfare benefit fund under

Code § 419(e) maintained by the Employer to the extent there are post-retirement medical benefits allocated to the separate account of a key employee (as defined in Code §419A(d)(3)).

(g) For limitation years beginning on and after January 1, 2001, for purposes of applying the limitations described in Section 4.3 of the plan, compensation paid or made available during such limitation years shall include elective amounts that are not includible in the gross income of the employee by reason of section 132(f)(4).

4.4 **Effective date.** This section shall be effective for limitation years ending after December 31, 2001.

(a) Effect on Participants. Benefit increases resulting from the increase in the limitations of section 415(b) of the Code will be provided to those all employees participating in the plan who have one hour of service on or after the first day of the first limitation year ending after December 31, 2001.

(b) Defined benefit dollar limitation. “The defined benefit dollar limitation” is \$160,000, as adjusted, effective January 1 of each year, under section 415(d) of the Code in such manner as the Secretary shall prescribe, and payable in the form of a straight life annuity. A limitation as adjusted under section 415(d) will apply to limitation years ending with or within the calendar year for which the adjustment applies.

(c) Maximum permissible benefit. “The maximum permissible benefit” is the lesser of the defined benefit dollar limitation or the defined benefit compensation limitation (both adjusted where required, as provided in (i) and, if applicable, in (ii) or (iii) below).

(i) If the Participant has fewer than 10 years of participation in the Plan, the defined benefit dollar limitation shall be multiplied by a fraction, (i) the numerator of which is the number of years (or part thereof) of participation in the Plan and (ii) the denominator of which is 10. In the case of a Participant who has fewer than 10 years of service with the employer, the defined benefit compensation limitation shall be multiplied by a fraction, (i) the numerator of which is the number of years (or part thereof) of service with the employer and (ii) the denominator of which is 10.

(ii) If the benefit of a Participant begins prior to age 62, the defined benefit dollar limitation applicable to the participant at such earlier age is an annual benefit payable in the form of a straight life annuity beginning at the earlier age that is the actuarial equivalent of the defined benefit dollar limitation applicable to the participant at age 62 (adjusted under (i) above, if required). The defined benefit dollar limitation applicable at an age prior to age 62 is determined as the lesser of (A) the actuarial equivalent (at such age) of the defined benefit dollar limitation computed using the interest rate and mortality table (or other tabular factor) specified in section 1.2 of the Plan and (B) the actuarial equivalent (at such age) of the defined benefit dollar limitation computed using a 5 percent interest rate and the applicable mortality table as defined in section 1.2 of the Plan. Any decrease in the defined benefit dollar limitation determined in accordance with this paragraph (ii) shall not reflect a mortality decrement if benefits are not forfeited upon the death of the Participant. If any benefits are forfeited upon death, the full mortality decrement is taken into account.

(iii) If the benefit of a Participant begins after the participant attains age 65, the defined benefit dollar limitation applicable to the Participant at the later age is the annual

benefit payable in the form of a straight life annuity beginning at the later age that is actuarially equivalent to the defined benefit dollar limitation applicable to the participant at age 65 (adjusted under (i) above, if required). The actuarial equivalent of the defined benefit dollar limitation applicable at an age after age 65 is determined as (A) the lesser of the actuarial equivalent (at such age) of the defined benefit dollar limitation computed using the interest rate and mortality table (or other tabular factor) specified in section 1.2 of the Plan and (B) the actuarial equivalent (at such age) of the defined benefit dollar limitation computed using a 5 percent interest rate assumption and the applicable mortality table as defined in section 1.2 of the Plan. For these purposes, mortality between age 65 and the age at which benefits commence shall be ignored.

(d) For limitation years beginning after December 31, 2001, a multiemployer plan is not combined or aggregated with a non-multiemployer plan for purposes of applying the § 415(b)(1)(B) compensation limit to the non-multiemployer plan.

4.5 This Section 4.5 shall be effective for any Limitation Year beginning on or after July 1, 2007. Notwithstanding the foregoing, the application of the provisions of this Section 4.5 shall not cause the maximum permissible “annual benefit” for any Participant to be less than the Participant’s Accrued Benefit under all defined benefits plans of the Employer as of the last Limitation Year beginning before July 1, 2007 under the provisions of such defined benefit plans that were both adopted and in effect before April 5, 2007; provided, however, that the provisions of such defined benefit plans that were adopted and in effect before April 5, 2007 satisfied the applicable requirements under Code §415, and the Treasury regulations and published guidance issued thereunder, as in effect as of the end of the last Limitation Year beginning before July 1, 2007.

(a) The “annual benefit” payable to a Participant under this Plan in any Limitation Year shall not exceed the lesser of (i) or (ii) below:

(i) \$160,000. This amount shall be automatically adjusted, effective January 1 of each year, under Code §415(d) in such manner as the Secretary shall prescribe and payable in the form of a straight life annuity. Such dollar limitation as adjusted under Code §415(d) will apply to Limitation Years ending with or within the calendar year for which the adjustment applies. For Limitation Years beginning on or after July 1, 2007, the defined benefit dollar limitation specified in this paragraph (i) shall be adjusted for Participant’s benefits beginning prior to age 62 or beginning after age 65 as follows:

(I) If the benefit of a Participant begins prior to age 62, the defined benefit dollar limitation applicable to such Participant at such earlier age is the “annual benefit” that is the actuarial equivalent of the defined benefit dollar limitation (adjusted, if required, under Section 4.4(c)(i)), with actuarial equivalence computed using a 5% interest rate assumption and the applicable mortality table described in Section 1.2 of the Plan (and expressing the Participant’s age based on completed calendar months as of the date upon which his benefit begins); provided, however, that if the Plan has an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement, the defined benefit dollar limitation applicable to such Participant at such earlier age is lesser of (A) the actuarial equivalent of the defined benefit dollar limitation (adjusted, if required, under Section 4.4(c)(i)), with actuarial equivalence computed using a 5% interest rate assumption and the applicable mortality table described in Section 1.2 of the Plan (and expressing the Participant’s age

based on completed calendar months as of the date upon which his benefit begins), or (B) the “annual benefit,” adjusted, if required, as described in Section 4.4(c)(i) of the Plan, multiplied by the ratio, determined without regard to the limitations of Code §415, of the amount of the Participant’s annual annuity payment under the Plan commencing on the Participant’s benefit commencement age to the annual amount of the immediately commencing straight life annuity under the Plan at age 62.

(II) If the benefit of a Participant begins after the Participant attains age 65, the defined benefit dollar limitation applicable to such Participant at such later age is the “annual benefit” payable in a straight life annuity beginning at the later age that is the actuarial equivalent of the defined benefit dollar limitation (adjusted, if required, under Section 4.4(c)(i) of the Plan), with actuarial equivalence computed using a 5% interest rate and the applicable mortality table described in Section 1.2 of the Plan (and expressing the Participant’s age based on completed calendar months as of the date upon which his benefit begins); provided, however, that if the Plan has an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement, the defined benefit dollar limitation is lesser of (A) the “annual benefit” payable in a straight life annuity beginning at the later age that is the actuarial equivalent of the defined benefit dollar limitation (adjusted, if required, under Section 4.4(c)(i) of the Plan), with actuarial equivalence computed using a 5% interest rate and the applicable mortality table specified in Section 1.2 of the Plan, or (B) the “annual benefit,” adjusted, if required, as described in Section 4.4(c)(i) of the Plan, multiplied by the ratio, determined without regard to the limitations of Code §415, of the amount of the adjusted immediately commencing straight life annuity at the benefit commencement age to the amount of the adjusted immediately commencing straight life annuity at age 65. For such purpose, the adjusted immediately commencing straight life annuity at the benefit commencement age is the annual amount of the annuity payment to the Participant computed disregarding the Participant’s accruals after age 65, but including any actuarial adjustments, even if such adjustments are used to offset accruals; and, the adjusted immediately commencing straight life annuity at age 65 is the annual amount of the annuity payment that would be payable under the Plan to a hypothetical Participant who is age 65 and has the same Accrued Benefit as the Participant.

Notwithstanding the foregoing, no adjustment shall be made to the defined benefit dollar limitation to reflect the probability of a Participant’s death between the benefit commencement date and age 62, or between age 65 and the benefit commencement date, as applicable, if benefits are not forfeited upon the death of the Participant prior to the commencement. To the extent benefits are forfeited upon death before the benefit commencement date, such an adjustment shall be made.

(ii) 100% of the Participant’s 415 Compensation averaged over the three (3) consecutive Limitation Years during which the Participant had the greatest 415 Compensation from the Employer. Notwithstanding the foregoing, this clause (ii) shall not apply to any Participant in the Plan who has never been a Highly Compensated Employee

of the Employer. If a Participant who was a non-Highly Compensated Employee becomes a Highly Compensated Employee of the Employer, this clause (ii) shall be applied to such Participant's entire Accrued Benefit, including any portion accrued prior to the Limitation Year in which the Participant first became a Highly Compensated Employee. Notwithstanding the preceding sentence, this clause (ii) shall be deemed satisfied with respect to any Participant who was a non-Highly Compensated Employee and becomes a Highly Compensated Employee of the Employer provided that no amendment to the Plan that increases such Participant's Accrued Benefit is adopted by the Employer in the Limitation Year during which the Participant first becomes a Highly Compensated Employee and there is no increase to the Participant's Accrued Benefit derived from Employer contributions made in Limitation Years following the Limitation Year during which the Participant first became a Highly Compensated Employee. With respect to any Participant to whom this clause (ii) applies, such Participant's 415 Compensation for a Year of Service shall not include 415 Compensation in excess of the limitation under Code §401(a)(17) that is in effect for the calendar year in which such Year of Service begins.

(b) A Participant's "annual benefit" means the benefit payable annually under the terms of the Plan (exclusive of any benefit not required to be considered for purposes of applying the limitations of Code §415 to the Plan) payable in the form of a straight life annuity with no ancillary benefits. If the benefit under the Plan is payable in any other form, the "annual benefit" shall be adjusted to the Actuarial Equivalent of a straight life annuity beginning at the same age. For Limitation Years beginning on or after July 1, 2007, the actuarial equivalent straight life annuity is equal to the greater of (i) the annual amount of the straight life annuity (if any) payable to the Participant under the Plan commencing at the same annuity starting date as the Participant's form of benefit; and (ii) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using a 5% interest rate assumption and the applicable mortality table defined in Section 1.2 of the Plan for that annuity starting date.

(c) A Participant's "415 Compensation" shall mean Compensation as defined in Section 1.21. Effective for any Limitation Year beginning on or after July 1, 2007, except as specifically described herein, "415 Compensation" shall not include amounts paid to an Employee after his or her severance from employment with the Employer. Notwithstanding the foregoing, "415 Compensation" shall include regular pay paid after an Employee's severance from employment with the Employer if (i) the payment is regular compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; (ii) the payment would have been paid to the Employee prior to a severance from employment if the Employee had continued in employment with the Employer; and (iii) the payment is made by the later of 2 1/2 months after the date of the Employee's severance from employment with the Employer or by the end of the Limitation Year that includes the date of the Employee's severance from employment. Any other payment of compensation paid after severance of employment that is not described in this paragraph is not considered Compensation, even if payment is made within the time period described in clause (iii) of the preceding sentence.

(d) In applying limitations of this Section 4.5, the transition rule of Section 101(d)(3) of the Pension Funding Equity Act, as described in IRS Notice 2004-78, shall not be applied.

Article V

Requirements For Retirement Benefits - (Basic Plan only)

5.1 For a Participant reaching Retirement Age, a Pension may begin as of the first day of the month next following the date of the district assembly, if applicable, which granted retired relationship to such a Participant. A Pension will begin only after an eligible Applicant makes proper application to the Board and after approval is granted by the Board. Payment of a Pension will not be made retroactively to the date of the granting of retired relationship, but only as of the first day of the month next following the approval of the Applicant's application by the Board.

Effective with respect to applications received after December 31, 2003, notwithstanding any other provision of this Plan, in the case of a Participant who has attained age 65, but has not attained age 70 ½, if such a Participant submits an application after the later of attaining age 65 or ceasing to accrue Years of Service, payment of a pension will be made retroactively to the first day of the month after the later of such Participant's attaining age 65 or ceasing to accrue Years of Service. The amount of the pension payable to such Participant shall be the amount of the pension calculated under the provisions of this Plan increased by the amount of pension which would have been payable from the first day of the month after the later of such Participant's attaining age 65 or ceasing to accrue Years of Service to the first day of the month following the approval of the applicant's application by the Board, with such increased amount to be paid in installments as follows:

(a) If the Participant is single as of the approval date, the monthly installment amount will be determined by the Participant's life expectancy and the installments will be paid over the duration of the Participant's remaining life; or

(b) If the Participant is married as of the approval date, the monthly installment amount will be determined by the joint life expectancy of the Participant and the spouse and the installments will be paid over the duration of the Participant's remaining life and the spouse's remaining life. However, any installments payable to a widow or widower will be further subject to the provisions of Section 2.4 (a) or Article VII of the Plan, whichever is applicable.

5.2 Normally a Participant will take retired relationship at such Participant's district assembly, if applicable. Participants attaining Retirement Age between assemblies and choosing to retire before the next district assembly may do so under the following conditions:

(a) Such a Participant must file a written statement with the District Advisory Board and with the Board stating that the Applicant will make a request for retired relationship at the next following district assembly.

(b) The district superintendent and District Advisory Board must file a written statement with the Board that they will recommend to their Ministerial Credentials Board at the next district assembly that the Applicant be granted retired relationship.

5.3 After meeting eligibility requirements for a Pension, a retired Participant may continue to serve in a temporary capacity for the Church of the Nazarene, except such a retired Participant may not:

(a) Serve as the designated pastor of a Church of the Nazarene, other than service as a "supply minister," or

(b) Receive an evangelist's commission, or

(c) Serve as a full-time assistant or associate pastor. For this purpose, full-time shall mean 30 hours per week of paid service for 30 or more weeks during the year.

5.4 A Participant may begin receiving a Pension as of the first day of the month after attaining age 70 regardless of ministerial assignment but only upon approval of such a Participant's application for the Pension by the Board. Effective April 1, 1991, a Participant may begin receiving a Pension as of the first day of the month after attaining age 65 regardless of ministerial assignment but only upon approval of such a Participant's application for the Pension by the Board.

5.5 A Participant's Pension shall be one hundred percent (100%) Nonforfeitable upon completion of a minimum of ten Years of Service, without regard to whether the Applicant is a member of the Church of the Nazarene when such Applicant would otherwise commence to receive a Pension under this Plan.

5.6 A Participant who is a member of a participating district, and such a Participant's widow or widower, and who is disabled may qualify for a Pension upon completion of a minimum of five Years of Service and upon approval of such a Participant's application by the Board, subject to the provisions of Section 5.7. For the purpose of this Section 5.6, a Participant shall be granted credit for one-half of a Year of Service for each year by which such Participant's attained age upon qualification for a disability Pension is less than age 65.

5.7 A Participant who is disabled may be granted a Pension during an assembly year under the following conditions:

(a) If under age 65, disability must be determined by the U.S. Social Security Administration or its Canadian equivalent. Evidence of such determination must be submitted with a Participant's application to the Board.

(b) Such a Participant must file a written statement with the District Advisory Board and with the Board stating that the Participant will make a request for retired relationship at the next following district assembly.

(c) The district superintendent and the District Advisory Board must file a written statement with the Board that they will recommend to their Ministerial Credentials Board at the next district assembly that the disabled Participant be granted retired relationship.

(d) If retired relationship is not granted at the first district assembly following the granting of a Participant's Pension due to disability, the Pension will be suspended until such retired relationship has been granted.

5.8 A Participant who has attained age 62 may elect to retire at any time prior to attaining age 65 and elect to take an Early Retirement Pension, subject to satisfying the conditions stated in Sections 5.1 and 5.3. In the event of such an election, such a Participant's Pension shall be determined under Section 6.1, but the amount as so determined shall be reduced by 0.6 percent for each month that the date of the first payment of the Early Retirement Pension precedes the first day of the month following the month in which the Participant would attain age 65.

In the event that a Participant has elected to take an Early Retirement Pension and the Participant later resumes accruing an active Year of Service under the Plan, such Participant's Early Retirement Pension shall cease. Upon such a Participant's later retirement, the Participant's Pension shall be computed based upon all of such Participant's Years of Service; provided, however, such Participant's Pension, determined under Section 6.1, shall be reduced in amount by 0.6 percent for each month that (1) such a Participant received an Early Retirement Pension prior to age 65 and (2) the number of months that the date of the resumption of Pension payments precedes the month following the month in which the Participant attains age 65, if any.

5.9 An election made under Section 5.8 may not be validly revoked except within 30 days after the Board's notice to the Participant of the Board's determination of the amount of Pension payable to the Participant as an Early Retirement Pension.

5.10 Effective as of October 1, 1998, an inactive Participant who is no longer a member of a participating district and who is disabled may qualify for a Pension upon completion of a minimum of five Years of Service and upon approval of such an inactive Participant's application by the Board. If under age 65, disability must be determined by the U.S. Social Security Administration or its Canadian equivalent. Evidence of such determination must be submitted with such inactive Participant's application to the Board. For purposes of this Section 5.10, an inactive Participant shall be granted only actual Years of Service as defined in Section 1.11. For purposes of this Section 5.10, the provisions of Section 5.7(b), 5.7(c), and 5.7(d) shall not be applicable.

Article VI

Amount Of Retirement Benefit - (Basic Plan only)

6.1 The formula for determining the amount of the Pension is \$6.00 per month for each Year of Service with a minimum of 10 Years of Service required, or for Years of Service in excess of 10 Years of Service, \$6.00 per month for each Year of Service times an increasing adjustment factor of 0.005 added to each Year of Service, beginning at 1.005 for 11 Years of Service and increasing to a maximum adjustment factor of 1.20 for 50 Years of Service, except as provided in Section 1.11(e), and with a maximum of 50 Years of Service permitted to be credited, with the adjustment provided for in Section 2.4(a) as to Pension payments to a widow or widower and with the adjustment provided for in Section 5.6 as to disabled Participants and the widows or widowers of disabled Participants. Solely with respect to those Participants, widows, and widowers receiving a Pension as of December 1, 1992 (collectively, "retirees"), an additional Pension amount equal to one month's Pension of such retirees (in the amount payable for December, 1992) shall be paid to such retirees prior to December 31, 1992. Solely with respect to those Participants, widows, and widowers receiving a Pension as of November 1, 1993 (collectively, "retirees"), an additional Pension amount equal to one month's Pension of such retirees (in the amount payable for November, 1993) shall be paid to such retirees prior to November 30, 1993. The provisions of the preceding sentence shall not apply with respect to any retiree with frozen pension credits under the provisions of Section 6.2 of this Plan.

Effective as of June 1, 1994, the formula for determining the amount of the Pension is \$7.50 per month for each Year of Service with a minimum of 10 Years of Service required, or for Years of Service in excess of 10 Years of Service, \$7.50 per month for each Year of Service times an increasing adjustment factor of 0.005 added to each Year of Service, beginning at 1.005 for 11 Years of Service and increasing to a maximum adjustment factor of 1.20 for 50 Years of Service, except as provided in Section 1.11(e), and with a maximum of 50 Years of Service permitted to be credited, with the adjustment provided for in Section 2.4(a) as to Pension payments to a widow or widower and with the adjustment provided for in Section 5.6 as to disabled Participants and the widows or widowers of disabled Participants.

Effective as of January 1, 1996, the formula for determining the amount of the Pension is \$9.00 per month for each Year of Service with a minimum of 10 Years of Service required, or for Years of Service in excess of 10 Years of Service, \$9.00 per month for each Year of Service times an increasing adjustment factor of 0.005 added to each Year of Service, beginning at 1.005 for 11 Years of Service and increasing to a maximum adjustment factor of 1.20 for 50 Years of Service, except as provided in Section 1.11(e), and with a maximum of 50 Years of Service permitted to be credited, with the adjustment provided for in Section 2.4(a) as to Pension payments to a widow or widower and with the adjustment provided for in Section 5.6 as to disabled Participants and the widows or widowers of disabled Participants.

6.2 Solely with respect to service in Canada under the Plan ("Canadian Service"), accrued pension credits for such Canadian Service shall be frozen as of December 31, 1992, such credits to be payable at a Participant's death, retirement, or total and permanent disability under the provisions of the Plan in force and effect as of December 31, 1992. No further pension credits under the Plan shall accrue with respect to Canadian Service after December 31, 1992, except that there shall be continuing accrual of service credit towards meeting the vesting requirements of the Plan for service under the Plan after December 31, 1992, whether or not in Canada. The Church of the Nazarene Canada shall assume all unfunded past service liabilities for accrued benefits for all Canadian Service as of December 31, 1992, such unfunded past service liability agreed to be 2 percent of the unfunded past service liabilities under the Plan as of December 31, 1992.

6.3 Grandfathered Pension and 403(b) Offset. In the case of a Participant in the Basic Plan as of December 31, 1995, such a Participant (or the spouse of a deceased Participant) shall receive a pension benefit under the Single Plan derived from the increased \$9.00 formula under the Basic Plan as of January 1, 1996, including continued accrual of service credits after December 31, 1995, and any increases in such pension benefit on or after January 1, 1996, less, however, the pension provided by the following calculation (the “Basic Plan 403(b) Offset”): The pension provided by the amount in such Participant’s Account under the Church of the Nazarene 403(b) Retirement Savings Plan (the “403(b) Plan”) derived from contributions to such Account from the Pensions and Benefits Fund of the Church of the Nazarene on or after January 1, 1996, plus earnings thereon accruing on or after January 1, 1996.

6.4 For purposes of calculations under Section 6.3 including the Basic Plan 403(b) Offset, all of such pension benefits (including any withdrawals from the 403(b) Plan prior to such Participant’s Retirement, as defined in the 403(b) Plan) shall be converted on an actuarially equivalent basis into a pension based upon any form of distribution available selected by such Participant (or by the Participant’s spouse in the case of a deceased Participant in the prior Basic Plan). Any lump sum distribution shall be converted to such form on an actuarially equivalent basis. The actuarial tables attached hereto as Exhibits B and C shall apply for purposes of the calculations described in this paragraph 6.4.

Article VI – A

Retirement Benefits - (General Church Plan only)

6A.1 Accrued Benefit.

An Active Participant's monthly Accrued Benefit as of any date, subject to the modifications below, will be equal to the product of (a) and (b) below:

- (a) An amount equal to 1.75% of his Average Compensation.
- (b) His Accrual Service on such date.

However, Accrued Benefit is modified as follows:

Minimum Accrued Benefit:

An Active Participant's monthly Accrued Benefit shall not be less than the minimum Accrued Benefit, if any, provided in Article X.

An Active Participant's monthly Accrued Benefit will be increased by his Prior Plan Deferred Benefit.

An Active Participant's monthly Accrued Benefit shall not be less than the amount of his monthly retirement benefit accrued under the provisions of the Prior Plan as of the day before January 1, 1987.

An Active Participant's monthly Accrued Benefit shall not be less than the product of (a) and (b) below:

- (a) The amount of his expected monthly retirement benefit determined as if the provisions of the Prior Plan or the amount of coverage in force for him on the day before January 1, 1987, had continued.
- (b) His Accrued Benefit Adjustment.

The Participant's expected benefit is determined assuming his compensation used to determine benefits as of that date remained unchanged and his employment with the Employer had continued until his Normal Retirement Date.

Adjusted Accrued Benefit:

After all other modifications have been applied, an Active Participant's monthly Accrued Benefit shall be reduced by the amount of deferred monthly retirement benefit on the Normal Form beginning on his Normal Retirement Date in lieu of which he has received a single sum payment under the Plan or Prior Plan.

6A.2 Amount Of Benefit At Retirement.

The amount of retirement benefit to be provided on the Normal Form for an Active Participant on his Retirement Date shall be determined according to the provisions of this section.

An Active Participant's retirement benefit on his Normal Retirement Date shall be equal to his Accrued Benefit on such date.

An Active Participant's retirement benefit on his Early Retirement Date shall be equal to his Accrued Benefit on such specified date, multiplied by the factor shown below corresponding to the number of years his Early Retirement Date precedes his Normal Retirement Date.

Number Of Years Early Retirement Date Precedes Normal Retirement Date	Factor
1	0.9333
2	0.8667
3	0.8000
4	0.7333
5	0.6667

The above factors shall be prorated for a partial year (counting a partial month as a complete month).

An Active Participant's retirement benefit on his Late Retirement Date shall be equal to the greater of (a) or (b) below:

(a) His Accrued Benefit on his Late Retirement Date.

(b) His Accrued Benefit on his Normal Retirement Date, multiplied by the factor shown below corresponding to the number of years his Late Retirement Date follows his Normal Retirement Date.

Number of Years Late Retirement Date Follows Normal Retirement Date	Factor
1	1.06
2	1.12
3	1.19
4	1.26
5	1.34
6	1.42

7	1.50
8	1.58
9	1.67
10	1.76

The above factors shall be prorated for a partial year (counting a partial month as a complete month).

An Active Participant's retirement benefit on the Normal Form shall not be less than the greatest amount of benefit that would have been provided for him had he retired on any earlier Retirement Date.

The Participant's retirement benefits shall be distributed to the Participant according to the distribution of benefits provisions of Article VI and the small amounts provisions of the Small Amounts Section of Article IX. The amount of payment under any form (other than the Normal Form) shall be determined as provided under the Optional Forms Of Distribution Section of Article VI.

6A.3 Benefits Upon Reemployment After Retirement Date.

If the Employer rehires a Participant after his Retirement Date, any monthly retirement benefit he is receiving shall continue unchanged. If he also becomes an Active Participant, there shall be no duplication of benefits for him under this Plan. Any death benefit from the Accrued Benefit he accrued during his latest period of participation shall be determined as provided in the Death Benefits Section of Article VII-A. The retirement benefit from such Accrued Benefit shall be payable according to the provisions of Article VI-A.

6A.4 Additional Retirement Benefits.

An additional amount of monthly retirement income shall be payable on and after July 1, 1980, for a participant who was a participant under the Prior Employees' Plan and whose retirement date occurred on or before July 1, 1980, in an amount equal to the product of (a) and (b):

- (a) His monthly Accrued Benefit on his retirement date.
- (b) 10%.

An additional amount of monthly retirement income shall be payable on and after July 1, 1985, for a participant who was a participant under the Prior Officers' Plan and whose retirement date occurred before January 1, 1984, in an amount equal to the product of (c) and (d):

- (c) His monthly Accrued Benefit on his retirement date.
- (d) 5%.

An additional amount of monthly retirement income shall be payable on and after June 1, 1994, for a participant whose retirement date occurred before June 1, 1994, and whose amount of monthly retirement income prior to June 1, 1994, was less than \$450.00, in an amount equal to the product of (e) and (f):

(e) His monthly Accrued Benefit.

(f) 25%; provided, however, such a participant's amount of monthly retirement income, as increased by the provisions of this paragraph, shall not exceed \$450.00, as of such June 1, 1994.

6A.5 Additional 1993 Retirement Benefits.

Solely with respect to those Participants receiving monthly retirement income as of November 1, 1993, and whose retirement date occurred on or before November 1, 1993, an additional amount of monthly retirement income shall be payable prior to November 30, 1993, equal to one month of retirement income payable to each such Participant; provided, however, the amount of such additional amount of monthly retirement income shall not exceed \$420.00 for any such Participant.

6A.6 Retirement Benefits for Participants with a Retirement Date of January 1, 1994, or before.

The amount of retirement benefit paid after December 31, 1995, for all retirees as of January 1, 1994, shall be determined by a factor based on a modified Consumer Price Index (CPI) change since the year of each retiree's retirement which will be used to multiply the *original benefit amount* payable at the Retirement Date for the Participant or subsequently to a beneficiary. The original benefit multiplier will be the lesser of the actual CPI percentage change for the calendar year as reported by the United States Department of Labor or 3%. The following table will be used to determine the multiplier based on this formula:

<u>Year of Retirement</u>	<u>Annual CPI Change</u>	<u>Adjusted CPI</u>	<u>Multiplier/Factor</u>
1968	6.22%	3.00%	2.04
1969	5.18%	3.00%	1.98
1970	3.38%	3.00%	1.92
1971	3.50%	3.00%	1.87
1972	8.89%	3.00%	1.81
1973	12.10%	3.00%	1.76
1974	7.25%	3.00%	1.71
1975	4.38%	3.00%	1.66
1976	7.26%	3.00%	1.61
1977	8.84%	3.00%	1.56
1978	13.16%	3.00%	1.52
1979	12.43%	3.00%	1.47
1980	9.03%	3.00%	1.43
1981	4.03%	3.00%	1.39
1982	4.20%	3.00%	1.35
1983	3.62%	3.00%	1.31

1984	3.76%	3.00%	1.27
1985	1.53%	1.53%	1.23
1986	3.97%	3.00%	1.22
1987	4.13%	3.00%	1.18
1988	5.22%	3.00%	1.15
1989	6.48%	3.00%	1.11
1990	1.89%	1.89%	1.08
1991	1.44%	1.44%	1.06
1992	1.46%	1.46%	1.05
1993	3.00%	3.00%	1.03

No benefit payable after this multiplier is applied will be less than the monthly Accrued Benefit payable prior to the application of the factor.

6A.7 In the case of a Participant in the General Church Plan as of December 31, 1995, such a Participant (or the Beneficiary of a deceased Participant) shall be eligible for a pension under the Single Plan equal to the pension such a Participant would have received under the General Church Plan assuming it had continued to be in force for all purposes after December 31, 1995, less, however, the amount in such Participant's Account under the 403(b) Plan derived from contributions to such Account equal to three percent of the average cash salary reported for Ministerial Employees serving as pastors in the United States contributed to such Account on or after January 1, 1996, plus earnings thereon accruing on or after January 1, 1996 (the "General Church Plan 403(b) Offset"). The term "Ministerial Employee" means (a) ordained ministers in the Church of the Nazarene and (b) district-licensed ministers. Eligibility for a pension under this subparagraph 6A.7 is contingent upon such Participant's continuing to make Required Contributions as provided under the General Church Plan as of December 31, 1995, except as provided in Section 6B.6.

6A.8 For purposes of calculations under Section 6A.7 including the General Church Plan 403(b) Offset, all of such pension benefits (including any withdrawals from the 403(b) Plan prior to such Participant's Retirement, as defined in the 403(b) Plan) shall be converted on an actuarially equivalent basis into a pension based upon any form of distribution available selected by such Participant (or by the Participant's Beneficiary in the case of a deceased Participant in the prior General Church Plan). Any lump sum distribution shall be converted to such form on an actuarially equivalent basis. The actuarial tables attached hereto as Exhibits B and C shall apply for purposes of the calculations described in this paragraph 6A.8.

6A.9 **Benefits for Participants not Qualifying for a Grandfathered Pension** Except as provided in Section 6B.6, in the case of a Participant in the General Church Plan who shall fail to make Required Contributions on or after January 1, 1996, such a Participant's accrued pension credits as of the date on which such Participant shall fail to make such Required Contributions shall be frozen as of such date, and the General Church Plan 403(b) Offset in the case of such a Participant shall also be determined as of such date. Such credits will be payable at a Participant's death, retirement or total and permanent disability under the provisions of the General Church Plan as in effect as of December 31, 1995. Such provisions of the General Church Plan shall continue to be considered to be in force on and after the Effective Date, including continued accrual of service credit toward meeting vesting requirements, early retirement, total and permanent disability, payment options and the like, but not for the purpose of

increasing benefit accruals beyond those held immediately prior to the date on which such a Participant shall fail to make such Required Contributions, including for total and permanent disability.

6A.10. 2011 Voluntary Retirement Option. The provisions of this Section 6A.10 and the Voluntary Retirement Option (the “Option”) described herein shall apply solely in the case of an Active Participant, who is currently employed by the Corporation at its Global Ministry Center, who meets the provisions of Section 6A.7 of the Plan, and who has attained at least age 60 as of April 1, 2011 (or shall have attained that age in the period between April 1, 2011 and June 1, 2011). This Option applies in the event such an Active Participant retires on or before June 30, 2011, and, in the period between April 1, 2011 and June 1, 2011, has given irrevocable written notice of election and acceptance of this Option to said Employer. If this Option is elected, such an Active Participant, who has not reached the Normal or Late Retirement Date, in the calculation of such an Active Participant’s Accrued Benefit under Section 6A.1, shall be granted additional Accrual Service for the whole year of 2011 plus one additional whole year of Accrual Service; provided, in the case of an Active Participant who has reached the Normal or Late Retirement Date, such an Active Participant shall be granted additional Accrual Service for two additional whole years of Accrual Service beyond 2011. In addition, if this Option is elected, in the case of an Active Participant who retires as of such an Active Participant’s Early Retirement Date, such an Active Participant’s Retirement Benefit on such an Active Participant’s Early Retirement Date shall be computed pursuant to the provisions of Section 6A.2, as though such an Active Participant had retired on such Active Participant’s Normal Retirement Date without the reduction for the number of Years that such an Active Participant’s Early Retirement Date precedes such an Active Participant’s Normal Retirement Date.

Article VI – B

Benefit Adjustments to the Basic Pension Plan and the General Church Pension Plan

6B.1 Effective as of July 1, 1997, the grandfathered Basic Pension benefit base formula shall be increased by 25 cents, from \$9.00 to \$9.25, and the General Church Pension benefit formula for current retirees shall be increased by the same percentage increase (2.78%), up to the maximum benefit available under the new grandfathered Basic Pension benefit base formula.

6B.2 Effective as of January 1, 1998, effective for Employees under the Basic Plan who retire after December 31, 1997, the increasing adjustment factor of 0.005 added to each Year of Service shall include Years of Service credited to an Employee under the Church of the Nazarene World Mission Pension Plan, but solely for the purpose of the application of such increasing adjustment factor.

6B.3 Effective as of July 1, 1998, the grandfathered Basic Pension benefit base formula shall be increased by 25 cents, from \$9.25 to \$9.50, and the General Church Pension benefit formula for current retirees shall be increased by the same percentage increase (2.70%), up to the maximum benefit available under the new grandfathered Basic Pension benefit base formula.

6B.4 Effective as of July 1, 1999, the grandfathered Basic Pension benefit base formula shall be increased by 50 cents, from \$9.50 to \$10.00, and the General Church Pension benefit formula for current retirees shall be increased by the same percentage increase (5.26%), up to the maximum benefit available under the new grandfathered Basic Pension benefit base formula.

6B.5 Effective January 1, 2000, the Plan's offset interest rate assumption shall be 6% as set forth on revised Exhibits B and C, attached hereto and incorporated herein by reference.

6B.6 The grandfathered General Church Pension Plan shall be amended effective as of January 1, 2000, as follows:

(a) To increase the benefit formula from 1.75% to 2.00% for those beginning retirement benefit payments on or after January 1, 2000.

(b) To increase by 15% the amount of retirement benefits paid after December 31, 1999, to all pension recipients on December 31, 1999, and to all inactive participants on December 31, 1999, having frozen accrued benefits.

(c) To continue to require employee contributions equal to 3% of covered compensation.

(d) To provide an open period between October 1, 1999, and December 31, 1999, in which former Participants who had opted out of the Plan following January 1, 1996, and who have remained actively employed since that date with a currently participating employer, may reenter the Plan and begin accruing additional service as of January 1, 2000, provided the required 3% Employee contributions are resumed effective January 1, 2000.

6B.7 Effective as of July 1, 2000, the grandfathered Basic Pension benefit base formula shall be increased by 50 cents, from \$10.00 to \$10.50, and the General Church Pension benefit formula for current retirees shall be increased by the same percentage increase (5.00%), up to the maximum benefit available under the new grandfathered Basic Pension benefit base formula.

6B.8 Effective January 1, 2001, the Plan's offset interest rate assumption shall be 5.5% as set forth on revised Exhibits B and C, attached hereto and incorporated herein by reference.

6B.9 Effective as of July 1, 2001, the grandfathered "Basic" Pension benefit base formula shall be increased by 25 cents, from \$10.50 to \$10.75, and the General Church Pension benefit formula for current retirees shall be increased by the same percentage increase (2.38%), up to the maximum benefit available under the new grandfathered "Basic" Pension benefit base formula.

6B.10 Effective January 1, 2002, the Plan's offset interest rate assumption shall be 5.0% as set forth on revised Exhibits B and C, attached hereto and incorporated herein by reference.

6B.11 Solely with respect to those Participants, widows, and widowers receiving a benefit under the grandfathered "Basic" pension portion of the Plan as of July 1, 2002, (collectively, "Basic Pension Retirees"), an additional Pension amount equal to one half of one month's pension of such Basic Pension Retirees (in the amount payable for July 2002) shall be paid to such Basic Pension Retirees prior to July 31, 2002.

Effective as of February 21, 2002, solely with respect to those receiving a benefit under the grandfathered General Church pension portion of the Plan as of July 1, 2002, (collectively, "General Church Pension Retirees"), an additional Pension amount equal to one half of one month's pension of such General Church Pension Retirees (in the amount payable for July 2002) shall be paid to such General Church Pension Retirees prior to July 31, 2002, provided that such additional Pension amount does not exceed the maximum additional Pension amount available to the Basic Pension Retirees, and only for those persons receiving a monthly benefit amount which does not exceed the maximum Pension amount available to the Basic Pension Retirees.

6B.12 Effective January 1, 2003, the Plan's offset interest rate assumption shall be 4.5% as set forth on revised Exhibits B and C, attached hereto and incorporated herein by reference.

6B.13 Effective January 1, 2004, the Plan's offset interest rate assumption shall be 4.5% as set forth on revised Exhibits B and C, attached hereto and incorporated herein by reference.

6B.14 Effective January 1, 2005, the Plan's offset interest rate assumption shall be 4.5% as set forth on revised Exhibits B and C, attached hereto and incorporated herein by reference.

6B.15 Effective as of January 1, 2005, the grandfathered "Basic" Pension benefit base formula shall be increased by 25 cents, from \$10.75 to \$11.00.

6B.16 Effective January 1, 2006, the Plan's offset interest rate assumption shall be 4.5% as set forth on revised Exhibits B and C, attached hereto and incorporated herein by reference.

6B.17 Solely with respect to those Participants, widows, and widowers receiving a benefit under the grandfathered "Basic" pension portion of the Plan as of December 1, 2006, (collectively, "Basic Pension Retirees"), an additional Pension amount equal to one month's pension of such Basic Pension Retirees (in the amount payable for December 2006) shall be paid to such Basic Pension Retirees in December 2006. Solely with respect to those receiving a benefit under the grandfathered General Church pension portion of the Plan as of December 1, 2006 (collectively, "General Church Pension Retirees"), an additional Pension amount equal to one month's pension of such General Church Pension Retirees (in the amount payable for December 2006) shall be paid to such General Church Pension Retirees in December 2006, provided that such additional Pension amount does not exceed the maximum additional Pension amount available to the

Basic Pension Retirees, and only for those persons receiving a monthly benefit amount which does not exceed the maximum Pension amount available to the Basic Pension Retirees.

6B.18 Effective January 1, 2007, the Plan's offset interest rate assumption shall be 4.5% as set forth on revised Exhibits B and C, attached hereto and incorporated herein by reference.

6B.19 Effective January 1, 2008, the Plan's offset interest rate assumption shall be 4.5% as set forth on revised Exhibits B and C, attached hereto and incorporated herein by reference.

6B.20 Effective January 1, 2009, the Plan's offset interest rate assumption shall be 4.5% as set forth on revised Exhibits B and C, attached hereto and incorporated herein by reference.

6B.21 Effective January 1, 2010, the Plan's offset interest rate assumption shall be 4.5% as set forth on revised Exhibits B and C, attached hereto and incorporated herein by reference.

6B.22 Effective January 1, 2012, the Plan's offset interest rate assumption shall be 5.0% as set forth on revised Exhibits B and C, attached hereto and incorporated herein by reference.

6B.23 Effective January 1, 2013, the Plan's offset interest rate assumption shall be 5.5% as set forth on revised Exhibits B and C, attached hereto and incorporated herein by reference.

6B.24 Effective January 1, 2014, the Plan's offset interest rate assumption shall be 6.0% as set forth on revised Exhibits B and C, attached hereto and incorporated herein by reference.

6B.25 Effective January 1, 2015, the Plan's offset interest rate assumption shall be 6.5% as set forth on revised Exhibits B and C, attached hereto and incorporated herein by reference.

Article VII

Optional Form Of Benefits For Widows Or Widowers - (Basic Plan only)

7.1 Unless a Participant elects in the manner prescribed in this Article, the Pension under this Plan for a widow or widower shall be as provided for in Section 6.1, with the adjustment provided for under Section 2.4(a). This Article shall not apply to a Participant receiving a Pension for disability as provided under Sections 5.6 and 5.7, nor shall this Article apply in the event that a Participant has elected the Early Retirement Pension described in Section 5.8. The provisions of this Article shall apply only to Participants who retire on or after January 1, 1983.

7.2 A Participant may, in lieu of the Pension benefit specified in Section 2.4(a), elect, under the circumstances set forth in Section 7.3, a reduced Pension until the Participant's death with a 100 percent continuation of such reduced Pension to such Participant's widow or widower, age 62 or over, upon the retired Participant's death. In the event of such an election, the benefits payable to such a Participant and such Participant's widow or widower, age 62 or over, shall be determined under Section 6.1 without the adjustment provided under Section 2.4(a), but the amount as so determined shall be reduced to 90 percent thereof plus (or minus) .30 percent for each full year by which the Participant's date of birth follows (or precedes) the date of birth of the Participant's spouse, provided that the maximum Pension shall not exceed 99.90 percent of the amount computed under Section 6.1 without the adjustment provided under Section 2.4(a). Effective January 1, 2018, in the case of a Participant who is married to a second or subsequent spouse at the time of the Participant's death, the foregoing provisions of this Section 7.2 shall not apply. Instead, such second or subsequent spouse shall be entitled to receive a Pension benefit calculated under Section 6.1, as adjusted by the requirements of Section 2.4(a).

7.3 In the case of the widow or widower of a Participant who has made the election described in Section 7.2, such a widow or widower who has attained age 60 may elect to receive the reduced Pension described in Section 7.2 after the attainment of age 60 and prior to attainment of age 62 except that, in such event, the reduced Pension payable to such widow or widower shall be further reduced in amount by 0.6 percent for each month that the date of the first payment of such Pension precedes the first day of the month following the month in which such widow or widower would attain age 62.

7.4 The option provided in Section 7.2 must be elected at the Participant's Retirement Age as provided in Section 5.1. The elections described in Section 7.2 and Section 7.3 must be made on a form prescribed by the Board.

7.5 An election made under Section 7.2 may not be validly changed or revoked except within 30 days after the Board's notice to the Participant of the Board's determination of the amount of the Pension payable to the Participant. An election made under Section 7.3 may not be validly changed or revoked except within 30 days after the Board's notice to such widow or widower of the Board's determination of the amount of the Pension payable to such widow or widower.

7.6 **Certain Death Benefits.** In the case of a death or disability occurring on or after January 1, 2007, if a Participant dies while performing qualified military service (as defined in Code Section 414(u)), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if the Participant had resumed and then terminated employment on account of death.

Article VII – A

Other Benefits - (General Church Plan only)

7A.1 Death Benefits.

If a Participant dies before his Retirement Date, death benefits shall be determined under subsection (a) below.

(a) **Single sum death benefit:**

If a Participant had not received a single sum payment in full settlement of all other benefits under the Vested Benefits Section of Article V, a single sum death benefit shall be payable to the Participant's Beneficiary. The single sum death benefit shall be equal to the Present Value of a deferred monthly retirement benefit under the Vested Benefits Section of Article V. The deferred benefit shall be equal to the amount that would have been payable to the Participant had his Severance From Service Date occurred on the date of his death, and such severance did not occur for cause as provided under the definition of Vesting Percentage in the Definitions Section of Article I. However, the single sum death benefit shall not be less than \$500 or, if greater, his Required Contribution Account as of the date he died.

All or any part of the single sum death benefit may be paid under any settlement options provided by the Insurer for the benefit of the Beneficiary, which will include, but not be limited to, a lifetime annuity for a spouse, for any Participant who has a spouse and who makes written election to have his spouse named as his Beneficiary.

If a Participant dies on or after his Normal Retirement Date and before retirement, the death benefit shall be payable in like manner as provided under subsection (a) of this section.

Any death benefit after Retirement Date will be determined by the form of retirement benefit in effect on a Participant's Retirement Date.

7A.2 Vested Benefits.

A Participant who becomes an Inactive Participant before retirement or death will be entitled to one of the following vested benefits. Any distribution of vested benefits shall be a retirement benefit and shall be subject to the distribution of benefits provisions of Article VI and the small amounts provisions of the Small Amounts Section of Article IX.

(a) **An amount equal to the greater of (1) or (2) below:**

(1) **The amount of deferred monthly retirement benefit under the Prior Plan, accrued as of January 1, 1987.**

(2) **A deferred monthly retirement benefit on the Normal Form to begin on his Normal Retirement Date. The deferred retirement benefit will be equal to the product of (i) and (ii):**

(i) **The Participant's Accrued Benefit on the day before he became an Inactive Participant.**

(ii) The Participant's Vesting Percentage on the date he ceases to be an Employee.

(b) A deferred monthly retirement benefit on the Normal Form to begin on his Early Retirement Date. The deferred retirement benefit shall be equal to the amount under (a) above multiplied by the applicable early retirement factor in the Amount Of Benefit At Retirement Section of Article IV.

(c) A deferred monthly retirement benefit on the Normal Form to begin on his Late Retirement Date. The deferred retirement benefit shall be as follows:

(1) For a Participant who became an Inactive Participant on or before his Normal Retirement Date, an amount equal to the amount under (a) above multiplied by the late retirement factor in the Amount Of Benefit At Retirement Section of Article IV which corresponds to the number of years his Late Retirement Date follows his Normal Retirement Date.

(2) For a Participant who became an Inactive Participant after his Normal Retirement Date, an amount equal to the greater of (i) or (ii) below:

(i) An amount equal to his Accrued Benefit on the day before the date he became an Inactive Participant.

(ii) His Accrued Benefit on his Normal Retirement Date multiplied by the late retirement factor in the Amount Of Benefit At Retirement Section of Article IV which corresponds to the number of years his Late Retirement Date follows his Normal Retirement Date.

The deferred retirement benefit for the Participant on his Retirement Date shall not be less than the monthly benefit which is the Actuarial Equivalent of his Required Contribution Account on such date.

The amount of payment under any form (other than the Normal Form) shall be determined as provided under the Optional Forms Of Distribution Section of Article VI.

The Participant may elect, but is not required, to receive his Required Contribution Account in a single sum payment at any time after he ceases to be an Employee and before his Retirement Date. Such payment will be a voluntary cash-out, and shall reduce the deferred retirement benefit otherwise payable. Payment of his Required Contribution Account reduces the part of his benefit under (a)(2) above to zero.

If the Participant dies before his Retirement Date, death benefits shall be distributed according to the provisions of the Death Benefits Section of Article V.

7A.3 Certain Death Benefits. In the case of a death or disability occurring on or after January 1, 2007, if a Participant dies while performing qualified military service (as defined in Code Section 414(u)), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if the Participant had resumed and then terminated employment on account of death.

Article VIII

Minimum Distribution Provisions

8.1 Effective as of January 1, 2004, notwithstanding any other provision of this Plan:

(a) The Accrued Benefit of a 5-percent owner (as described in Section 416(i) of the Code determined with respect to the Plan Year ending in the calendar year in which such individual attains age 70½) must be distributed, or commence to be distributed, no later than the first day of April following the calendar year in which such individual attains age 70½.

(b) Distribution to a Participant other than a 5-percent owner must commence no later than the first day of April following the calendar year in which the later of termination of employment or attainment of age 70½ occurs. In the case of a Participant who retires in a calendar year after the calendar year in which such a Participant attains age 70½, the Participant's accrued benefit shall be actuarially increased to take into account the period after the later of termination of employment or the attainment of age 70½ in which the Participant was not receiving any benefit under the Plan.

8.2 Distributions may be made over a period not exceeding one of the following periods (or a combination thereof):

(a) the life of the Participant,

(b) a period certain not extending beyond the life expectancy of the Participant, or

(c) a period certain not extending beyond the joint and last survivor expectancy of the Participant and the Participant's widow or widower.

(d) If a Participant's entire interest is to be distributed in other than a lump sum, then the amount to be distributed each year must be at least an amount equal to the quotient obtained by dividing the Participant's entire interest by the life expectancy of the Participant or joint and last survivor expectancy of the Participant and the Participant's widow or widower. Life expectancy and joint and last survivor expectancy are computed by use of the return multiples contained in Section 1.72-9 of the Income Tax Regulations. For purposes of this computation, a Participant's life expectancy may be recalculated no more frequently than annually.

8.3 If the Participant dies after distribution of his or her interest has commenced, the remaining portion of such interest will continue to be distributed at least as rapidly as under the method of distribution being used prior to the Participant's death.

8.4 If the Participant dies before distribution of his or her interest commences, the Participant's entire interest will be distributed no later than 5 years after the Participant's death except, in the case of distributions to a Participant's widow or widower, the date distributions are required to begin shall not be earlier than the date on which the Participant would have attained age 70½.

8.5 For purposes of Section 8.4 above, payments will be calculated by use of the return multiples specified in Section 1.72-9 of the Treasury Regulations. Life expectancy of a surviving spouse may be recalculated annually.

8.6 With respect to distributions under the Plan made for calendar years beginning on or after January 1, 2002, the Plan will apply the minimum distribution requirements of Section 401(a) (9) of the Internal Revenue Code in accordance with the regulations under Section 401 (a) (9) that were proposed on January 17, 2001, notwithstanding any provision of the Plan to the contrary. This amendment shall continue in effect until the end of the last calendar year beginning before the effective date of final regulations under Section 401 (a) (9) or such other date as may be specified in guidance published by the Internal Revenue Service.

8.7 With respect to distributions under the Plan made for calendar years beginning on or after January 1, 2003, the minimum distribution requirements of the final and temporary Treasury regulations issued on April 17, 2002 shall apply as follows:

(a) General Rules.

(1) All distributions required under this Section shall be determined and made in accordance with Code §401(a)(9), including the incidental death benefit requirement in Code §401(a)(9)(G), and the Treasury regulations issued thereunder.

(2) Subject to the joint and survivor annuity requirements of the Plan, the requirements of this Section 8.7 shall take precedence over any inconsistent provisions of the Plan.

(3) TEFRA Section 242(b)(2) Elections.

(i) Notwithstanding the other provisions of this Section, other than Section 8.7(a)(1), distributions may be made on behalf of any Participant, including a five percent (5%) owner, who has made a designation in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and in accordance with all of the following requirements (regardless of when such distributions commence):

(A) The distribution by the Plan is one which would not have disqualified such Plan under Code §401(a)(9) as in effect prior to amendment by the Deficit Reduction Act of 1984.

(B) The distribution is in accordance with a method of distribution designated by the Participant whose interest in the Plan is being distributed or, if the Participant is deceased, by a beneficiary of such Participant.

(C) Such designation was in writing, was signed by the Participant or beneficiary, and was made before January 1, 1984.

(D) The Participant had accrued a benefit under the Plan as of December 31, 1983.

(E) The method of distribution designated by the Participant or the beneficiary specifies the time at which distribution will commence, the period over which distributions will be made, and in the case of any

distribution upon the Participant's death, the beneficiaries of the Participant listed in order of priority.

(ii) A distribution upon death will not be covered by the transitional rule of this Subsection (a)(3) unless the information in the designation contains the required information described above with respect to the distributions to be made upon the death of the Participant.

(iii) For any distribution which commences before January 1, 1984, but continues after December 31, 1983, the Participant, or the beneficiary, to whom such distribution is being made, will be presumed to have designated the method of distribution under which the distribution is being made if the method of distribution was specified in writing and the distribution satisfies the requirements in (i)(A) and (i)(E) of this Subsection (a)(3).

(iv) If a designation is revoked, any subsequent distribution must satisfy the requirements of Code §401(a)(9) and the Treasury regulations thereunder. If a designation is revoked subsequent to the date distributions are required to begin, the Plan must distribute by the end of the calendar year following the calendar year in which the revocation occurs the total amount not yet distributed which would have been required to have been distributed to satisfy Code §401(a)(9) and the Treasury regulations thereunder, but for the §242(b)(2) election. For calendar years beginning after December 31, 1988, such distributions must meet the minimum distribution incidental benefit requirements. Any changes in the designation will be considered to be a revocation of the designation. However, the mere substitution or addition of another beneficiary (one not named in the designation) under the designation will not be considered to be a revocation of the designation, so long as such substitution or addition does not alter the period over which distributions are to be made under the designation, directly or indirectly (for example, by altering the relevant measuring life).

(v) In the case in which an amount is transferred or rolled over from one plan to another plan, the rules in Treasury regulation Section 1.401(a)(9)-8, Q&A-14 and Q&A-15, shall apply.

(b) Time and Manner of Distribution.

(1) The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's "Required Beginning Date."

(2) 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) If the Participant's surviving spouse is the Participant's sole "Designated Beneficiary," then distributions to the surviving spouse will begin by December 31st of the calendar year immediately following the calendar year in which the Participant died, or by December 31st of the calendar year in which the Participant would have attained age 70 1/2, if later.

(ii) If the Participant dies before distributions begin and there is a "Designated Beneficiary," then the Participant's entire interest will be distributed

to the “Designated Beneficiary” by December 31st of the calendar year containing the fifth anniversary of the Participant’s death. If the Participant’s surviving spouse is the Participant’s sole “Designated Beneficiary” and the surviving spouse dies after the Participant but before distributions to either the Participant or the surviving spouse begin, then this Section 8.7(b)(2)(ii) will apply as if the surviving spouse were the Participant. This Section 8.7(b)(2)(ii) will apply to all distributions other than distributions to a surviving spouse.

(iii) 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.

(iv) If the Participant’s surviving spouse is the Participant’s sole “Designated Beneficiary” and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, then this Section 8.7(b), other than Section 8.7(b)(2)(i), will apply as if the surviving spouse were the Participant.

For purposes of this Section 8.7(b) and Section 8.7(e), distributions are considered to begin on the Participant’s “Required Beginning Date” (or, if Section 8.7(b)(2)(iv) applies, the date distributions are required to begin to the surviving spouse under Section 8.7(b)(2)(i)). If annuity payments irrevocably commence to the Participant before the Participant’s “Required Beginning Date” (or to the Participant’s surviving spouse before the date distributions are required to begin to the surviving spouse under Section 8.7(b)(2)(i)), the date distributions are considered to begin is the date distributions actually commence.

(3) Unless the Participant’s interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the “Required Beginning Date,” as of the first “Distribution Calendar Year” distributions will be made in accordance with Sections 8.7(c), 8.7(d), and 8.7(e). 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 Code §401(a)(9) and the Treasury regulations thereunder. Any part of the Participant’s interest which is in the form of an individual account described in Code §414(k) will be distributed in a manner satisfying the requirements of Code §401(a)(9) and the Treasury regulations thereunder applicable to individual accounts.

(c) Determination of Amount to be Distributed Each Year.

(1) 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 an 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 8.7(d) or 8.7(e);

(iii) Once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted; and

(iv) Payments will either be nonincreasing or increase only to the extent permitted by one of the following conditions:

(A) By an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that for a 12-month period ending in the year during which the increase occurs or the prior year;

(B) By a percentage increase that occurs at specified times (e.g., at specified ages) and does not exceed the cumulative total of annual percentage increases in an “Eligible Cost-of-Living Index” since the “Annuity Starting Date”, or if later, the date of the most recent percentage increase. In cases providing such a cumulative increase, an actuarial increase may not be provided to reflect the fact that increases were not provided in the interim years;

(C) To the extent of the reduction in the amount of the Participant’s payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in Section 8.7(d) dies or is no longer the Participant’s beneficiary pursuant to a qualified domestic relations order within the meaning of Code §414(p);

(D) To allow a beneficiary to convert the survivor portion of a joint and survivor annuity into a single sum distribution upon the Participant’s death;

(E) To pay increased benefits that result from a Plan amendment or other increase in the Participant’s Accrued Benefit under the Plan;

(F) By a constant percentage, applied not less frequently than annually, at a rate that is less than five percent (5%) per year;

(G) To provide a final payment upon the death of the Participant that does not exceed the excess of the actuarial present value of the Participant’s accrued benefit (within the meaning of Code §411(a)(7)) calculated as of the “Annuity Starting Date” using the applicable interest rate and the applicable mortality table under Code §417(e) over the total of payments before the death of the Participant; or

(H) As a result of dividend or other payments that result from “Actuarial Gains,” provided:

(i) Actuarial gain is measured not less frequently than annually;

(ii) The resulting dividend or other payments are either paid no later than the year following the year for which the actuarial experience is measured or paid in the same form as the payment of the annuity over the remaining period of the annuity (beginning no later than the year following the year for which the actuarial experience is measured);

(iii) The “Actuarial Gain” taken into account is limited to “Actuarial Gain” from investment experience;

(iv) The assumed interest rate used to calculate such “Actuarial Gains” is not less than three percent (3%); and

(v) The annuity payments are not also being increased by a constant percentage as described in Subsection (F) above.

(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” (or, if the Participant dies before distributions begin, the date distributions are required to begin under Section 8.7(b)(2)(i)) 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 §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) Any additional benefits accruing to the Participant in a calendar year after the first “Distribution Calendar Year” will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such

amount accrues. Notwithstanding the preceding, the Plan will not fail to satisfy the requirements of this paragraph and Code §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 as soon as practicable. However, payment must commence 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) If a Participant dies after distribution of the Participant's interest begins in the form of an annuity meeting the requirements of this Section 8.7, then the remaining portion of the Participant's interest will continue to be distributed over the remaining period over which distributions commenced.

(d) Requirements For Annuity Distributions That Commence During Participant's Lifetime.

(1) If distributions commence under a distribution option that is in the form of a joint and survivor annuity for the joint lives of the Participant and the Participant's spouse, the minimum distribution incidental benefit requirement will not be satisfied as of the date distributions commence unless, under the distribution option, the periodic annuity payment payable to the survivor does not at any time on and after the Participant's "Required Beginning Date" exceed the annuity payable to the Participant. In the case of an annuity that provides for increasing payments, the requirement of this paragraph will not be violated merely because benefit payments to the beneficiary increase, provided the increase is determined in the same manner for the Participant and the beneficiary. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and the Participant's spouse and a period certain annuity, the preceding requirements will apply to annuity payments to be made to the "Designated Beneficiary" after the expiration of the period certain.

(2) If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a beneficiary other than the Participant's spouse, the minimum distribution incidental benefit requirement will not be satisfied as of the date distributions commence unless under the distribution option, the annuity payments to be made on and after the Participant's "Required Beginning Date" will satisfy the conditions of this Paragraph. The periodic annuity payment payable to the survivor must not at any time on and after the Participant's "Required Beginning Date" exceed the applicable percentage of the annuity payment payable to the Participant using the table set forth in Q&A-2(c)(2) of Section 1.401(a)(9) 6 of the Treasury regulations. The applicable percentage is based on the adjusted Participant/beneficiary age difference. The adjusted Participant/beneficiary age difference is determined by first calculating the excess of the age of the Participant over the age of the beneficiary based on their ages on their birthdays in a calendar year. If the Participant is younger than age 70, the age difference determined in the previous sentence is reduced by the number of years that the Participant is younger than age 70 on the Participant's birthday in the calendar year that contains the "Annuity Starting Date". In the case of an annuity that provides for increasing payments, the requirement of this Paragraph will not be violated merely because benefit payments to the beneficiary increase, provided the increase is determined in the same manner for the Participant and the beneficiary. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a nonspouse beneficiary and a period

certain annuity, the preceding requirements will apply to annuity payments to be made to the “Designated Beneficiary” after the expiration of the period certain.

(3) Unless the Participant’s spouse is the sole “Designated Beneficiary” and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant’s lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Treasury regulation Section 1.401(a)(9)-9 for the calendar year that contains the “Annuity Starting Date”. If the “Annuity Starting Date” precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Regulation Section 1.401(a)(9)-9 plus the excess of 70 over the age of the Participant as of the Participant’s birthday in the year that contains the “Annuity Starting Date”. If the Participant’s spouse is the Participant’s sole “Designated Beneficiary” and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant’s applicable distribution period, as determined under this Section 8.7(d)(3), or the joint life and last survivor expectancy of the Participant and the Participant’s spouse as determined under the Joint and Last Survivor Table set forth in Treasury regulation Section 1.401(a)(9)-9, using the Participant’s and spouse’s attained ages as of the Participant’s and spouse’s birthdays in the calendar year that contains the “Annuity Starting Date”.

(e) Requirements For Minimum Distributions Where Participant Dies Before Date Distributions Begin.

(1) If the Participant dies before the date distribution of his or her interest begins and there is a “Designated Beneficiary,” the Participant’s entire interest will be distributed, beginning no later than the time described in Section 8.7(b)(2)(i), over the life of the “Designated Beneficiary” or over a period certain not exceeding:

(i) Unless the “Annuity Starting Date” is before the first “Distribution Calendar Year,” the “Life Expectancy” of the “Designated Beneficiary” determined using the beneficiary’s age as of the beneficiary’s birthday in the calendar year immediately following the calendar year of the Participant’s death; or

(ii) If the “Annuity Starting Date” is before the first Distribution Calendar Year, the “Life Expectancy” of the “Designated Beneficiary” determined using the beneficiary’s age as of the beneficiary’s birthday in the calendar year that contains the “Annuity Starting Date”.

(2) If the Participant dies before distributions begin and there is a “Designated Beneficiary,” then the Participant’s entire interest will be distributed to the “Designated Beneficiary” by December 31st of the calendar year containing the fifth anniversary of the Participant’s death. This Section 8.7(e)(2) will apply to all distributions other than distributions to a surviving spouse.

(3) If the Participant dies before the date distributions begin and there is no “Designated Beneficiary” as of September 30th of the year following the year of the Participant’s death, distribution of the Participant’s entire interest will be completed by

December 31st of the calendar year containing the fifth anniversary of the Participant's death.

(4) If the Participant dies before the date distribution of his or her interest begins, the Participant's surviving spouse is the Participant's sole "Designated Beneficiary," and the surviving spouse dies before distributions to the surviving spouse begin, this Section 8.7(e) will apply as if the surviving spouse were the Participant, except that the time by which distributions must begin will be determined without regard to Section 8.7(b)(2)(i).

(f) Definitions.

(1) "Actuarial Gain" means the difference between an amount determined using the actuarial assumptions (i.e., investment return, mortality, expense, and other similar assumptions) used to calculate the initial payments before adjustment for any increases and the amount determined under the actual experience with respect to those factors. Actuarial Gain also includes differences between the amount determined using actuarial assumptions when an annuity was purchased or commenced and such amount determined using actuarial assumptions used in calculating payments at the time the Actuarial Gain is determined.

(2) "Annuity Starting Date" means 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.

(3) "Designated Beneficiary" means the individual who is designated as the beneficiary under the Plan and is the designated beneficiary under Code § 401(a)(9) and Treasury regulation Section 1.401(a)(9)-1, Q&A-4.

(4) "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 8.7(b).

(5) An "Eligible Cost-of-Living Index" means an index described below:

(i) A consumer price index that is based on prices of all items (or all items excluding food and energy) and issued by the Bureau of Labor Statistics, including an index for a specific population (such as urban consumers or urban wage earners and clerical workers) and an index for a geographic area or areas (such as a given metropolitan area or state); or

(ii) A percentage adjustment based on a cost-of-living index described in Subsection (i) above, or a fixed percentage, if less. In any year when the cost-of-living index is lower than the fixed percentage, the fixed percentage may be treated as an increase in an Eligible Cost-of-Living Index, provided it does not exceed the sum of:

(A) The cost-of-living index for that year, and

(B) The accumulated excess of the annual cost-of-living index from each prior year over the fixed annual percentage used in that year (reduced by any amount previously utilized under this Subsection (ii)).

(6) “Life Expectancy” means the life expectancy as computed by use of the Single Life Table in Treasury regulation Section 1.401(a)(9)-9.

(7) “Required Beginning Date” means the April 1st of the calendar year following the later of:

(i) the calendar year in which the Participant attains age 70 1/2, or

(ii) the calendar year in which the Participant retires.

Article VIII – A

When Benefits Start and Distribution of Benefits - (General Church Plan only)

8A.1 Automatic Forms Of Distribution.

Except as otherwise provided herein, a Participant who retires from the service of the Employer at his Retirement Date shall be entitled to receive a monthly pension in the Normal Form. The Normal Form of pension is a ten year certain and life thereafter. If the Participant dies on or after his pension starting date and before receiving all ten year certain payments, those payments remaining to be paid shall be paid to his designated beneficiary. If a Participant does have a spouse, the qualified joint and survivor form is considered the Normal Form. As used herein, the term “Qualified Joint and Survivor Annuity” means an annuity for the life of his spouse equal to 50 percent of the amount of annuity payable during the joint lives of the Participant and his spouse. A Qualified Joint and Survivor Annuity shall be the actuarial equivalent of the Normal Form of pension.

The automatic form of death benefit is determined according to the provisions of the Death Benefits Section of Article V.

The automatic form of benefit shall not be payable if a qualified election of an optional form is in effect. See the Election Procedures Section of Article VI.

8A.2 Optional Forms Of Distribution.

Effective as of January 1, 2008, the optional forms of retirement benefit include a single life annuity with a certain period of ten years with survivorship percentages of 60, 75, and 100 percent. The single life annuity with modified cash refund of the Participant’s Required Contribution Account is hereby deleted for participants who retire after September 1, 2008. The benefit payable on any optional annuity form available (other than the Normal Form) shall be the Actuarial Equivalent of the Normal Form.

Election of an optional form is subject to the qualified election provisions of Article VI.

Any form of distribution for a retirement benefit must meet the following limitations:

(a) The Contingent Annuitant shall be the Participant’s spouse or, on the date benefit payments are to commence, the Present Value of the amount to be paid to the Participant while living shall be greater than 50 percent of the total benefit to be paid to the Participant and the Beneficiary or, if applicable, the Contingent Annuitant.

(b) An interest only optional form is not available.

(c) The entire interest of the Participant shall be distributed either (1) over the life of the Participant or over the lives of the Participant and an individual named as his Beneficiary or Contingent annuitant or (2) over a period not extending beyond the life expectancy of the Participant or the life expectancies of the Participant and such named Beneficiary.

(d) If the Participant dies after benefit payments begin and before his entire interest has been distributed, the form of distribution in effect before his death may continue unchanged. If the form of distribution is changed, the Participant’s remaining interest shall be distributed at least as rapidly as under the form of distribution in effect before the Participant died.

The optional forms of death benefit are any annuity that is an optional form of retirement benefit. The optional forms of death benefit from the Participant's Account shall also include a single sum payment.

If the Participant dies before beginning to receive a distribution of his retirement benefits, any form of distribution for a death benefit must meet the following limitations.

(a) If the Participant did not name an individual as his Beneficiary to receive any death benefit payable under the Death Benefits Section of Article V, such death benefit shall be distributed within five years of the Participant's death.

(b) If the Participant named an individual as Beneficiary to receive any death benefit payable under the Death Benefits Section of Article V, such death benefit may be distributed over the life (or over a period not extending beyond the life expectancy) of such individual. Payment to the Beneficiary must begin within one year of the Participant's death. If such individual is the Participant's surviving spouse, payments need not begin until the date the Participant would have been 70½. If the Participant's surviving spouse dies before such payments begin, then the provisions of (e) and (f) shall be applied to the spouse's Beneficiary as if the spouse were the Participant. Payments to a child shall be treated as though made to the surviving spouse if the payments will be made to the spouse when the child reaches the age of majority.

Any annuity contract distributed shall be nontransferable.

A form of distribution for retirement or death benefits shall be available to a Participant or Beneficiary only if the annual distribution under such form is at least equal to the quotient of the Present Value of such benefit as of the date distribution is to begin, divided by the life expectancy of the Participant, Beneficiary, or joint and last survivor expectancy of the Participant and Beneficiary, as appropriate. If the distribution is in a form other than a life annuity, the life expectancy of the Participant (and/or Beneficiary, if the spouse is the Beneficiary) may be recalculated after distribution begins, but no more frequently than annually. In the case of a Beneficiary who is not the Participant's spouse, life expectancy shall be calculated when benefits start and minimum payments for any twelve-consecutive month period will be based on such life expectancy minus the number of whole years since the distribution first began. The life expectancy or joint and last survivor expectancy shall be computed by use of the return multiples contained in Section 1.72-9 of the regulations under the Code.

8A.3 Election Procedures.

The Participant or Beneficiary shall make any election under this section in writing. The Plan Administrator may require such individual to complete and sign any necessary documents as to the provisions to be made. Any election permitted under (a) and (b) below shall be subject to the qualified election provisions of (c) below.

(a) **Retirement Benefits.** A Participant may elect his Beneficiary or Contingent Annuitant and may elect to have retirement benefits distributed under any of the optional forms of retirement benefit described in the Optional Forms Of Distribution Section of Article VI.

(b) **Death Benefits.** A Participant may elect his Beneficiary for any single sum death benefits and may elect to have such death benefits distributed under any of the optional forms of death benefit described in the Optional Forms Of Distribution Section of Article VI.

If the Participant has not elected an optional form of distribution for the death benefit payable to his Beneficiary, the Beneficiary may, for his own benefit, elect the form of distribution, in like manner as a Participant.

(c) **Qualified Election.** The Participant or Beneficiary may make an election at any time during the election period. The Participant or Beneficiary may revoke the election made (or make a new election) at any time and any number of times during the election period.

Effective as of January 1, 2008, the Participant may make an election as to retirement benefits at any time before the date benefits begin. The Beneficiary designated by the Participant during the Participant's election period cannot be changed after the date that benefits to the Participant begin.

A Participant may make an election as to death benefits at any time before he dies.

A Beneficiary's election period begins on the date the Participant dies and ends on the date benefits begin.

8A.4 Notice Requirements.

In modification of the preceding provisions of this article, distributions may be made in a form which would not have caused this Plan to be disqualified under Code Section 401(a)(9) as in effect before the TEFRA Compliance Date. The form must be elected by the Participant or, if the Participant has died, by the Beneficiary. The election must be made in writing and signed before January 1, 1984. The election will only be applicable if the Participant has an Accrued Benefit as of December 31, 1983. The Participant's or Beneficiary's election must specify when the distribution is to begin, the form of distribution, and the Contingent Annuitant and/or Beneficiaries listed in the order of priority, if applicable. A distribution upon death will not be covered by this transition rule unless the election contains the required information described above with respect to the distributions to be made when the Participant dies. Distributions in the process of payment on January 1, 1984, are deemed to meet the above requirements if the form of distribution was elected in writing and the form met the requirements of Code Section 401(a)(9) as in effect before the TEFRA Compliance Date. If any part of an election under this paragraph is changed, other than the designation of a Beneficiary, the exceptions of this paragraph shall no longer apply.

Article IX

Participant Administrative Provisions

9.1 Each Participant and each beneficiary of a deceased Participant must furnish to the Board such evidence, data, or information as the Board considers necessary or desirable for the purpose of administering the Plan.

9.2 Each Participant and each beneficiary of a deceased Participant shall file with the Board from time to time, in writing, his post office address and any change of post office address or last name. Any communication, statement, or notice addressed to a Participant, or beneficiary, at his last post office address filed with the Board, or as shown on the records of the Employer, shall bind the Participant, or beneficiary, for all purposes of this Plan.

9.3 Any Participant in the Plan or any beneficiary receiving benefits under the Plan may examine copies of this Plan and Trust, any contract, or any other instrument under which the Plan was established or is operated. The Board will maintain all of the items listed in this Section 9.3 at its offices during regular hours, or in such other place or places as may be designated from time to time for examination during regular hours. Upon the written request of a Participant or beneficiary receiving benefits under the Plan, the Board shall furnish him with a copy of any item listed in this Section 9.3. The Board may make a reasonable charge to the requesting person for the copy so furnished.

9.4 The Board shall provide adequate notice in writing to any Participant or to any beneficiary ("Claimant") whose written claim for benefits under the Plan the Board has denied. The Board's notice to the Claimant shall set forth:

- (a) The reason for the denial;
- (b) References to pertinent Plan provisions on which the Board based its denial;
- (c) A description of any additional material and information needed for the Claimant to perfect his claim and an explanation of why the material or information is needed; and
- (d) That any appeal the Claimant wishes to make of the adverse determination must be in writing to the Board within ninety (90) days after receipt of the Board's notice of denial of benefits. The Board's notice must further advise the Claimant that his failure to appeal the action to the Board in writing within the ninety (90) day period will render the Board's determination final, binding, and conclusive. The Board's notice of denial of benefits shall identify the name and address of the Director of the Board to whom the Claimant may forward his appeal.

If the Claimant should appeal to the Board, he, or his duly authorized representative, may submit, in writing, whatever issues and comments he, or his duly authorized representative, feels are pertinent. The Claimant, or his duly authorized representative, may review pertinent Plan documents. The Board shall reexamine all facts related to the appeal and make a final determination as to whether the denial of benefits is justified under the circumstances. The Board shall advise the Claimant of its decision within one hundred and eighty (180) days of the Claimant's written request for review.

Article X

Administrative Board

10.1 The Board shall have all powers necessary to administer the Plan including, but not limited to, the following powers and duties:

- (a) To select a Director who need not be a member of the Board;
- (b) To determine the rights of eligibility of an Employee to participate in the Plan and the value of a Participant's Accrued Benefit;
- (c) To adopt rules of procedure and regulations necessary for the proper and efficient administration of the Plan provided the rules are not inconsistent with the terms of this Plan;
- (d) To enforce the terms of the Plan and the rules and regulations adopted by the Board;
- (e) To direct the Trustee as respects the distribution of the Trust;
- (f) To review and render decisions respecting the denial of a claim for benefits under the Plan;
- (g) To furnish the Employer with information which may be required by it for tax or other purposes;
- (h) To engage the service of agents whom it may deem advisable to assist it with the performance of its duties;
- (i) To establish and maintain a funding standard;
- (j) To amend the Plan from time to time;
- (k) To select a Director who may act on behalf of the Board between its meetings, as provided in the Board's bylaws.

10.2 The Board shall review, not less often than annually, all pertinent Employee information and Plan data in order to establish the funding policy of the Plan and to determine the appropriate methods of carrying out the Plan's objectives. The Board shall communicate annually to the Trustee the Plan's short-term and long-term financial needs so that investment policy can be coordinated with Plan financial requirements.

10.3 Any member of the Board shall be an agent for the service of legal process for any civil action relating to the Plan and Trust.

10.4 Neither the Trustee nor the Board shall be obliged to search for, or ascertain the whereabouts of, any Participant or beneficiary. The Board, by registered mail addressed to his last known address of record with the Board or the Employer shall notify any Participant, or beneficiary, that he is entitled to a distribution under this Plan, and the notice shall quote the provisions of this section. If the Participant, or beneficiary, fails to claim his distributive share or make his whereabouts known in writing

to the Board or if the Board, for any reason, is in doubt as to whether benefit payments are being received by the person entitled thereto, it shall, by registered mail addressed to the person concerned at his last known address, notify such person that:

(a) All unmailed and future benefit payments shall be henceforth withheld until he provides the Board with evidence of his continued life and his proper mailing address; and

(b) His right to any benefits whatsoever shall, at the option of the Board, be cancelled forever if, at the expiration of three years from the date of such mailing, he shall not have provided the Board with evidence of his continued life and his proper mailing address.

Article XI

Trustee, Powers And Duties

11.1 The Trustee accepts the Trust created under the Plan and agrees to perform the obligations imposed.

11.2 The Trustee shall file annual financial reports with the Employer for the funds contributed to it by the Employer, but shall have no duty to see that the contributions received comply with the provisions of the Plan. The Trustee shall not be obliged to collect any contributions from the Employer, nor be obliged to see that funds deposited with it are deposited according to the provisions of the Plan.

11.3 The Investment Committee of the Church (the "Investment Committee") shall have full discretion and authority with regard to the investment of the Trust Fund, including the sole power and authority as to the day-to-day investments of the Trust Fund, and shall serve at the pleasure of the Church. The Investment Committee shall coordinate its investment policy, as reflected in its written investment guidelines, with Plan financial needs as communicated to it by the Board of Pensions and Benefits USA of the Church of the Nazarene.

The Investment Committee is authorized and empowered, but not by way of limitation, with the following powers, rights, and duties:

- (a) To invest any part of the Trust Fund in any common stocks, bonds (including United States retirement plan bonds), insurance contracts, mortgages, notes, or other property of any kind, real or personal, as a prudent man would do under like circumstances. Every reasonable effort shall be made to avoid the purchase of securities of companies that major in the manufacturing, advertising, and selling of products and services that are contrary to the standards stated in the *Manual* of the Church;
- (b) To retain in invested cash so much of the Trust Fund as it may deem advisable;
- (c) To manage, sell, contract to sell, grant options to purchase, convey, exchange, transfer, abandon, improve, repair, insure, lease for any term even though commencing in the future or extending beyond the term of the Trust, and otherwise deal with all property, real or personal, in such manner, for such considerations and on such terms and conditions as the Trustee shall decide;
- (d) To borrow money, to assume indebtedness, extend mortgages, and encumber by mortgage or pledge;
- (e) To have with respect to the Trust all of the rights of an individual owner, including the power to give proxies, to participate in any voting trusts, mergers, consolidations or liquidations, and to exercise or sell stock subscriptions or conversion rights;
- (f) To hold any securities or other property in the name of the Trustee or its nominee, or in another form as it may deem best, with or without disclosing the trust relationship;
- (g) To perform any and all other acts in its judgment necessary or appropriate for the proper and advantageous management and investment of the Trust;

(h) To retain any funds or property subject to any dispute without liability for the payment of interest, and to decline to make payment or delivery of the funds or property until final adjudication is made by a court of competent jurisdiction.

The Trustee is authorized and empowered, but not by way of limitation, with the following powers, rights, and duties:

(a) To credit and distribute the Trust as directed by the Board. The Trustee shall not be obliged to inquire as to whether any payee or distributee is entitled to any payment or whether the distribution is proper or within the terms of the Plan, or as to the manner of making a payment or distribution. The Trustee shall be accountable only to the Board for any payment or distribution made by it in good faith on the order or direction of the Board;

(b) To compromise, contest, arbitrate, or abandon claims and demands, in its discretion;

(c) To file all tax returns, if any, required of the Trustee;

(d) To begin, maintain, or defend any litigation necessary in connection with the administration of the Plan, except that the Trustee shall not be obliged or required to do so unless indemnified to its satisfaction.

11.4 The records of the Trustee pertaining to the Plan shall be open to the inspection of the Church at all reasonable times and may be audited from time to time by any person or persons as the Church may specify in writing.

11.5 The Trustee shall pay all expenses reasonably incurred by it in its administration of the Plan from the Trust Fund unless the Employer pays the expenses.

11.6 Only the Church and the Board shall be necessary parties to any court proceeding involving the Trustee or the Trust Fund.

11.7 The Trustee may employ and pay from the Trust Fund reasonable compensation to agents, attorneys, accountants, and other persons to advise the Trustee as in its opinion may be necessary. The Trustee may delegate to any agent, attorney, accountant, or other person selected by it any non-Trustee power or duty vested in it by the Plan, and the Trustee may act or refrain from acting on the advice or opinion of any agent, attorney, accountant, or other person so selected.

11.8 The Trustee in its discretion may make distributions under the Plan in cash or property, or partly in each, at its fair market value as determined by the Trustee.

11.9 No person dealing with the Trustee shall be obligated to see to the proper application of any money paid or property delivered to the Trustee, or to inquire whether the Trustee has acted pursuant to any of the terms of the Plan. Each person dealing with the Trustee may act upon any notice, request, or representation in writing by the Trustee, or by the Trustee's duly authorized agent, and shall not be liable to any person whomsoever in so doing. The certificate of the Trustee that it is acting in accordance with the Plan shall be conclusive in favor of any person relying on the certificate.

11.10 The Trustee may resign at any time as Trustee of the Plan by giving thirty (30) days' written notice in advance to the Church.

11.11 The Church, by giving thirty (30) days' written notice in advance to the Trustee, may remove any Trustee. In the event of the resignation or removal of a Trustee, the Church shall appoint a successor Trustee.

11.12 Each successor Trustee shall succeed to the title to the Trust vested in its predecessor by accepting in writing its appointment as successor Trustee and filing its acceptance with the former Trustee and the Board without the signing or filing of any further statement. The resigning or removed Trustee, upon receipt of acceptance in writing of the Trust by the successor Trustee, shall execute all documents and do all acts necessary to vest the title of record in any successor Trustee. Each successor Trustee shall have and enjoy all of the powers, both discretionary and ministerial, conferred under this Plan upon his predecessor. No successor Trustee shall be personally liable for any act or failure to act of any predecessor Trustee. With the approval of the Church, a successor Trustee, with respect to the Plan, may accept the account rendered and the property delivered to it by a predecessor Trustee without incurring any liability or responsibility for so doing.

11.13 The Trustee shall not be liable for the acts or omissions of the Investment Committee of the Church, nor shall the Trustee be under any obligation to invest or otherwise manage any asset of the Plan which is subject to the management of said Investment Committee.

11.14 The Trustee shall value the Trust Fund as of each Valuation Date, and the Trustee shall value the Trust Fund on such other date(s) as may be directed by the Board.

11.15 The Investment Committee, for collective investment purposes, may combine into one trust fund the Trust created under this Plan with the Trust created under any other qualified retirement plan the Employer maintains. However, the Investment Committee shall maintain separate records of account for each Trust in order to properly reflect each Participant's Accrued Benefit under the plan in which such person is a Participant.

11.16 Subject to the provisions of Section 12.7, the Trustee shall have the power and authority to combine the Trust created under this Plan with any Trust created under any other qualified retirement plan the Employer maintains or to merge this Plan with any other qualified retirement plan the Employer maintains or to transfer assets to or accept a transfer of assets from any Trust created under any other qualified retirement plan the Employer maintains, of which the Board is Trustee.

11.17 The Trustee of the General Church Plan shall transfer and assign directly to the Trustee of the Basis Plan all assets of, and the December 31, 1995 accrued benefits of, all Participants in the General Church Plan. The Trustee of the Basic Plan shall receive such assets and accept the liabilities attaching thereto. The Trustee shall hold, invest, administer and distribute the assets transferred and assigned in accordance with the terms of this Agreement. The Plan's actuary shall determine the amount of the assets of the General Church Plan attributable to Required Contributions (as defined in Section 2A.1 of the General Church Plan), and such assets shall be held by the Trustee in a subtrust within the Trust under the Single Plan solely for the benefit of Participants in the General Church Plan. The assets in such subtrust may be commingled for investment purposes with the other assets held in the Trust. Pensions for Participants in the General Church Plan shall be payable from the assets in the subtrust and in the Trust.

Article XI – A

Top-Heavy Provisions

If the Plan is or becomes top-heavy in any Plan Year beginning after December 31, 1983, the provisions of this Article XIA will supersede any conflicting provisions in the Plan.

11A.1 Key employee: Any employee or former employee (and the beneficiaries of such employee) who at any time during the determination period was an officer of the Employer if such individual's annual compensation exceeds 150 percent of the dollar limitation under Section 415(c)(1)(A) of the Code, an owner (or considered an owner under Section 318 of the Code) of one of the ten largest interests in the Employer if such individual's compensation exceeds 100 percent of such dollar limitation, a 5-percent owner of the Employer, or a 1-percent owner of the Employer who has an annual compensation of more than \$150,000. The determination period is the Plan Year containing the determination date and the 4 preceding Plan Years. The determination of who is a key employee will be made in accordance with Section 416(i)(1) of the Code and the regulations thereunder.

11A.2 Top-heavy Plan: For any Plan Year beginning after December 31, 1983, this Plan is top-heavy if any of the following conditions exists:

(a) If the top-heavy ratio for this Plan exceeds 60 percent and this Plan is not part of any required aggregation group or permissive aggregation group of plans.

(b) If this Plan is a part of a required aggregation group of plans but not part of a permissive aggregation group and the top-heavy ratio for the group of plans exceeds 60 percent.

(c) If this Plan is a part of a required aggregation group and part of a permissive aggregation group of plans and the top-heavy ratio for the permissive aggregation group exceeds 60 percent.

11A.3 Top-heavy ratio:

(a) If the Employer maintains one or more defined benefit plans and the Employer has not maintained any defined contribution plans (including any Simplified Employee Pension Plan) which during the 5-year period ending on the determination date(s) has or has had account balances, the top-heavy ratio for this Plan alone or for the required or permissive aggregation group as appropriate is a fraction, the numerator of which is the sum of the present values of Accrued Benefits of all key employees as of the determination date(s) (including any part of any Accrued Benefit distributed in the 5-year period ending on the determination date(s)), and the denominator of which is the sum of all Accrued Benefits (including any part of any Accrued Benefit distributed in the 5-year period ending on the determination date(s)), determined in accordance with Section 416 of the Code and the regulations thereunder.

(b) For purposes of subparagraph (a) above, the present value of Accrued Benefits will be determined as of the most recent Valuation Date that falls within or ends with the 12-month period ending on the determination date, except as provided in Section 416 of the Code and regulations thereunder for the first and second Plan Years of a defined benefit plan. The account balances and Accrued Benefit of a Participant (1) who is not a key employee but who was a key employee in a prior year, or (2) who has not been credited with at least one hour of service from any Employer maintaining the Plan at any time during the 5-year period ending on the determination date will be disregarded. The calculation of the top-heavy ratio, and the extent to

which distributions, rollovers, and transfers are taken into account will be made in accordance with Section 416 of the Code and the regulations thereunder. When aggregating plans the value of account balances and Accrued Benefits will be calculated with reference to the determination dates that fall within the same calendar year.

11A.4 Permissive aggregation group: The required aggregation group of plans plus any other plan or plans of the Employer which, when considered as a group with the required aggregation group, would continue to satisfy the requirements of Sections 401(a)(4) and 410 of the Code.

11A.5 Required aggregation group: (1) Each qualified plan of the Employer in which at least one key employee participates, and (2) any other qualified plan of the Employer which enables a plan described in (1) to meet the requirements of Sections 401(a)(4) or 410 of the Code.

11A.6 Determination date: For any Plan Year subsequent to the first Plan Year, the last day of the preceding Plan Year. For the first Plan Year of the Plan, the last day of that year.

11A.7 Valuation Date shall mean the last day of any Plan Year.

11A.8 Present value: Present value shall be based only on the interest and mortality rates specified in the Plan.

11A.9

(a) Notwithstanding any other provision in this Plan except subparagraphs (c) and (d) below, for any Plan Year in which this Plan is top-heavy, each Participant who is not a key employee and has completed 1,000 hours of service will accrue a benefit (to be provided solely by Employer contributions and expressed as a life annuity commencing at normal retirement age) of not less than two percent of his or her highest average compensation for the five consecutive years for which the Participant had the highest compensation. The aggregate compensation for the years during such 5-year period in which the Participant was credited with a year of service will be divided by the number of such years in order to determine average annual compensation. The minimum accrual is determined without regard to any Social Security contribution. The minimum accrual applies even though under other plan provisions the Participant would not otherwise be entitled to receive an accrual, or would have received a lesser accrual for the year because (i) the non-key employee fails to make mandatory contributions to the Plan, (ii) the non-key employee's compensation is less than a stated amount, (iii) the non-key employee is not employed on the last day of the accrual computation period, or (iv) the plan is integrated with Social Security.

(b) For purposes of computing the minimum Accrued Benefit, compensation will include either (i) all compensation, as that term is defined for Section 415 purposes; (ii) or all wages subject to tax under Section 3101(a) without the dollar limitation of Section 3121(a), but not including deferred compensation other than contributions through a salary reduction agreement to a cash or deferred plan under Section 401(k) or to a tax-deferred annuity under Section 403(b) of the Code; or (iii) wages for the calendar year ending with or within the Plan Year.

(c) No additional benefit accruals shall be provided pursuant to (a) above to the extent that the total accruals on behalf of the Participant attributable to Employer contributions will provide a benefit expressed as a life annuity commencing at normal retirement age that equals or exceeds 20 percent of the Participant's highest average compensation for the five consecutive years for which the Participant had the highest compensation.

(d) All accrual of Employer-derived benefit, whether or not attributable to years for which the Plan is top-heavy, may be used in computing whether the minimum accrual requirements of paragraph (c) above are satisfied.

(e) If the form of benefit is other than a single life annuity, the Employee must receive an amount that is the actuarial equivalent of the minimum single life annuity benefit. If the benefit commences at a date other than at normal retirement age, the Employee must receive at least an amount that is the actuarial equivalent of the minimum single life annuity benefit commencing at normal retirement age.

(f) The minimum Accrued Benefit required (to the extent required to be nonforfeitable under Section 416(b)) may not be forfeited under Section 411(a)(3)(B) or Section 411(a)(3)(D).

11A.10 For any Plan Year in which the Plan is top-heavy, only the first \$200,000 (or such larger amount as may be prescribed by the Secretary or his delegate) of a Participant's annual compensation shall be taken into account for purposes of determining benefits under the Plan.

11A.11

(a) For any Plan Year in which this Plan is top-heavy, the minimum vesting schedule set out in Section 11A.11(b) will automatically apply to the Plan. Said minimum vesting schedule applies to all benefits within the meaning of Section 411(a)(7) of the Code except those attributable to Employee contributions, including benefits accrued before the effective date of Section 416 and benefits accrued before the Plan became top-heavy. Further, no reduction in vested benefits may occur in the event the Plan's status as top-heavy changes for any Plan Year. However, this section does not apply to the Accrued Benefits of any Employee who does not have an Hour of Service after the Plan has initially become top-heavy, and such Employee's Accrued Benefit will be determined without regard to this section.

(b) The nonforfeitable interest of each Employee in his or her Employer-derived Accrued Benefit shall be determined on the basis of following vesting schedule:

20% vesting after 2 years of service

40% vesting after 3 years of service

60% vesting after 4 years of service

80% vesting after 5 years of service

100% vesting after 6 years of service.

11A.12

(a) Effective date. This section shall apply for purposes of determining whether the Plan is a top-heavy plan under section 416(g) of the Code for plan years beginning after December 31, 2001, and whether the Plan satisfies the minimum benefits requirements of section 416(c) of the Code for such years. This section amends Article XI-A of the Plan.

(b) Key employee. Key employee means any employee or former employee (including any deceased employee) who at any time during the Plan Year that includes the

determination date was an officer of the employer having annual compensation greater than \$130,000 (as adjusted under section 416(i)(1) of the Code for plan years beginning after December 31, 2002), a 5-percent owner of the employer, or a 1-percent owner of the employer having annual compensation of more than \$150,000. For this purpose, annual compensation means compensation within the meaning of section 415(c)(3) of the Code. The determination of who is a key employee will be made in accordance with section 416(i)(1) of the Code and the applicable regulations and other guidance of general applicability issued thereunder.

(c) Determination of present values and amounts. This section 11A.12 shall apply for purposes of determining the present values of accrued benefits and the amounts of account balances of employees as of the determination date.

(d) Distributions during year ending on the determination date. The present values of accrued benefits and the amounts of account balances of an employee as of the determination date shall be increased by the distributions made with respect to the employee under the plan and any plan aggregated with the plan under section 416(g)(2) of the Code during the 1-year period ending on the determination date. The preceding sentence shall also apply to distributions under a terminated plan which, had it not been terminated, would have been aggregated with the plan under section 416(g)(2)(A) (i) of the Code. In the case of a distribution made for a reason other than severance from employment, death, or disability, this provision shall be applied by substituting “5-year period” for “1-year period.”

(e) Employees not performing services during year ending on the determination date. The accrued benefits and accounts of any individual who has not performed services for the employer during the 1-year period ending on the determination date shall not be taken into account.

(f) Minimum benefits. For purposes of satisfying the minimum benefit requirements of section 416(c)(1) of the Code and the plan, in determining years of service with the employer, any service with the employer shall be disregarded to the extent that such service occurs during a plan year when the plan benefits (within the meaning of section 410(b) of the Code) no key employee or former key employee.

Article XII

Amendment Or Termination Of The Plan

12.1 The Board reserves the right at any time to modify or amend the Plan in whole or in part, provided, however, that the Board shall have no power to modify or amend the Plan in such manner as would cause or permit any funds held by the Trustee hereunder to be used for, or diverted to, purposes other than for the exclusive benefit of Participants or their beneficiaries, or as would cause or permit any portion of such funds or assets to become the property of the Board until all liabilities pursuant to the Plan are satisfied. No such modification or amendment shall have the effect of retroactively changing or depriving Participants or beneficiaries of rights already accrued under the Plan.

12.2 The Plan may be terminated by a caucus of U.S. Regional Members of the Church but only upon condition that such action be taken under the Trust as shall render it impossible at any time prior to the satisfaction of all liabilities with respect to Participants and beneficiaries for any part of the corpus or income of the Trust to be at any time used for, or diverted to, purposes other than for the exclusive benefit of Participants and beneficiaries.

12.3 Upon termination of the Plan with respect to a group of Participants which constitutes a partial termination of the Plan, a proportionate interest shall be determined by the actuary upon the request of the Board. The fiduciaries shall have no responsibility with respect to the determination of any such proportionate interest.

The funds so allocated and segregated shall be used by the Trustee to pay benefits to or on behalf of Participants in accordance with Section 12.4.

12.4 Upon termination of the Plan, or upon termination of employment of a group of Participants constituting a partial termination of the Plan, each such Participant's Accrued Benefit, based on his Service prior to the date of termination shall become fully vested and nonforfeitable to the extent funded. The assets of the Trust Fund, or the portion thereof segregated in accordance with Section 12.3, shall be liquidated (after provision is made for the expenses of liquidation) by the payment or provision for the payment of benefits in the order of preference set forth in this Section 12.4, with all liabilities to the persons in each class to be fully satisfied before any allocation is made to the next class. In the event the Fund shall be insufficient to satisfy the liabilities of any given class, a pro rata allocation shall be made to each individual in proportion to the present value (as of the termination date) of the total disability of all individuals within the class.

(a) (i) In the case of the benefit of a Participant or beneficiary which was in pay status as of the beginning of the 3-year period ending on the termination date of the Plan, to each such benefit, based on the provisions of the Plan (as in effect during the 5-year period ending on such date) under which such benefit would be the least. The lowest benefit in pay status during said 3-year period shall be considered the benefit in pay status for such period.

(ii) In the case of a Participant's or beneficiary's benefit (other than a benefit described in subparagraph (i)) which would have been in pay status as of the beginning of such 3-year period if the Participant had retired prior to the beginning of the 3-year period and if his benefits had commenced (in the basic form of annuity) as of the beginning of such period, to each such benefit based on the provisions of the Plan (as in effect during the 5-year period ending on such date) under which such benefit would be the least.

(iii) To all other benefits of Participants or beneficiaries determined under Section 4044(a)(4) of Title IV of ERISA.

(iv) To all other vested benefits under the Plan.

(v) To any other benefits under the Plan.

Subject to the plan termination provisions of Title IV of ERISA, such allocations shall be accomplished through either (1) continuance of the Trust Fund or establishment of a new Trust Fund, or (2) purchase of annuity contracts; provided, however, that the Board upon finding that it is not practicable or desirable under the circumstances to do either of the foregoing with respect to some or all of the classes listed above, may provide for allocations of a part or all of the assets of the Fund as cash payment of equivalent actuarial value to some or all of such groups; provided further however, that no change shall be effected in the order of precedence and basis for allocation above established. There shall be no liability or obligation on the part of the Employer to make any further contributions to the original Trust Fund or such new Trust Fund or toward the purchase of such annuity contracts in the event of termination of this Plan. Notwithstanding anything to the contrary contained herein, the Trustee's fees and expenses of administration of the Trust Fund and other expenses incident to the operation and management of the Plan incurred after the date of termination shall be paid from the Trust Fund. If any assets remain in the Fund after all of the above liabilities have been satisfied, such assets shall be distributed to the Employer (as long as such distribution does not contravene any provisions of the Code or other applicable law).

12.5 Notwithstanding the provisions of Section 12.4, any assets of the Fund which are released as a result of the application of the provisions of Article XIII hereof shall be added to the portion of the Fund which is distributable under Section 12.4 to Participants and beneficiaries whose benefits are not restricted; provided, that in the event that all the benefits distributable to such persons are fully provided for, such assets or any remaining portion thereof shall be allocated to restricted Participants or their beneficiaries in direct proportion to the value of their restricted benefits accrued up to the date of termination, to the full extent thereof.

12.6 In the event the Church is dissolved or adjudicated bankrupt, or adjudicated insolvent by appropriate legal proceedings, or in the event that the Church shall merge into or with another corporation or corporations which shall not assume the obligations of the Plan, then upon any of the foregoing events, the Plan shall automatically terminate, and the Board shall instruct the Trustee to distribute the assets of the Trust Fund as provided in this Article XII.

12.7 Any merger or consolidation with another plan or a transfer of assets or liabilities to another plan is prohibited unless, immediately after the merger, consolidation, or transfer, the surviving Plan provides each Participant a benefit equal to or greater than the benefit each Participant would have received before the merger or consolidation or transfer (if the Plan had then terminated).

Article XIII

Provisions To Prevent Discrimination In The Event Of Early Termination Of The Plan

Restrictions on Benefits of Highly-Compensated Employees.

Notwithstanding any other provisions of the Plan, the benefits payable under the Plan shall be limited to the extent necessary to qualify the Plan under the applicable provisions of Code section 401(a). Without limiting the generality of the foregoing:

(a) In the event the Plan is terminated, the benefit of any highly compensated Employee (within the meaning of Code section 414(q) and any highly compensated former Employee (within the meaning of Code section 414(q)(9)) shall be limited to a benefit that is nondiscriminatory under Code section 401(a)(4), in accordance with Treasury Regulation section 1.401(a)(4)-5(b)(2).

(b) The total payments made under the Plan in any Plan Year to or on behalf of a restricted employee shall not exceed an amount equal to the payment that would be made on behalf of the restricted employee in that Plan Year under a single life annuity that is the Actuarial Equivalent of the sum of the Employee's Accrued Benefit and other benefits (within the meaning of Treasury Regulation section 1.401(a)(4)-5(b)(3)(iii)) to which the Employee is entitled under the Plan; provided however, that this limitation shall not apply in any Plan Year in which any one of paragraphs (1), (2), or (3) is satisfied.

(i) This paragraph is satisfied if, after taking into account payment of all benefits under the Plan payable to or on behalf of the restricted employee, the value of Plan assets equals or exceeds 110% of the value of current liabilities (within the meaning of Code section 412(1)(7)).

(ii) This paragraph is satisfied if the value of the benefits under the Plan payable to or on behalf of the restricted employee is less than 1% of the value of current liabilities (within the meaning of Code section 412(1)(7) of the Plan.

(iii) This paragraph is satisfied if the value of the benefits under the Plan payable to or on behalf of the restricted employee does not exceed \$5,000.

(c) For purposes of this section, the term "restricted employee" for a Plan Year means any highly compensated employee (within the meaning of Code section 414(q)) or highly compensated former employee (within the meaning of Code section 414(q)(9)) who is one of the 25 nonexcludable Employees or former Employees of the Employer with the largest amount of compensation in the current Plan Year or any prior Plan Year.

(d) These conditions shall not restrict the full payment of any benefits payable on account of the death of a Participant who dies while the Plan is in effect.

(e) This section is included herein solely to meet the requirements of Treasury Regulation section 1.401(a)(4)-5(b), and the conditions and limitations contained in this section shall not preclude settlements with Participants that comply with the requirements of such

regulation. This section shall cease to be effective at such time as the provisions of Treasury Regulation section 1.401(a)(4)-5(b) or any substitute therefor are no longer effective or applicable.

(f) A highly compensated Participant (as defined in Code Section 414(q)) may receive a single sum distribution only if he enters into an agreement to repay to the Plan all amounts he receives in excess of the limitations of this section. The requirement of repayment shall apply if the Plan terminates, if the full current costs of the Plan are not met during a period when the limitations of this section are in effect, or benefits are paid when the Plan is less than ten years old. In order to guarantee the repayment, the Participant must deposit the amount which would be repayable in a guaranteed account or with an acceptable depository property having a fair market value equal to 125 percent of the amount which would be repayable had the Plan terminated on the date of the single sum distribution. If the market value of the property held by the depository falls below 110 percent of the amount which would be repayable if the Plan were then to terminate, additional property necessary to bring the value of the property held by the depository up to 125 percent of such amount will be deposited.

Article XIV

Miscellaneous Provisions

14.1 This Plan shall not be construed as creating any contract of employment between the Church, the Board, and any Employee.

14.2 No Participant shall have the right to alienate or assign his benefits provided under this Plan. If any Participant shall attempt to alienate or assign such benefits or should such benefits be subject to attachment, execution, garnishment, or other legal or equitable process, the Board and the Trustee shall not recognize same.

14.3

(a) Each provision hereof shall be independent of each other provision hereof and, if any provision of this Plan proves to be, or is held by any court, tribunal, board, or authority of competent jurisdiction to be in violation of or in conflict with applicable provisions of the Internal Revenue Code, or of the lawful rules and regulations of the Commissioner of Internal Revenue or of the Secretary of the Treasury, so as to disqualify the Trust created under this Plan as a tax-exempt trust under the Internal Revenue Code, such a violative or conflicting provision shall be disregarded and shall be deemed to be null and void and no part of this Plan, but such invalidation of any such violative or conflicting provision shall not otherwise impair or affect this Plan or any of the other provisions or terms hereof; provided, however, except as provided in Section 4.2, that nothing herein shall be treated or interpreted so as to work a reversion or diversion of any funds from the Trust Fund to the Employer.

(b) Should any of the provisions of this Plan violate or be in conflict with the Internal Revenue Code as referred to herein or the lawful rules and regulations of the Commissioner of Internal Revenue or of the Secretary of the Treasury, as referred to herein, then the Board shall have the right to revise this Plan so as to conform to said Internal Revenue Code and said rules and regulations, but nothing herein shall be interpreted so as to work a reversion or diversion of any funds from the Trust Fund to the Employer.

(c) Should this Plan contain contradictory clauses, or should there appear to be a conflict between the provisions of one clause as applied to a given case and another clause as applied to that case, then the following rules of construction shall apply:

(1) The interpretation that favors the Plan as a qualified tax-exempt plan for income tax purposes shall govern over any interpretation that renders the Trust created hereunder as taxable.

(2) Other than the above, the established rules of the Supreme Court of the State of Missouri for the construction of the language of instruments of this kind shall apply.

(d) The Board shall have the right to defend the position of the Trust created under this Plan as a tax-exempt trust.

(e) Words used in the masculine shall apply to the feminine where applicable, and wherever the context of the Plan dictates, the plural shall be read as the singular and the singular as the plural.

14.4 Anyone required to give evidence under the terms of the Plan may do so by certificate, affidavit, document, or other information which the person to act in reliance thereon may consider pertinent, reliable, and genuine, and to have been signed, made, or presented by the proper party or parties. Both the Board and the Trustee shall be fully protected in acting and relying upon any information or evidence described under this Section 14.4.

14.5 The Employer assumes no obligation or responsibility to any of its Employees, Participants, or beneficiaries for any act of, or failure to act, on the part of the Board.

14.6 Neither the Trustee, the Board, nor the Church in any way guarantees the Trust Fund from loss or depreciation. The Church and the Board do not guarantee the payment of any money which may be or becomes due to any person from the Trust Fund. The liability of the Board to make any payment from the Trust Fund at any time and all times is limited to the then available assets of the Trust.

14.7 The Employer indemnifies and saves harmless the Trustee, the Plan Administrator, and the members of the Board of Trustees thereof, and each of them, from and against any and all loss resulting from liability to which the Trustee, the Plan Administrator, or the members of the Board of Trustees thereof may be subjected by reason of any act or conduct, except willful misconduct or gross negligence, in their official capacities in the administration of this Plan or Trust or both, including all expenses reasonably incurred in their defense, in case the Employer fails to provide such defense. The indemnification provisions of this Section shall not relieve the Trustee, the Plan Administrator, or any member of the Board of Trustees thereof from any liability for breach of a fiduciary duty.

14.8 The obligations of an Insurer shall be governed solely by the provisions of the Group Contract. The Insurer shall not be required to perform any act not provided in or contrary to the provisions of the Group Contract. See the Construction Section of this article.

Any issuer or distributor of investment contracts or securities is governed solely by the terms of its policies, written investment contract, prospectuses, security instruments, and any other written agreements entered into with the Trustee.

Such Insurer, issuer, or distributor is not a party to the Plan or Trust, nor bound in any way by the Plan or Trust provisions. Such parties shall not be required to look to the terms of this Plan or Trust, nor to determine whether the Employer, the Plan Administrator, the Trustee, or the Named Fiduciary have the authority to act in any particular manner or to make any contract or agreement.

Until notice of any amendment or termination of this Plan or Trust has been received by the Insurer at its home office or an issuer or distributor at their principal address, they are and shall be fully protected in assuming that the Plan or Trust has not been amended or terminated and in dealing with any party acting as Trustee according to the latest information which they have received at their home office or principal address.

14.9 Effective as of January 1, 2019, if the present value of the Participant's vested Accrued Benefit is less than \$10,000, such Present Value shall be payable in a single sum as of the earlier of the Participant's Retirement Date or the date he ceases to be an Employee for any reason other than death. (such single sum being hereafter referred to as a "small amounts payment"). A small amounts payment made to a Participant shall be in full settlement of all benefits otherwise payable, or to the Participant's

Beneficiary in full settlement of the death benefit otherwise payable under the Plan. The Vesting Service credited to a Participant who is reemployed by the Employer shall not be diminished as a result of receiving a small amounts payment. For purposes of this Section 14.9, present value shall be determined by utilizing the same actuarial assumptions provided in Exhibits B and C of the Plan except that, for purposes of determining whether the present value of the vested Accrued Benefit of a disabled Participant who has been granted a Pension or the widow or widower of a disabled Participant who has been granted a Pension is less than \$10,000, present value shall be determined by utilizing the actuarial assumptions provided in Exhibit D of the Plan.

No other small amounts payments shall be made.

14.10 Marriage – except as otherwise provided herein, for purposes of administering benefits under this Plan, marital or spousal status shall be determined as defined in the most recent (current) Manual of the Church of the Nazarene. Notwithstanding the foregoing, solely with respect to administering the direct rollover provisions described in Sections 3.3, 3.4 and 3.5 of the Plan and the minimum required distribution provisions described in Section 8.7 of the Plan, marital or spousal status shall be determined under applicable law.

14.11 Beneficiary Designation – If no beneficiary designation is on file with the Plan at the time of death of the Participant, or if such designation is not effective for any reason, then any remaining benefit shall be payable to the deceased Participant’s spouse, if living. If such spouse is not living, payment shall be made as follows:

- (a) To the Participant’s children, per stirpes,
- (b) If the participants has no children, to the Participant’s parents (or parent, if only one is living at the time of the Participant’s death); or
- (c) If no descendants or parents survive the Participant, to the executors or administrators of the deceased Participant’s estate.

This Plan document executed as of the date first above written.

BOARD OF PENSIONS AND BENEFITS USA
OF THE CHURCH OF THE NAZARENE

By _____

Title _____

Exhibit A

Actuarial Assumptions

Please note the Actuarial Assumptions shown below are effective for the January 1, 2018 Actuarial Valuation. These assumptions are reviewed annually and will change as needed based on updated information and plan experience.

Sample Rates of Death and Disability From Active Service:

Number Terminating From Active Service in a
Year per 1,000 Members at Age Shown due to:

Age at Beginning of a Year	<u>Death</u>		Age at Beginning of a Year	<u>Disability (Basic Plan Only)</u>	
	<u>Male</u>	<u>Female</u>		<u>Male</u>	<u>Female</u>
25	.544	.187	15	.640	.640
30	.472	.210	19	.890	.890
35	.553	.298	24	1.390	1.390
40	.734	.462	29	2.570	2.570
45	1.181	.751	34	5.070	5.070
50	1.958	1.152	39	9.580	9.580
55	2.959	1.722	44	14.720	14.720
60	4.899	2.737	49	18.570	18.570
65	9.273	4.371	54+	20.560	20.560

Death factors shown: base mortality table (RP-2017) reflecting no projections or adjustments

Disability factors shown for the Basic Plan: male 1987 Commissioner's Group Disability Table

Disability factors for the General Church Plan: no disability is assumed

Annual Rates of Withdrawal from Active Service: For the former Basic Plan, the assumed withdrawal rate is 6.5% across all ages. For the former General Church Plan, rates are based on V Table from September 1992 Pension Forum published by the Society of Actuaries, multiplied by 0.70. (age 20 = 13.02%; age 25 = 9.52%; age 30 = 7.07%; age 35 = 5.53%; age 40 = 4.55%; age 45 = 3.85%; age 50 = 3.15%; 0% at ages 55 and over regardless of period of service.)

Annual Rates of Retirement from Active Service: For the former Basic Plan, the assumed withdrawal rates are: 10% for ages 62 through 64; 60% for age 65; 30% for ages 66 and 67; 25% for ages 68 and 69; 100% for ages 70 and over. For the former General Church Plan all participants are assumed to retire at age 65.

Mortality Rates During Retirement and for Inactive Vested Members: Based on RP-2014 "Healthy Annuitants" table without collar or amount adjustments, adjusted backward to 2007 with MP-2014, with generational projection using Scale MP-2016 for 2007-2012, then grading over three years to a long-term rate of 0.75% and no improvement past age 95.

Mortality Rates During Disability: Same as mortality rates during retirement.

Investment Yield Rate: 7.0% per annum, compounded annually, including interest, dividends, and realized and unrealized appreciation and depreciation.

Actuarial Value of Assets: Book value of actuarial reserves as of the valuation date.

Age of Spouse: Married females (whether members or spouses of members) were assumed to be 3 years younger than their husbands.

Percentage Married: For Basic Plan non-pensioners, it was assumed 65% of male members and 65% of female members would be married when their pensions begin. For General Church Plan non-pensioners, it was assumed 95% of male members and 60% of female members would be married when their pensions begin. Actual marital status was used for all pensioners.

Exhibit B

CHURCH OF THE NAZARENE

CONVERSION FACTORS TO DETERMINE GENERAL CHURCH PLAN 403(b) OFFSET IN 2019

(Factor should be divided into 403(b) accumulations to provide monthly annuity offset at age 65* on 10 years certain & life basis)

*Or at actual age if older than 65

Age of Participant ³	Conversion Factor	Age of Participant ³	Conversion Factor	Age of Participant ³	Conversion Factor
20	8.00	45	38.64	65	136.14
21	8.52	46	41.15	66	133.85
22	9.08	47	43.82	67	131.51
23	9.67	48	46.67	68	129.13
24	10.30	49	49.70	69	126.72
25	10.96	50	52.93	70	124.28
26	11.68	51	56.37	71	121.82
27	12.44	52	60.04	72	119.37
28	13.24	53	63.94	73	116.92
29	14.11	54	68.10	74	114.50
30	15.02	55	72.52	75	112.11
31	16.00	56	77.24	76	109.78
32	17.04	57	82.26	77	107.53
33	18.15	58	87.61	78	105.37
34	19.33	59	93.30	79	103.32
35	20.58	60	99.36	80	101.40
36	21.92	61	105.82	81	99.63
37	23.34	62	112.70	82	98.01
38	24.86	63	120.03	83	96.56
39	26.48	64	127.83	84	95.28
40	28.20				
41	30.03				
42	31.98				
43	34.06				
44	36.28				

³ Age nearest birthday on date of determination

Actuarial Assumptions:

1. Mortality Table (after age 65) - 2019 static mortality table included in IRS Notice 2018-02
2. Mortality Table (before age 65) - None
3. Interest Rate - 6.5%, compounded annually
4. Unisex Assumptions: 65% Male, 35% Female
5. Annuity Form - 10 Years Certain & Life

Exhibit C

CHURCH OF THE NAZARENE

CONVERSION FACTORS TO DETERMINE BASIC PLAN 403(b) OFFSET IN 2019

(Factor should be divided into 403(b) accumulations to provide monthly annuity offset at age 65* on joint and 60% to spouse basis)

*Or at actual age if older than 65

Age of Participant ³	Conversion Factor	Age of Participant ³	Conversion Factor	Age of Participant ³	Conversion Factor
20	8.44	45	40.75	65	143.58
21	8.99	46	43.40	66	141.17
22	9.57	47	46.22	67	138.67
23	10.20	48	49.22	68	136.06
24	10.86	49	52.42	69	133.34
25	11.56	50	55.83	70	130.53
26	12.32	51	59.46	71	127.60
27	13.12	52	63.32	72	124.58
28	13.97	53	67.44	73	121.45
29	14.88	54	71.82	74	118.22
30	15.84	55	76.49	75	114.89
31	16.87	56	81.46	76	111.47
32	17.97	57	86.75	77	107.97
33	19.14	58	92.39	78	104.38
34	20.38	59	98.40	79	100.73
35	21.71	60	104.79	80	97.02
36	23.12	61	111.61	81	93.26
37	24.62	62	118.86	82	89.47
38	26.22	63	126.59	83	85.65
39	27.93	64	134.81	84	81.82
40	29.74			85	78.00
41	31.67			86	74.20
42	33.73			87	70.46
43	35.92			88	66.80
44	38.26			89	63.23

³Age nearest birthday on date of determination

Actuarial Assumptions:

1. Mortality Table (after age 65) - 2019 static mortality table included in IRS Notice 2018-02
2. Mortality Table (before age 65) - None
3. Spouse's Age - Assumed to be 3 years younger than participant
4. Interest Rate - 6.5%, compounded annually
5. Unisex Assumptions: 95% Male, 5% Female
6. Annuity Form - Joint & 60% to spouse

Exhibit D

CHURCH OF THE NAZARENE

CONVERSION FACTORS TO DETERMINE LUMP SUM AMOUNT FOR DISABLED RETIREES IN 2019

(Factor should be multiplied by the monthly unreduced retirement benefit for disabled retirees to test if lump sum amounts are smaller than \$10,000)

Age of Participant**	Conversion Factor
50	169.27
51	168.06
52	166.80
53	165.47
54	164.08
55	162.62
56	161.09
57	159.48
58	157.79
59	156.03
60	154.17
61	152.24
62	150.21
63	148.09
64	145.88
65	143.58

**Age nearest birthday on date of determination

Actuarial Assumptions:

1. Mortality Table - 2019 static mortality table included in IRS Notice 2018-02
2. Spouse's Age - Assumed to be 3 years younger than participant
3. Interest Rate - 6.5%, compounded annually
4. Unisex Assumptions: 95% Male, 5% Female
5. Annuity Form - Joint & 60% to spouse