

CITY OF COVINGTON DEFINED BENEFIT PLAN

As Amended and Restated as of January 1, 2020

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**SCHEDULE A OPTIONAL VOLUNTARY BENEFITS TO BE PROVIDED
PURSUANT TO OLD SECTION 4.4**

CITY OF COVINGTON DEFINED BENEFIT PLAN

PREAMBLE

The City of Covington, Georgia (the "Employer") established the City of Covington Defined Benefit Plan (the "Plan") effective as of January 1, 1976. The Plan is intended to qualify as a defined benefit pension plan under Code Section 401(a) and has at all times been maintained for the exclusive benefit of eligible employees and their beneficiaries. The Plan has been amended since its original adoption and was most recently amended and restated as of January 1, 2014. The Plan is hereby again amended and restated as of January 1, 2020. Eligibility to participate in the Plan was frozen in 2011 as to Employees other than Elected Officials. Eligibility as to Elected Officials was frozen as to any such individual who first or again took office on or after January 1, 2020. Accordingly, participation in the Plan was completely frozen as of December 31, 2019.

ARTICLE I
DEFINITIONS

1.1 Plan Definitions

As used herein, the following words and phrases, when they appear with initial letters capitalized as indicated below, have the meanings hereinafter set forth:

A Participant's "**Accrued Benefit**" as of any date means the portion of his monthly normal retirement benefit accrued as of that date determined as provided in Article V, based on his years of Credited Service and his Average Monthly Compensation determined as of that date.

An "**Active Participant**" means a Participant who is accruing Credited Service under the Plan in accordance with the provisions of Article III.

The "**Actuarial Equivalent**" of a value means the actuarial equivalent determined using the 1984 Unisex Mortality Table and a six (6) percent interest rate.

The "**Actuary**" means an independent actuary selected by the Employer, who is an enrolled actuary as defined in Code Section 7701(a)(35), or a firm or corporation of actuaries having such a person on its staff, which person, firm, or corporation is to serve as the actuarial consultant for the Plan.

The "**Administrator**" means the Employer unless the Employer designates another person or persons to act as such.

An "**Affiliated Employer**" means any corporation, business or governmental entity, other than the Employer, that would be aggregated with the Employer for a relevant purpose under Code Section 414. No Affiliated Employer has adopted this Plan, but references have been retained for compliance purposes, e.g., to provide that a transfer to an Affiliated Employer does not constitute a Termination of Employment.

A Participant's, or Beneficiary's, if the Participant has died, "**Annuity Starting Date**" means the first day of the first period for which an amount is payable as an annuity or, in the case of a single sum payment, the first day on which all events have occurred that entitle the Participant, or his Beneficiary, if applicable, to such benefit.

If a Participant whose Annuity Starting Date has occurred is reemployed by the Employer or an Affiliated Employer, for purposes of determining the form of payment of such Participant's benefit upon his subsequent retirement, such prior Annuity Starting Date shall apply to benefits accrued prior to the Participant's reemployment. Such prior Annuity Starting Date shall not apply to benefits accrued following the Participant's reemployment.

A Participant's "**Average Monthly Compensation**" means his highest average monthly Earnings received for any five consecutive Plan Years, immediately preceding the date the Participant's employment terminates, during which he was a Participant in the Plan. If the Participant has fewer than five consecutive Plan Years of participation, Average Monthly Compensation shall be determined over the Participant's entire period of participation. Partial years, based on completed calendar months, shall be taken into consideration.

A Participant's "**Beneficiary**" is any individual or other entity who is entitled to receive a benefit under the terms of the Plan upon the death of the Participant.

A "**Break in Service**" with respect to any Employee means any Service Computation Period during which he completes fewer than one Hour of Service, except that no Employee shall incur a Break in Service solely by reason of temporary absence from work not exceeding 24 months resulting from illness, layoff, or other cause if authorized in advance by the Employer pursuant to its uniform leave policy, if his employment is not otherwise terminated during the period of such absence.

The "**Code**" means the Internal Revenue Code of 1986, as amended from time to time. Reference to a Code section shall include (i) such section and any comparable section or sections of any future legislation that amends, supplements, or supersedes such section and (ii) all rulings, regulations, notices, announcements, and other pronouncements issued by the U.S. Treasury Department, the Internal Revenue Service, and any court of competent jurisdiction that relate to such section.

The "**Compensation**" of a Participant means the Participant's wages as defined in Code Section 3401(a) and all other payments of compensation by the Employer for a Plan Year (the "determination period") for which the Employer is required to furnish the Participant a written statement under Code Sections 6041(d), 6051(a)(3) and 6052. Compensation must be determined without regard to any rules under Code Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2)). Notwithstanding the foregoing, if compensation for any prior determination period is taken into account in determining a Participant's benefits for the current Plan Year, Compensation means compensation determined pursuant to the terms of the Plan then in effect.

Compensation as defined above shall be adjusted as follows:

- (a) Notwithstanding the foregoing, Compensation shall not include the following:
 - (i) bonuses;
 - (ii) overtime pay;
 - (iii) reimbursements for moving expenses
 - (iv) automobile reimbursements;

- (v) pension, deferred compensation or retirement allowance;
 - (vi) stipends or other expense allowances;
 - (vii) employer-paid health insurance or medical expenses;
 - (viii) any Compensation paid while an Employee is a member of an excluded class of employees;
 - (ix) retainers or fees under contracts; and
 - (x) salary continuation for disabled Participants.
- (b) Notwithstanding the foregoing, Compensation shall include the following:
- (i) for Plan Years beginning after December 31, 2008, differential wage payments within the meaning of Code Section 414(u)(12);
 - (ii) amounts contributed by the Employer pursuant to a salary reduction agreement that are not includible in the gross income of the Participant under Code Sections 125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b) or 457(b), and Employee contributions described in Code Section 414(h)(2) that are treated as Employer contributions.
 - (iii) leave cash-outs if those amounts would have been included in the definition of Compensation if they were paid prior to the Participant's severance from employment with the Employer, and the amounts are for unused accrued bona fide sick, vacation or other leave, but only if the Participant would have been able to use the leave if employment had continued.
- (c) In no event shall the Compensation of a Participant taken into account under the Plan for any Plan Year exceed the limitations of Code Section 401(a)(17) in effect as of the beginning of the Plan Year (i.e., \$285,000 for 2020). The limitation set forth in the preceding sentence shall be subject to adjustment annually as provided in Code Section 401(a)(17)(B) and Code Section 415(d); provided, however, that the dollar increase in effect on January 1 of any calendar year, if any, is effective for Plan Years beginning in such calendar year.

A Participant's "**Credited Service**" means his period of service for purposes of determining the amount of any benefit for which he is eligible under the Plan, as computed in accordance with the provisions of Article III. Credited Service shall be measured from the Participant's date of hire as an Eligible Employee to the effective date of retirement as provided in Article V, but shall not include any time while the Employee is a participant in the City of Covington, Georgia Defined Contribution Plan.

A Participant is "**Disabled**" if he has a physical or mental condition resulting from bodily injury, disease or mental disorder that renders him incapable of continuing usual and customary employment with the Employer. The Disability of a Participant shall require proof of a disability award under the Federal Social Security Act. The determination shall be applied uniformly to all Participants. To the extent permissible under the Americans with Disabilities Act or other

applicable law, any such disability shall not have been (a) self-inflicted, (b) incurred in military service, (c) incurred in the commission of a felonious enterprise or (d) the result of the use of narcotics or drugs or habitual alcoholism.

“Early Retirement Age” shall mean the first day of the month prior to Normal Retirement Date coinciding with or next following the date on which an Active Participant attains age 55 and has completed at least ten (10) Years of Vesting Service (four (4) years of Vesting Service for Participants who commenced participation in the Plan before July 1, 2002).

“Early Retirement Date” shall mean the earliest date on which the Participant could elect to receive retirement benefits.

“Effective Date” shall mean January 1, 2020, the date as of which this Plan is amended and restated. The Plan’s original effective date was January 1, 1976.

“Elected Official” means the Mayor of the City of Covington, Georgia, or any member of the City Council.

An **“Eligible Employee”** shall refer only to an Employee who was an Active Participant in this Plan as of January 1, 2020, based upon the eligibility requirements set forth in previous restatements of the Plan document. No individual who is not an Active Participant on January 1, 2020, shall be or become an Active Participant after such date.

An **“Employee”** means any employee of the Employer.

For purposes of the Plan with respect to the provisions of Code Sections 401(a)(3), (4), (7) and (16), and 408(k), 410, 411, 415 and 416, any "leased employee," other than an excludable leased employee, shall be treated as an employee of the Employer or any other Affiliated Employer; provided, however, that no "leased employee" shall become an Employee or shall accrue a benefit hereunder based on service as a "leased employee," as defined below or otherwise, or for any service as a seconded employee or independent contractor or in any capacity in which the individual is not considered an Employee on the payroll of the Employer.

A "leased employee" means any person who performs services for the Employer or an Affiliated Employer (the "recipient") (other than an employee of the recipient) pursuant to an agreement between the recipient and any other person (the "leasing organization") on a substantially full-time basis for a period of at least one year, provided that such services are performed under the primary direction or control of the recipient. An "excludable leased employee" means any leased employee of the recipient who is covered by a money purchase pension plan maintained by the leasing organization which provides for (i) a nonintegrated employer contribution on behalf of each participant in the plan equal to at least ten percent of compensation, (ii) full and immediate vesting, and (iii) immediate participation by employees of the leasing organization (other than employees who perform substantially all of their services for the leasing organization or whose compensation from the leasing organization in each plan year during the four-year period ending with the plan year is less than \$1,000); provided, however, that

leased employees do not constitute more than 20 percent of the recipient's nonhighly compensated work force. For purposes of this Section, contributions or benefits provided to a leased employee by the leasing organization that are attributable to services performed for the recipient shall be treated as provided by the recipient.

For purposes of determining whether a leased employee's compensation from the leasing organization is less than \$1,000, "compensation" shall mean compensation as defined in Article 12.

"Employer" means the City of Covington, Georgia, and any successor thereto.

"Entry Date" shall mean the effective date of a Participant's participation in the Plan under the terms of the Plan that were in effect as of such date. For reference purposes, the Plan generally required that non-Elected Officials' Entry Date was the first day of the month coinciding with or next following the date that an Eligible Employee earned one Year of Service, and that an Elected Official's Entry Date was the first day of the month coinciding with or next following the first date he held office as an Elected Official, but the actual terms of the Plan as in effect on any Participant's Entry Date shall control.

The **"Funding Agent"** means the person or persons which at the time shall be designated, qualified, and acting under the Funding Agreement and shall include (i) any trustee for a trust established pursuant to the Funding Agreement, (ii) any insurance company that issues an annuity or insurance contract pursuant to the Funding Agreement, or (iii) any person holding assets in a custodial account pursuant to the Funding Agreement. The Employer may designate a person or persons other than the Funding Agent to perform any responsibilities of the Funding Agent under the Plan, and the Funding Agent shall not be liable for the performance of such person in carrying out such responsibilities except as otherwise provided by applicable law. The term Funding Agent shall include any delegate of the Funding Agent as may be provided in the Funding Agreement.

The **"Funding Agreement"** means the agreement entered into between the Employer and the Funding Agent relating to the holding, investment, and reinvestment of the assets of the Plan, together with all amendments thereto and shall include any agreement establishing a trust, a custodial account, an annuity contract, or an insurance contract (other than a life, health or accident, property, casualty, or liability insurance contract) for the investment of assets; provided, however, that any custodial account or contract established hereunder meets the requirements of Code Section 401(f).

An **"Hour of Service"** with respect to any Employee means an hour which is determined and credited as such in accordance with the provisions of Article II.

A Participant's **"Normal Retirement Age"** means, for purposes of benefit eligibility, the later of the date he or she attains age 62 and is credited with ten (10) years of Vesting Service or, for Participants who commenced participation prior to July 1, 2002, or for any Elected Official, the later of age 62 and the date that he or she is credited with four (4) years of Vesting Service.

A Participant's "**Normal Retirement Date**" shall mean the first day of the month coinciding with or immediately following his attainment of Normal Retirement Age.

A "**Participant**" means any person who becomes eligible to participate in the Plan in accordance with the provisions of Article IV and who retains an Accrued Benefit under the Plan.

The "**Pension Fund**" means the fund or funds maintained under the Funding Agreement for purposes of accumulating contributions made by the Employer and paying benefits under the Plan.

The "**Plan**" means this City of Covington Defined Benefit Plan, as set forth herein, and as amended, modified and supplemented hereafter.

A "**Plan Year**" means the twelve-consecutive month period ending each December 31.

A "**Qualified Joint and Survivor Annuity**" is an immediate annuity payable to the Participant for his life with a survivor benefit payable upon the death of the Participant to the Participant's Spouse (determined as of his Annuity Starting Date) for the remainder of such Spouse's lifetime. The amount of the survivor benefit payable under a Qualified Joint and Survivor Annuity shall be equal to at least 50 percent of the amount the Participant was receiving on his date of death.

A "**Qualified Preretirement Survivor Annuity**" is an annuity payable to the surviving Spouse of a Participant for such Spouse's life as provided in Article X.

A Participant's "**Required Beginning Date**" means the April 1 following the calendar year in which occurs the later of the Participant's (i) attainment of age 70 1/2 or (ii) the date the Participant retires; provided, however, that clause (ii) shall not apply to a Participant who is a five percent owner, as defined in Code Section 416(i), with respect to the Plan Year ending with or within the calendar year in which the Participant attains age 70 1/2. The Required Beginning Date of a Participant who is a five percent owner hereunder shall not be redetermined if the Participant ceases to be a five percent owner with respect to any subsequent Plan Year.

The "**Service Computation Period**" is the Plan Year.

A Participant's "**Spouse**" means the person who is the Participant's lawful spouse.

A "**Termination of Employment**" means a severance of employment with the Employer and all Affiliated Employers, including on account of retirement, resignation, discharge and death except as otherwise provided by the Employer as a leave of absence or any other leave regulated by federal or state law. Unless otherwise provided by law, if an Employee on a leave of absence fails to return to active employment upon expiration of the leave of absence, the Employee will be considered to have had a Termination of Employment as of the last day worked immediately preceding the leave of absence.

A Participant's "Vesting Service" means his period of service for purposes of determining his eligibility for a benefit under the Plan, as computed in accordance with the provisions of Article III.

1.2 Construction

Where required by the context, the noun, verb, adjective, and adverb forms of each defined term shall include any of its other forms. Wherever used herein, the masculine pronoun shall include the feminine, the singular shall include the plural, and the plural shall include the singular.

ARTICLE II

HOURS OF SERVICE

2.1 Crediting of Hours of Service

An Employee shall be credited with an Hour of Service under the Plan for:

- (a) Each hour for which he is paid, or entitled to payment, for the performance of duties for the Employer as an Employee; provided, however, that hours paid for at a premium rate shall be treated as straight-time hours.
- (b) Each hour for which he is paid, or entitled to payment, by the Employer on account of a period of time during which no duties as an Employee are performed (regardless of whether he remains an Employee) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, or leave of absence, up to a maximum of eight hours per day and 40 hours per week; provided, however, that
 - (i) no more than 501 Hours of Service shall be credited to an Employee on account of any single continuous period during which he performs no duties (whether or not such period occurs in a single Service Computation Period), except that this cap shall not apply to retirement leave taken in anticipation of an Employee's Early or Normal Retirement; (ii) Hours of Service shall be credited for payment which is made or due under a program maintained solely for the purpose of complying with applicable Workers' Compensation, unemployment compensation, or disability insurance laws;
 - (iii) no Hours of Service shall be credited to an Employee for payment that is made or due solely as reimbursement for medical or medically related expenses incurred by him; and
 - (iv) no Hours of Service shall be credited for hours for which a lump sum is paid in lieu of leave.
- (c) Each hour for which back pay, without regard to mitigation of damages, is either awarded or agreed to by the Employer; provided, however, that the crediting of Hours of Service for back pay awarded or agreed to with respect to periods of

employment or absence from employment described in any other paragraph of this Section shall be subject to the limitations set forth therein and, if applicable, in Section 2.4.

- (d) Each hour for which he would have been scheduled to work for the Employer during the period of time that he is absent from work because of service with the armed forces of the United States, up to a maximum of eight hours per day and 40 hours per week, but only if he is eligible for reemployment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 and he returns to work with the Employer within the period during which he retains such reemployment rights.
- (e) Solely for purposes of determining whether he has incurred a Break in Service, each hour for which he would have been scheduled to work for the Employer during the period of time that he is absent from work because of the birth of a child, pregnancy, the adoption of a child, or the caring for a child for the period beginning following the birth or adoption of such child, up to a maximum of eight hours per day and 40 hours per week so that, when added to Hours of Service credited under any other paragraph of this Section, he shall be credited with not fewer than one total Hour of Service under the Plan for the Service Computation Period in which his absence commenced or the immediately following Service Computation Period; provided, however, that he shall be credited with Hours of Service under this paragraph for the Service Computation Period in which his absence from employment commenced only if necessary to prevent a Break in Service; and provided, further, that he shall be credited with Hours of Service under this paragraph for the Service Computation Period immediately following the Service Computation Period in which his absence from employment commenced only if he is not credited with Hours of Service under this paragraph for the Service Computation Period in which his absence from employment commenced.
- (f) Solely for purposes of determining whether he has incurred a Break in Service, each hour for which he would be scheduled to work for the Employer during the period of time that he is absent from work on an approved leave of absence pursuant to the Family and Medical Leave Act of 1993; provided, however, that Hours of Service shall not be credited to an Employee under this paragraph if the Employee fails to return to employment with the Employer following such leave.
- (g) Notwithstanding anything to the contrary contained in this Section, no more than one Hour of Service shall be credited to an Employee for any one hour of his employment or absence from employment.

2.2 Determination of Non-Duty Hours of Service

In the case of a payment which is made or due from the Employer on account of a period during which an Employee performs no duties, and which results in the crediting of Hours of Service, or in the case of an award or agreement for back pay, to the extent that such award or

agreement is made with respect to a period during which an Employee performs no duties, the number of Hours of Service to be credited shall be determined as follows:

- (a) In the case of a payment made or due which is calculated on the basis of units of time, such as hours, days, weeks, or months, the number of Hours of Service to be credited shall be the number of regularly scheduled working hours included in the units of time on the basis of which the payment is calculated.
- (b) In the case of a payment made or due which is not calculated on the basis of units of time, the number of Hours of Service to be credited shall be equal to the amount of the payment divided by the Employee's most recent hourly rate of compensation immediately prior to the period to which the payment relates.
- (c) Notwithstanding the provisions of paragraphs (a) and (b), no Employee shall be credited on account of a period during which no duties are performed with a number of Hours of Service that is greater than the number of regularly scheduled working hours during such period.
- (d) If an Employee is without a regular work schedule, the number of "regularly scheduled working hours" shall mean the average number of hours worked by Employees in the same job classification during the period to which the payment relates, or if there are no other Employees in the same job classification, the average number of hours worked by the Employee during an equivalent period that is typical of the Employee's work schedule over the course of a period that is representative of the Employee's period of employment with the Employer.

For the purpose of crediting Hours of Service for a period during which an Employee performs no duties, a payment shall be deemed to be made by or due from the Employer (i) regardless of whether such payment is made by or due from the Employer directly, or indirectly through (among others) a trust fund or insurer to which the Employer contributes or pays premiums, and (ii) regardless of whether contributions made or due to such trust fund, insurer, or other entity are for the benefit of particular persons or are on behalf of a group of persons in the aggregate.

2.3 Allocation of Hours of Service to Service Computation Periods

Hours of Service credited under Section 2.1 shall be allocated to the appropriate Service Computation Period as follows:

- (a) Hours of Service described in paragraph (a) of Section 2.1 shall be allocated to the Service Computation Period in which the duties are performed.
- (b) Hours of Service credited to an Employee for a period during which an Employee performs no duties shall be allocated as follows:
 - (1) Hours of Service credited to an Employee on account of a payment which is calculated on the basis of units of time, such as hours, days, weeks, or

months, shall be allocated to the Service Computation Period or Periods in which the period during which no duties are performed occurs, beginning with the first unit of time to which the payment relates.

- (2) Hours of Service credited to an Employee on account of a payment which is not calculated on the basis of units of time shall be allocated to the Service Computation Period or Periods in which the period during which no duties are performed occurs, or, if such period extends beyond one Service Computation Period, such Hours of Service shall be allocated equally between the first two such Service Computation Periods.
- (3) Hours of Service credited to an Employee for a period of absence during which the Employee performs no duties and for which no payment is due from his Employer shall be allocated to the Service Computation Period or Periods during which such absence occurred.
- (4) Hours of Service credited to an Employee because of an award or agreement for back pay shall be allocated to the Service Computation Period or Periods to which the award or agreement for back pay pertains, rather than to the Service Computation Period in which the award, agreement, or payment is made, without regard to when Compensation for such Hours of Service is paid.

ARTICLE III

SERVICE & CREDITED SERVICE

3.1 Vesting Service and Credited Service

Each person who is an Employee shall be credited with Vesting Service and Credited Service with respect to periods of employment, for purposes of the Plan, as follows:

- (a) For the purpose of calculating Vesting Service and Credited Service, an Employee shall accrue one year of Vesting and Credited Service for each full calendar year during which he or she is an Eligible Employee, ending on the date of his Termination of Employment. Partial years shall be credited on the basis that one full calendar month equals 1/12th of a year. Partial months shall be credited based on the number of days in the month during which the Employee was an Eligible Employee. Notwithstanding the foregoing, Vesting Service and Credited Service for Participants whose Termination of Employment precedes January 1, 2020, shall be determined under the terms of the Plan as in effect at the time such Hours of Service or period of employment were worked (or not worked, as the case may be).

3.2 Transfers

Notwithstanding the foregoing, Vesting Service and Credited Service credited to a person shall be subject to the following:

- (a) Any person who is employed with the Employer in a capacity other than as an Employee, shall be credited with Vesting Service, but not Credited Service, for such other employment as if such other employment were employment with the Employer as an Employee.
- (b) Any person who is employed (i) with the Employer in a capacity other than as an Employee or (ii) with any other Affiliated Employer, shall be deemed by such employment not to lose his Vesting Service or Credited Service, and shall be deemed not to retire or otherwise terminate his employment as an Employee until such time as he is no longer in the employment of the Employer or any other Affiliated Employer, at which time he shall become entitled to benefits if he is otherwise eligible therefore under the provisions of the Plan; provided, however, that up to such time he shall receive credit only for Vesting Service, but not for Credited Service, for such other employment as if such other employment were employment with the Employer as an Employee.

3.3 Retirement or Termination and Reemployment

If an Employee retires or otherwise terminates employment with the Employer and all Affiliated Companies, his eligibility for and the amount of any benefit to which he may be entitled under the Plan shall be determined based upon the Vesting Service and Credited Service with

which he is credited at the time of such retirement or other termination of employment. If such retired or former Employee is reemployed by the Employer or any Affiliated Employer, the following provisions shall apply:

- (a) Participant is reemployed after a period of Qualified Military Service. If the Participant has not received or commenced to receive the Accrued Benefit that accrued on account of his prior service as an Employee and is reemployed by the Employer or an Affiliated Employer (regardless of whether he is employed in a classification of employment covered under this Plan) after a period of Qualified Military Service within the meaning of Code Section 414(u)(5), and within the period of time during which his reemployment rights are guaranteed within the meaning of 38 U.S.C. Section 4312, then (i) the Participant shall be restored to participation in this Plan, provided that the Participant would have remained a Participant but for the period of Qualified Military Service, and (ii) Vesting Service and Credited Service with which he was credited at the time of such prior termination of employment shall be aggregated with the Vesting Service and Credited Service (if any) with which he is credited following his reemployment for purposes of determining his eligibility for and the amount of any benefit to which he may be entitled under the Plan upon his subsequent termination of employment or retirement.
- (b) Participant is reemployed after an authorized leave of absence. If the Participant has not received or commenced to receive the Accrued Benefit that accrued on account of his prior service as an Employee and is reemployed by the Employer or an Affiliated Employer (regardless of whether he is employed in a classification of employment covered under this Plan) after an authorized leave of absence, he may resume participation on the first day of the month coinciding with or next following the date on which he is reemployed in accordance with the terms of the leave as approved by the Employer, provided that the terms of the leave specifically provide that the Employee will return to participation in this Plan upon reemployment. If the terms of the leave provide otherwise or are silent, the Participant will not resume participation in the Plan, but any Vesting Service earned after reemployment will apply to any Accrued Benefit attributable to his pre-leave employment if he is reemployed before incurring a Break in Service.
- (c) Participant is reemployed under any other circumstances. If the Participant is reemployed by the Employer or an Affiliated Employer under circumstances that do not satisfy either Section 3.2(a) or (b) above, he shall be treated, for purposes of this Plan, as a new Employee and, as such, is not eligible to resume participation in this Plan or earn additional Vesting Service or Credited Service, and any Compensation earned after his reemployment will not be included in his Average Monthly Compensation, except that:
 - (1) If the Participant was 100% Vested in an Accrued Benefit attributable to a prior period of Employment with the Employer, and he or she returned to

covered Employment before June 6, 2011, in the case of an Eligible Employee other than an Elected Official, or before January 1, 2020, in the case of an Elected Official, and the Participant had not yet commenced payment of a monthly benefit under the Plan, the Participant reentered the Plan for purposes of accruing Credited Service and Compensation to be included in his Average Monthly Compensation.

- (2) If the Participant was not Vested in an Accrued Benefit but returned to covered Employment (i) before June 6, 2011, in the case of an Eligible Employee other than an Elected Official, or before January 1, 2020, in the case of an Elected Official, and (ii) before incurring a five-year Break in Service, the Participant reentered the Plan for purposes of accruing Vesting and Credited Service and Compensation to be included in his Average Monthly Compensation.

3.4 Finality of Determinations

All determinations with respect to the crediting of Vesting Service and Credited Service under the Plan shall be made on the basis of the records of the Employer, and all determinations so made shall be final and conclusive upon Employees, former Employees, and all other persons claiming a benefit interest under the Plan. Notwithstanding anything to the contrary contained in this Article, there shall be no duplication of Vesting Service and Credited Service.

ARTICLE IV

ELIGIBILITY FOR PARTICIPATION

4.1 Participation

Participation in the Plan was closed as to Eligible Employees, other than Elected Officials, whose date of hire was on or after June 6, 2011. Participation was closed as to Elected Officials who first or again took office on or after January 1, 2020. Individuals who were Participants in 2011 were permitted to make a one-time, irrevocable election to terminate active participation in this Plan and, instead, become active participants in the City of Covington Defined Contribution Plan (the "Defined Contribution Plan"). Participants who elected to transfer to the Defined Contribution Plan continued to earn Vesting Service towards their Accrued Benefit under this Plan but did not, after the date of their election, receive credit for Compensation paid or Credited Service worked after such date.

Notwithstanding the foregoing, no person who has waived participation in the Plan through any means (including an offer letter setting forth the terms and conditions of employment), even if the individual is an Employee and is otherwise eligible to participate in the Plan, shall be a Participant in this Plan. Any such waiver shall be deemed to apply for the entire period of the individual's employment with the Employer after the date of the waiver (or after the effective date of the waiver, if later) unless the waiver specifically states that it is for a more limited period.

4.2 Termination of Participation

A person shall remain a Participant as long as he retains an Accrued Benefit under the Plan.

4.3 Finality of Determinations

All determinations with respect to the eligibility of an Employee to become a Participant under the Plan shall be made on the basis of the records of the Employer, and all determinations so made shall be final and conclusive for all Plan purposes. Each Employee who becomes a Participant shall be entitled to the benefits, and be bound by all the terms, provisions, and conditions of the Plan and the Funding Agreement.

ARTICLE V

NORMAL RETIREMENT

5.1 Eligibility

Each Participant who retires from employment with his Employer and all Affiliated Employers on or after his Normal Retirement Date shall be eligible for a normal retirement benefit.

5.2 Amount

- (a) *Participation Commenced before July 1, 2002.* For any Participant whose participation in the Plan commenced before July 1, 2002, the monthly normal retirement benefit shall equal the sum of the following:
 - (1) 1.5 percent of the Participant's Average Monthly Compensation multiplied by his years of Credited Service through December 31, 2001, plus
 - (2) 2.5 percent of the Participant's Average Monthly Compensation multiplied by his years of Credited Service earned after December 31, 2001.
- (b) *Participation Commenced on or After July 1, 2002.* For any Participant whose participation in the Plan commenced on or after July 1, 2002, the monthly normal retirement benefit shall equal two percent of the Participant's Average Monthly Compensation multiplied by his years of Credited Service.
- (c) *Elected Officials.* The monthly normal retirement benefit for any Participant who is an Elected Official, exclusive of any Credited Service as an Employee other than an Elected Official, shall be calculated under (a) or (b) above, as appropriate, but if he has participated in this Plan for at least ten (10) years as an Elected Official, his minimum monthly normal retirement benefit attributable to Credited Service and Compensation earned and paid on account of his employment as an Elected Official shall be the greater of:
 - (1) \$2.50 multiplied by the number of months of Credited Service as an Elected Official, or
 - (2) one-half percent multiplied by his Average Monthly Compensation as an Elected Official multiplied by the number of months of Credited Service as an Elected Official.
- (d) *Maximum Benefits.* In no event will a Participant's normal retirement benefit under (a) or (b) above exceed either (i) 2 percent (2%) of the Participant's Average Monthly Compensation multiplied by his years of Credited Service without regard to the date such service was earned, or (ii) eighty percent (80%) of the Participant's

Average Monthly Compensation. This limit shall not apply to the benefit under (c) above for Elected Officials.

- (e) *Reduction in Average Monthly Compensation.* In no event will a reduction in a Participant's Average Monthly Compensation reduce the normal retirement benefit payable to him below the amount that would have been payable to him under the same form of payment had he retired prior to his Normal Retirement Date when eligible for an Early Retirement benefit.
- (f) *Special Rules for Participants with Accrued Benefits earned as an Elected Official and as a non-Elected Official.* In the event that a Participant participates in the Plan both as an Elected Official and a non-Elected Official, there shall be no cross-accumulation of Vesting Service, Credited Service or Compensation. A Termination of Employment in one capacity shall constitute a Termination of Employment as to any benefit accrued in that capacity, but not as to the other capacity, except that no early retirement benefit shall commence before age 62 if the Participant is employed either as an Elected Official or a non-Elected Official. If a Participant commences an early retirement benefit in one capacity and subsequently again becomes an Employee, the early retirement benefit will not be suspended.
- (g) The amount described in this Section 5.2 shall be adjusted as described elsewhere in the Plan if it is paid in a form other than a single life annuity.
- (h) As noted in Article XII, Maximum Retirement Benefits, the final average compensation limit under Code Section 415(b)(1)(B) is incorporated into this Plan as a design feature, notwithstanding that it is not required to be applied by governmental plans.

5.3 Participant Purchases of Optional Voluntary Benefits on or Before January 7, 2019

- (a) Pursuant to Section 4.4 of the Plan, as it was added to the Plan effective as of November 1, 2013, and as it was subsequently incorporated into the Plan as it was restated as of January 1, 2014, Participants were permitted to purchase Optional Voluntary Benefits. Any Participant who purchased Optional Voluntary Benefits pursuant to Section 4.4 of this Plan as it was in effect before January 7, 2019 ("Old Section 4.4") shall be referred to in this Section 5.3 as an Electing Participant.
- (b) Old Section 4.4 provided that the value of any Optional Voluntary Benefit purchased would be described as a monthly benefit to be added to the Participant's Normal Retirement Benefit determined under then-Section 5.1 of the Plan (now-Section 5.2, "Amount"). The Optional Voluntary Benefit purchased by each Electing Participant shall be set forth in Schedule A to the Plan. Appendix A shall describe the dollar amount of the Optional Voluntary Benefit expressed, in accordance with Old Section 4.4, as a monthly amount to be added to the Participant's Normal Retirement Benefit, calculated without regard to the purchase

of the Optional Voluntary Benefit. The amount listed in Schedule A shall be adjusted as follows:

- (1) If the Electing Participant's actual retirement date precedes the date specified in Schedule A as the "Unreduced Payment Date," the Optional Voluntary Benefit in Schedule A shall be reduced to account for the earlier commencement on the same basis as his or her Normal Retirement Benefit under Section 5.2.
- (2) If the Electing Participant's Normal Retirement Benefit is payable in a form other than a single life annuity for the life of the Participant, the Optional Voluntary Benefit shall be adjusted to reflect the cost of the benefit option selected.
- (3) The Optional Voluntary Benefit shall be paid in the same form and at the same time as the Normal Retirement Benefit.
- (4) If the Electing Participant does not pay the entire communicated cost of the Optional Voluntary Benefit prior to his or her Annuity Starting Date, the Optional Voluntary Benefit described in Schedule A shall be reduced to reflect the amount the Electing Participant actually paid, based on reasonable actuarial assumptions determined by the Administrator.
- (5) Per Section 5.2(d), no Participant's Accrued Benefit may exceed 80% of the Participant's Average Monthly Compensation. If the addition of an Optional Voluntary Benefit causes the total benefit to exceed this limit, all or a portion of the purchase price the Electing Participant paid for the Optional Voluntary Benefit shall be refunded to the Electing Participant, and the Optional Voluntary Benefit will be reduced so that the benefit payable from the Plan shall not exceed 80% of the Participant's actual Average Monthly Compensation. The refund will be calculated by the Administrator as of the Electing Participant's actual retirement date and will be adjusted for interest at an annual rate of 6.0%, the interest rate prescribed in the definition of Actuarial Equivalent.

5.4 Payment

A monthly normal retirement benefit shall be paid to an eligible Participant commencing as of the first day of the month following the earlier of the month in which he retires or the first day of the month for which he applies for the benefit to commence, but not later than the earlier of (a) the first day of the Plan Year following the date the Participant actually retires or (b) his Required Beginning Date. If a Participant elects to postpone payment of his monthly normal retirement benefit to the first day of the Plan Year following the date the Participant actually retires, the amount of such normal retirement benefit shall be actuarially adjusted for the period from the Participant's retirement date to his Annuity Starting Date.

ARTICLE VI

EARLY RETIREMENT

6.1 Eligibility

Each Participant who retires from employment with his Employer and all Affiliated Employers at or after his Early Retirement Age, but prior to his Normal Retirement Date, shall be eligible for an early retirement benefit.

6.2 Amount

An eligible Participant's monthly early retirement benefit shall be equal to the Actuarial Equivalence of his Accrued Benefit on the date of his early retirement, except that if, prior to the Participant's termination of employment, the sum of his age (expressed in years and a fraction using whole months) and Total Credited Service equals or exceeds ninety-five (95), the Participant's Accrued Benefit shall be calculated as though the Participant were age 62, rather than his actual age, i.e., without an adjustment for Actuarial Equivalence. To qualify for the Rule of 95 early retirement benefit, a Participant must still have attained Early Retirement Age, i.e., be at least age 55 with ten (10) or four (4) Years of Vesting Service, as applicable.

6.3 Payment

A monthly early retirement benefit shall be paid to an eligible Participant commencing as of the first day of the month following the later of the month in which he retires or the month in which he makes written application for the benefit, but not later than the first day of the Plan Year following his Normal Retirement Date.

ARTICLE VII
VESTED RIGHTS

7.1 Vesting

A Participant's vested interest in his Accrued Benefit shall be determined in accordance with the following schedule, whichever is applicable based upon the criteria below, based upon the number of full years of Vesting Service credited to him; provided, however, that a Participant's vested interest in his Accrued Benefit shall be 100 percent if he is employed by the Employer or an Affiliated Employer on his Normal Retirement Date or the date he becomes eligible for early retirement in accordance with the provisions of Article VI, regardless of whether he has completed the number of years of Vesting Service required under the schedule for 100 percent vesting.

- (1) *Vesting schedule for Participants with Entry Dates Prior to July 1, 2002:*

Years of Vesting Service	Vested Interest
Fewer than 4	0%
4 or More	100%

- (2) *Vesting schedule for Participants with Entry Dates on or after July 1, 2002, and for Participants who irrevocably elected to transfer participation to the City of Covington Defined Contribution Plan in 2011 (and any rehired Employees who transferred to the Defined Contribution Plan) but continue vesting in accrued Benefits according to the vesting schedule in this plan:*

Years of Vesting Service	Vested Interest
Fewer than 10	0%
10 or More	100%

- (3) *Vesting schedule for Elected Officials whose first term of office commenced prior to July 1, 2002 [(applies solely to the Accrued Benefit attributable to Compensation and Credited Service as an Elected Official).]*

Years of Vesting Service	Vested Interest
0	100% (immediate vesting upon commencement of elected office)

- (4) *Vesting schedule for Elected Officials whose first term of office commenced on or after July 1, 2002: [(applies solely to the Accrued Benefit attributable to Compensation and Credited Service as an Elected Official).]*

Years of Vesting Service	Vested Interest
Fewer than 4	0%

Years of Vesting Service	Vested Interest
4 or More	100%

- (5) *Each Participant who attains Normal Retirement Age or Early Retirement Age, dies or becomes Disabled before his or her Termination of Employment will be fully vested.*
- (6) If a Participant has an Accrued Benefit accrued under more than one Vesting schedule above on account of a return to employment after a Termination of Employment, the Vesting schedule that applied when he or she earned the Accrued Benefit shall continue to apply to that Accrued Benefit, but a period of pre-Termination of Employment Vesting Service shall apply to post-rehire Accrued Benefit, and post-rehire Vesting Service shall apply to the original Accrued Benefit, only to the extent that post-rehire Vesting Service is credited pursuant to Section 3.3.
- (7) *Notwithstanding anything contained herein to the contrary, a Participant's Accrued Benefits will be reduced or forfeited in the manner and to the extent provided under O.C.G.A. Section 47-1-21 through Section 47-1-25, if the Participant is convicted of a public employment, drug related, or other covered crime.*

7.2 Eligibility for Deferred Vested Retirement Benefit

Each Participant who terminates employment with his Employer and all Affiliated Employers, who has a vested interest in his Accrued Benefit, and who is not eligible for a normal or early retirement benefit under the Plan, shall be eligible for a deferred vested retirement benefit.

7.3 Amount of Deferred Vested Retirement Benefit

An eligible Participant's monthly deferred vested retirement benefit shall be equal to his vested Accrued Benefit on the date of his termination of employment; provided, however, that if the Participant elects to begin benefit payments before his Normal Retirement Date as provided in section 7.4, the amount of such benefit shall be the Actuarial Equivalent of his Accrued Benefit at Normal Retirement Date.

7.4 Time of Payment

A monthly deferred vested retirement benefit shall be paid to an eligible Participant commencing as of his Normal Retirement Date; provided, however, that a Participant may elect to begin benefit payments as of the first day of any month following the later of the month in which he turns age 55 or has a Termination of Employment.

Notwithstanding anything contained herein to the contrary, payment to a Participant of the Vested portion of such Participant's Accrued Benefit, unless such Participant elects an earlier

commencement date, shall begin not later than the 60th day after the close of the Plan Year in which the latest of the following events occurs: (1) the date on which the Participant attains the earlier of age 65 or the Normal Retirement Age specified herein; (2) the 10th anniversary of the year in which the Participant commenced participation in the Plan; or (3) the date the Participant terminates service with the Employer. The 60th day after the close of the Plan Year in which occurs the latest of the events described in the preceding sentence shall be the Participant's "Latest Payment Date."

Notwithstanding the preceding paragraph, even if a Participant's Latest Payment Date has occurred, no portion of a Participant's Accrued Benefit shall be payable unless the Participant (or the Participant's Beneficiary, if the Participant has died) has applied for the benefit to commence, using the forms or procedures prescribed by the Administrator for such purpose. In the event that a Participant's benefit is required to commence pursuant to Section 11.7, however, the benefit may commence regardless of whether the Participant or Beneficiary has applied for a benefit, pursuant to the procedures set forth in Section 11.8.

The requirement in this Section 7.4 that a Participant or Beneficiary apply for a benefit as a prerequisite to such a benefit's being due shall apply only to Latest Payment Dates that occur on or after October 1, 2019. If the Latest Payment Date is earlier than October 1, 2019, the provisions of the Plan that are in effect before October 1, 2019, shall apply.

7.5 Election of Former Vesting Schedule

In the event the Employer adopts an amendment to the Plan that changes the vesting schedule under the Plan, including any amendment that directly or indirectly affects the computation of the nonforfeitable interest of Participants' rights to Accrued Benefits, any Participant with three or more years of Vesting Service shall have a right to have his nonforfeitable interest in his Accrued Benefit continue to be determined under the vesting schedule in effect prior to such amendment rather than under the new vesting schedule, unless the nonforfeitable interest of such Participant in his Accrued Benefit under the Plan, as amended, at any time is not less than such interest determined without regard to such amendment. Such Participant shall exercise such right by giving written notice of his exercise thereof to the Administrator within 60 days after the latest of (i) the date he receives notice of such amendment from the Administrator, (ii) the effective date of the amendment, or (iii) the date the amendment is adopted. Notwithstanding the foregoing provisions of this Section, the vested interest of each Participant on the effective date of such amendment shall not be less than his vested interest under the Plan as in effect immediately prior to the effective date thereof.

ARTICLE VIII

DISABILITY RETIREMENT BENEFIT

8.1 Eligibility

If a Participant becomes Disabled prior to attaining his Normal Retirement Age and prior to his Termination of Employment, and by reason thereof his status as an Employee ceases, the Participant shall be entitled to receive his Accrued Benefit pursuant to Section 5.2.

8.2 Amount

A Disabled Participant's Disability Retirement Benefit shall be the Participant's Accrued Benefit calculated pursuant to Section 5.2, but without reduction for early commencement. In no event, however, shall a Participant's Disability Retirement Benefit be less than fifteen percent (15%) of the Participant's Average Monthly Earnings for the twelve (12) calendar month period immediately preceding the Termination of Employment as a result of the Disability.

8.3 Payment

A Disability Retirement Benefit shall commence as of the first day of the month coinciding with the effective date of the Social Security Disability award and be payable as of the first day of each month thereafter so long as the Disability continues, as though the Participant had retired.

If a Participant elects to postpone payment of his Disability Retirement Benefit to or beyond his Normal Retirement Date, the Normal Retirement benefit shall be paid instead, and he shall no longer be eligible for a Disability Retirement Benefit.

In the event that a Participant recovers from his Disability before his Normal Retirement Date, his Disability Retirement Benefit shall cease. The Participant may apply for an Early or Normal Retirement Benefit, as applicable. In the event that a Participant does not recover from his Disability before his Normal Retirement Date, the Disability Retirement Benefit shall continue as if it were a Normal Retirement Benefit, without reduction or a new benefit election.

Any Participant who (1) is in an Active Participant on or after October 1, 2012, (2) applies for Social Security disability benefits within thirty (30) days after his application for a non-Disability Retirement Benefit under this Plan, and (3) is awarded a Social Security disability benefit within six (6) months after the date as of which his non-Disability Retirement Benefit commences under this Plan, may elect to convert his non-Disability Retirement Benefit to a Disability Retirement Benefit. Such an election must be made within two (2) months after the date of the Social Security disability award but shall be retroactive to the effective date of the non-Disability Retirement Benefit under this Plan.

ARTICLE IX
FORMS OF PAYMENT

9.1 Normal Form of Payment

A Participant who is eligible to receive any retirement benefit under Section 5.1, 6.1, or 7.2 of the Plan shall receive payment of such benefit in accordance with one of the following normal forms of payment:

- (a) A Participant who is not married on his Annuity Starting Date shall receive such benefit in the form of a single life annuity. Such Participant shall receive a monthly retirement benefit payable for his lifetime, the last monthly payment being for the month in which his death occurs.
- (b) A Participant who is married on his Annuity Starting Date shall receive such benefit in the form of a 50 percent Qualified Joint and Survivor Annuity that is the Actuarial Equivalent of the single life annuity. Such Participant shall receive a monthly retirement benefit payable for his lifetime, the last monthly payment being for the month in which his death occurs. If the Participant's Spouse survives him, then commencing with the month following the month in which the Participant's death occurs, his Spouse shall receive a monthly benefit for his or her remaining lifetime equal to one-half of the amount payable during the Participant's lifetime, the last payment being for the month in which the Spouse's death occurs.

To receive a benefit under the Qualified Joint and Survivor Annuity form of payment described in paragraph (b) above, a Participant's Spouse must be the same Spouse to whom the Participant was married on his Annuity Starting Date. Once a Participant's Annuity Starting Date occurs and retirement benefit payments commence under one of the normal forms of payment, the form of payment will not change even if the Participant's marital status changes.

Subject to the requirements of Section 9.6, a Participant may waive the normal form of payment applicable to him and elect to receive payment of his benefit in one of the optional forms of payment provided in Section 9.2.

9.2 Optional Forms of Payment

Within the election period described in Section 9.5, a Participant who is eligible to receive a normal, early, or deferred vested retirement benefit may elect to receive payment of such benefit in accordance with any one of the options in (a)-(d) below. If the Participant is married on his Annuity Starting Date, any such election must satisfy the requirements of Section 9.6. Except as described in Section 11.5, "Payment of Small Benefits; Deemed Cashout," no Participant shall receive a lump sum distribution from this Plan.

If the Participant's Beneficiary under an optional form of payment dies prior to the Participant's Annuity Starting Date, the election shall become inoperative and ineffective, and benefit payments, if any, shall be made under the normal form of payment provided in Section 9.1, unless the Participant elects another optional form of payment provided under the Plan prior to his Annuity Starting Date. Once a Participant's Annuity Starting Date occurs, however, the optional form of payment elected by the Participant will not change even if the Participant's marital status changes or his Beneficiary predeceases him.

The monthly payments made under any optional form of payment hereunder shall be the Actuarial Equivalent of the monthly benefit otherwise payable to the Participant in the single life annuity form described in paragraph (a) of Section 9.1.

- (a) **Single Life Annuity.** The Participant shall receive a monthly retirement benefit payable for his lifetime, the last monthly payment being for the month in which his death occurs.
- (b) **100% Joint and Survivor Annuity.** The Participant shall receive a monthly retirement benefit payable for his lifetime, the last monthly payment being for the month in which his death occurs. If the Participant's Spouse survives him, then commencing with the month following the month in which the Participant's death occurs, his Spouse shall receive a monthly benefit for his or her remaining lifetime equal to the adjusted amount payable during the Participant's lifetime, the last monthly payment being for the month in which the Spouse's death occurs.
- (c) **50% Joint and Survivor Annuity.** The Participant shall receive a monthly retirement benefit payable for his lifetime, the last monthly payment being for the month in which his death occurs. If the Participant's Spouse survives him, then commencing with the month following the month in which the Participant's death occurs, his Spouse shall receive a monthly benefit for his or her remaining lifetime equal to one-half of the adjusted amount payable during the Spouse's lifetime, the last monthly payment being for the month in which the Spouse's death occurs.
- (d) **Period Certain and Life Annuity.** The Participant shall receive a monthly retirement benefit payable for his lifetime, the last monthly payment being for the month in which his death occurs. If the Participant's death occurs prior to the end of the five-, ten-, fifteen- or twenty-year period (as elected by the Participant prior to his Annuity Starting Date) commencing with his Annuity Starting Date, his Beneficiary shall receive the same monthly payment for the remainder of the applicable guarantee period.
- (e) **Limitations on Certain and Life Annuity and Single Sum Payments.** In the event the Plan is subject to the restrictions imposed by Section 436(d) of the Internal Revenue Code, each Participant or Beneficiary shall be given the right to defer receipt of the portion of his or her benefit that is not received in a form of benefit specified under Section 9.2(e) or in a single sum (single sum*s are available only in the case of small benefits, as set forth in Section 11.5), in the manner and

to the extent specified by the Secretary of the Treasury in Regulations or other applicable guidance. The provisions of Appendix A also shall apply to the Plan for Plan Years beginning on and after January 1, 2008.

Notwithstanding any other provision of the Plan to the contrary, distribution under an optional form of payment shall be made in accordance with Code Section 401(a)(9) and regulations issued thereunder, including the minimum distribution incidental benefit requirement. If a Participant designates a person other than his Spouse as his Beneficiary under an optional form of payment, and if payments under the optional form elected would not meet the minimum distribution incidental benefit requirement, the election shall be ineffective and benefit payments, if any, shall be made under the normal form of payment provided in Section 9.1, unless the Participant elects another optional form of payment provided under the Plan prior to his Annuity Starting Date.

9.3 Designation of Beneficiary and Beneficiary in Absence of Designated Beneficiary

A Participant's Beneficiary under the guaranteed portion of a period certain and life annuity form of payment may be any individuals, trust, or estate, selected by the Participant. A Participant's designation of a Beneficiary is subject to the spousal consent requirements of Section 9.6. A Participant's joint annuitant under a 50% or 100% Joint and Survivor Annuity must be the Participant's Spouse as of the date as of the Participant's Annuity Starting Date. Neither the Spouse's death prior to the Participant's death nor the Participant's divorce from such Spouse will permit the Participant to designate a different joint annuitant.

If payment is to be made to a Participant's surviving Beneficiary and no Beneficiary survives or the Participant has not designated a Beneficiary, the Participant's Beneficiary shall be the Participant's estate.

To designate a Beneficiary for any purpose under this Plan, a Participant shall designate in writing any one or more persons or other entities (to the extent such entities are eligible under the preceding paragraphs) as his Beneficiary. Such designation shall be filed with the Administrator and shall be in such form as the Administrator shall require. A Participant at any time and from time to time, whether before or after his retirement or other termination of employment, may change the Beneficiary previously designated by him by filing with the Administrator a new designation in such form as it shall require. Any Beneficiary designation shall be subject to the applicable spousal consent requirements set forth elsewhere in this Plan.

If a Beneficiary shall die after becoming entitled to receive a benefit hereunder, but before payment of such benefit shall have been made in full, and if no other person or persons shall have been designated by the Participant to receive the remaining portion of such benefit upon the happening of such contingency, the estate of such deceased Beneficiary shall become the Beneficiary as to such remaining portion.

9.4 Notice Regarding Forms of Payment

The Administrator shall provide a Participant with a written description of (i) the terms and conditions of the normal forms of payment provided in Section 9.1, (ii) the optional forms of payment provided in Section 9.2, (iii) the Participant's right to waive the normal form of payment provided in Section 9.1 and to elect an optional form of payment and the effect thereof, and (iv) the rights of the Participant's Spouse with respect to the Qualified Joint and Survivor Annuity form of payment.

9.5 Election Period

A Participant may waive or revoke a waiver of the normal form of payment provided in Section 9.1 and elect, modify, or change an election of an optional form of payment provided in Section 9.2 by written notice delivered to the Administrator at any time during the election period; provided, however, that no waiver of the normal form of payment and election of an optional form of payment shall be valid unless the Participant has received the written explanation described in Section 9.4. A Participant's "election period" means the 90-day period ending on his Annuity Starting Date.

The form in which a Participant shall receive payment of his retirement benefit shall be determined upon the later of his Annuity Starting Date or the date his election period ends, based upon any waiver and election in effect on such date. Except as otherwise specifically provided in the Plan, in no event shall the form in which a Participant's retirement benefit is paid be changed on or after such date.

9.6 Spousal Consent Requirements

A married Participant's waiver of the normal Qualified Joint and Survivor Annuity form of payment and his election, modification, or change of an election of an optional form of payment must include the written consent of the Participant's Spouse, if any. A Participant's Spouse shall be deemed to have given written consent to the Participant's waiver and election if the Participant establishes to the satisfaction of a Plan representative that such consent cannot be obtained because of any of the following circumstances:

- (a) the Spouse cannot be located,
- (b) the Participant is legally separated or has been abandoned within the meaning of local law, and the Participant has a court order to that effect, or
- (c) other circumstances set forth in Code Section 401(a)(11) and regulations issued thereunder.

Notwithstanding the foregoing, written spousal consent shall not be required if the Participant elects an optional form of payment that is a Qualified Joint and Survivor Annuity.

Any written spousal consent given pursuant to this Section shall acknowledge the effect of the waiver of the Qualified Joint and Survivor Annuity form of payment and of the election of an optional form of payment, shall specify the optional form of payment selected by the Participant

and that such form may not be changed (except to a Qualified Joint and Survivor Annuity) without written spousal consent, shall specify any Beneficiary designated by the Participant and that such Beneficiary may not be changed without written spousal consent, and shall be witnessed by a Plan representative or a notary public. Any written consent given or deemed to be given by a Participant's Spouse shall be irrevocable and shall be effective only with respect to such Spouse and not with respect to any subsequent Spouse.

9.7 Death Prior to Annuity Starting Date

Should a Participant die prior to his Annuity Starting Date, neither he nor any person claiming under or through him shall be entitled to any retirement benefit under the Plan; and no benefit shall be paid under the Plan with respect to such Participant except any survivor benefit payable under the provisions of Article X.

9.8 Effect of Reemployment on Form of Payment

Notwithstanding any other provision of the Plan, if a former Employee is reemployed, his prior election of a form of payment hereunder shall become ineffective, except to the extent that the Participant's Annuity Starting Date occurred prior to such reemployment and such prior Annuity Starting Date is preserved with respect to a portion or all of the Participant's retirement benefit.

ARTICLE X
SURVIVOR BENEFITS

10.1 Eligibility for Qualified Preretirement Survivor Annuity

If a Participant dies before his Annuity Starting Date, his surviving Spouse shall be eligible for a Qualified Preretirement Survivor Annuity or an alternative described in Section 10.2, if, on his date of death:

- (i) the Participant has a Spouse as defined in Section 1.1; and
- (ii) the Participant has a vested Accrued Benefit.

10.2 Amount of Qualified Preretirement Survivor Annuity

The Qualified Preretirement Survivor Annuity payable to a surviving Spouse shall equal the survivor benefit that would have been payable to the Spouse if the Participant had:

- (1) had a Termination of Employment on the date of his actual Termination of Employment;
- (2) survived to the date as of which payment of the Qualified Preretirement Survivor Annuity commences;
- (3) commenced payment of his benefit under the Plan in the form of a 50 percent Qualified Joint and Survivor Annuity as of the date in (2) above; and
- (4) died on his Annuity Starting Date.

The surviving Spouse may commence the Qualified Preretirement Survivor Annuity as of any date after the Participant's death, but not earlier than the earliest date the Participant could have elected to commence benefits if the Participant had survived, and not later than the later of the Participant's death or the Participant's Normal Retirement Date.

10.3 Payment of Qualified Preretirement Survivor Annuity

If a Participant's surviving Spouse dies before the date as of which payment of the Qualified Preretirement Survivor Annuity is to commence to such Spouse, no Qualified Preretirement Survivor Annuity shall be payable hereunder.

Payment of a Qualified Preretirement Survivor Annuity shall continue to a Participant's surviving Spouse for such Spouse's lifetime, the last monthly payment being for the month in which the Spouse's death occurs.

10.4 Unmarried Participant's Survivor Benefit

If no death benefit is payable pursuant to Section 10.1 because the Participant was not survived by a Spouse, but, at the time of the Participant's death, the Participant was vested in a Normal Retirement Benefit, an Unmarried Participant's Survivor Benefit may be payable as follows:

- (a) If the Participant, as of the date of his death, has one or more children properly claimed as dependents by the Participant on his or her most recently prepared or filed federal income tax return, each such child or children (or the legal guardian for such child or children, for the benefit of such child or children) shall be entitled to share equally in the Unmarried Participant's Survivor Benefit, as follows:
 - One share shall be paid to or on account of each child until such child has attained age 18 or sooner died, or, if such child is enrolled full-time in an educational institution, until the earliest to occur of the child's termination of such full-time enrollment, attainment of age 26 or death.
- (b) In addition, if, at the time of the Participant's death, the Participant who has one or more children properly claimed as dependents by the Participant on his or her most recently prepared or filed federal income tax return, also has one or more other relatives properly claimed as dependents by the Participant on his or her most recently prepared or filed federal income tax return, such person or persons (or the legal guardian for such person or persons) shall be entitled to share in the monthly amount described in (a) above, with one share to be paid to each such person until the earlier of the passage of ten (10) years or such person's death.

For purposes of this Section 10.4, the Unmarried Participant's Survivor Benefit shall mean fifty percent (50%) of the monthly amount that would be payable to the Participant if the Participant had had a Termination of Employment on the earlier of the day of the Participant's actual Termination of Employment or the day before the Participant's death, and elected to commence his Accrued Benefit in the form of a single life annuity on the day before the Participant died.

ARTICLE XI
GENERAL PROVISIONS & LIMITATIONS
REGARDING BENEFITS

11.1 Suspension of Benefits

If a retired or former Employee whose Annuity Starting Date has occurred is reemployed as an Employee, benefit payments shall be suspended until the Employee again has a Termination of Employment, except that benefit payments attributable to an Employee's service in a capacity other than an Elected Official shall not be suspended if the Employee becomes an Elected Official.

11.2 Non-Alienation of Retirement Rights or Benefits

Except as provided in Code Sections 401(a)(13)(C) and (D) (relating to offsets ordered or required under a criminal conviction involving the Plan, or Section 1.401(a)-13(b)(2) of the Treasury Regulations (relating to Federal tax levies), or as otherwise required by law, including Georgia law regarding the forfeiture of benefits upon the conviction of certain crimes, no benefit under the Plan at any time shall be subject in any manner to anticipation, alienation, assignment (either at law or in equity), encumbrance, garnishment, levy, execution, or other legal or equitable process; and no person shall have the power in any manner to anticipate, transfer, assign (either at law or in equity), alienate or subject to attachment, garnishment, levy, execution, or other legal or equitable process, or in any way encumber his benefits under the Plan, or any part thereof, and any attempt to do so shall be void.

11.3 Payment of Benefits to Others

If any person to whom a retirement benefit is payable is unable to care for his affairs because of illness or accident, any payment due (unless prior claim therefor shall have been made by a duly qualified guardian or other legal representative) may be paid to the Spouse, parent, brother or sister, or any other individual deemed by the Administrator to be maintaining or responsible for the maintenance of such person. The monthly payment of a retirement benefit to a person for the month in which he dies shall, if not paid to such person prior to his death, be paid to his Spouse, parent, brother, sister, or estate as the Administrator shall determine. Any payment made in accordance with the provisions of this Section shall be a complete discharge of any liability of the Plan with respect to the benefit so paid.

11.4 Payment of Small Benefits; Deemed Cashout

If the monthly amount of any benefit payable to any person hereunder is less than \$5,000, such person may elect to receive the Actuarially Equivalent present value of such benefit in a single sum payment in lieu of all other benefits under the Plan, subject to the requirements of

Section 9.6 of the Plan. It is not necessary for purposes of this special lump sum option that the election be made before the Participant's or Beneficiary's Annuity Starting Date.

If the Actuarially Equivalent present value of any retirement benefit payable to a Participant is \$5,000 or less as of the date the benefit is to commence, such Actuarially Equivalent present value shall be paid to the Participant in a single sum payment, in lieu of all other benefits under the Plan, as soon as practicable following the date of the Participant's retirement or other termination of employment, and he shall cease to be a Participant under the Plan as of the date of such payment.

If the Actuarially Equivalent present value of the survivor benefit payable on account of the death of any Participant who dies before his Annuity Starting Date is \$5,000 or less as of the date of the Participant's death, such Actuarially Equivalent present value shall be paid to the Beneficiary in a single sum payment, in lieu of all other benefits under the Plan, as soon as practical following the Participant's death.

If the nonforfeitable Accrued Benefit of a Participant is zero, such Participant shall be deemed to have received distribution of his entire vested Accrued Benefit under the Plan, in lieu of all other benefits under the Plan, as of the date of his termination of employment with his Employer and all Affiliated Employers, and he shall cease to be a Participant under the Plan as of such date.

A former Participant who received a distribution hereunder, other than a deemed distribution, because of his retirement or other termination of employment shall lose the Credited Service with which he was credited at the time of his prior termination of employment or retirement. If such former Participant is reemployed, such prior Credited Service shall not be reinstated except as permitted under Section 3.3.

A distribution hereunder is deemed to be made because of a Participant's retirement or termination of employment if it is made before the end of the second Plan Year following the Plan Year in which such retirement or termination occurred.

In the event of a mandatory distribution pursuant to this Section 11.5 of a Participant's Actuarially Equivalent present value that exceeds \$1,000, if the Participant does not elect to receive such distribution directly or does not elect to have such distribution transferred in a direct rollover pursuant to Section 11.6, then the Administrator shall pay the distribution in a direct rollover to the individual retirement plan designated by the Administrator (an "Automatic Rollover").

11.5 Direct Rollovers

Notwithstanding any other provision of the Plan to the contrary, in lieu of receiving a single sum payment, a "qualified distributee" may elect in writing, in accordance with rules prescribed by the Employer, to have any portion or all of such payment that is an "eligible rollover distribution" paid directly by the Plan to the "eligible retirement plan" designated by the "qualified

distribute." Any such payment by the Plan to another "eligible retirement plan" shall be a direct rollover. For purposes of this Section, the following terms have the following meanings:

- (a) An "eligible retirement plan" is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, a qualified trust described in Section 401(a) of the Code, an annuity contract described in Code Section 403(b), and an eligible plan under Code Section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state that agrees to separately account for amounts transferred into such plan from this Plan, provided that such account, annuity, contract, plan or trust accepts the distributee's Eligible Rollover Distribution. This definition also shall apply in the case of an Eligible Rollover Distribution to the Participant's surviving Spouse.

In the case of an Eligible Rollover Distribution to a Beneficiary other than the Participant's surviving Spouse, "eligible retirement plan" shall mean (i) an individual retirement account described in Section 408(a) of the Code, (ii) an individual retirement annuity described in Section 408(b) of the Code, or (iii) as of January 1, 2008, a Roth IRA established under Section 408A of the Code.

Effective as of January 1, 2008, "eligible retirement plan" also includes a Roth IRA established under Section 408A of the Code.

- (b) An "eligible rollover distribution" means any distribution of all or any portion of a Participant's Accrued Benefit or a distribution of all or any portion of a survivor benefit under Article X; provided, however, that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments made not less frequently than annually for the life or life expectancy of the qualified distributee or the joint lives or joint life expectancies of the qualified distributee and the qualified distributee's designated beneficiary, or for a specified period of ten years or more; and any distribution to the extent such distribution is required under Code Section 401(a)(9).

Notwithstanding anything contained herein to the contrary, the portion of a distribution that is not includible in the gross income of the Distributee because it represents a return of a Participant's after-tax contributions to the Plan (if any) shall constitute an Eligible Rollover Distribution, but before January 1, 2007, such portion may be transferred only to an individual retirement account or annuity described in Code Section 408(a) or (b), or to a qualified defined contribution plan described in Code Section 401(a) or 403(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of the distribution that is includible in gross income and the portion that is not so includible.

Effective for distributions on and after January 1, 2007, after-tax amounts described in the previous paragraph also may be rolled over to a defined benefit plan described in Code Section 401(a) or an annuity described in Code Section 403(b), provided in either case that the recipient agrees to separately account for amounts so transferred, including separately accounting for the portion of the distribution that is includible in gross income and the portion that is not so includible.

- (c) A "qualified distributee" means a Participant, his surviving Spouse, or his Spouse or former Spouse who is an alternate payee under a qualified domestic relations order, as defined in Code Section 414(p). A "qualified distributee" also shall mean, as of January 1, 2007, a Beneficiary other than the Participant's Spouse.

11.6 Limitations on Commencement

Notwithstanding any other provision of the Plan to the contrary, payment of a Participant's retirement benefit shall commence not later than the earlier of:

- (a) the 60th day after the end of the Plan Year in which occurs the Participant's Normal Retirement Date, the tenth anniversary of the date on which he first became a Participant, or the Participant's retirement or other termination of employment, whichever is latest; or
- (b) his Required Beginning Date.

Distributions required to commence under this Section shall be made in accordance with Code Section 401(a)(9) and regulations issued thereunder. If payment of a Participant's retirement benefit does not commence until his Required Beginning Date, his Required Beginning Date shall be considered his Annuity Starting Date for all purposes of the Plan.

If the Participant dies after his Annuity Starting Date, but prior to distribution of his entire interest, the remaining portion of such interest shall be distributed to his Beneficiary in a method which is at least as rapid as the method being used at the date of the Participant's death. If the Participant dies prior to his Annuity Starting Date, the entire interest attributable to the Participant shall be distributed within five years after the date of his death, unless such interest is payable to a designated beneficiary (as defined in Code Section 401(a)(9)) for a period which does not exceed the life or life expectancy of such designated beneficiary, in which event distribution of such interest shall commence no later than the date the Participant would have attained age 70 1/2 if the designated beneficiary is the surviving Spouse of such Participant, or the date which is one year after the date of such Participant's death if the designated beneficiary is not the surviving Spouse of such Participant.

Subject to the requirements of Code Sections 401(a)(9) and 411(d)(6), no benefit payments shall commence under the Plan until the Participant, or his surviving Spouse, if applicable, makes written application therefor on a form satisfactory to the Administrator. If the amount of a monthly retirement benefit payable to a Participant cannot be determined for any reason (including lack of information as to whether the Participant is still living or his marital status) on the date payment

of such benefit is to commence under this Section, payment shall be made retroactively to such date no later than 60 days after the date on which the amount of such monthly retirement benefit can be determined.

11.7 Procedures When a Participant or Beneficiary Has Not Applied for a Benefit.

Notwithstanding anything contained in this Section 11.8 to the contrary, in the event that the applicable Required Beginning Date has occurred but neither the Participant nor his Beneficiary has applied for a benefit in accordance with Section 5.4, the Administrator shall commence the Participant's benefit in the applicable normal form. If the Participant or Beneficiary cannot be located or does not respond to requests from the Administrator to complete information necessary to commence or pay benefits (if, for example, the Participant's marital status is unknown to the Administrator), the Administrator shall take the following steps:

- (1) Search records of the Plan, any related plan (such as other plans sponsored by the Employer), and the Employer, as well as one or more reasonably-available publicly-available records or directories, for alternative contact information;
- (2) Use a commercial locator service, credit reporting agency or proprietary internet search tool for locating individuals; and
- (3) Attempt contact via United States Postal Service certified mail to the last known mailing address and attempt, through other appropriate means, to identify any address or contact information (including email addresses and telephone numbers).

If, after taking these steps, the Participant or Beneficiary has not been located or has not provided sufficient information to commence his benefit, no benefit shall be payable unless and until the Participant or Beneficiary applies for the benefit. Upon such application, if any, the benefit shall be payable only in the applicable normal form of benefit, i.e., the qualified joint and 50% survivor annuity if the Participant is married, or the single life annuity if the Participant is not married, with his marital status and the identity of his spouse determined as of the date benefits actually commence. The Participant or Beneficiary shall be entitled to a make-up payment for any missed payments only from the Required Beginning Date (and not retroactive to the Latest Payment Date described in Section 7.4 , which make-up payment shall be adjusted for interest, but the monthly benefit shall not be subject to an actuarial increase on account of the late commencement. If both the Participant and his spouse die without applying for a benefit, no benefit shall be payable to either of their survivors or to any subsequent beneficiary.

11.8 Missing Persons

If the Administrator is unable, after reasonable and diligent effort, to locate a Participant or Beneficiary under a joint and survivor form of payment who is entitled to a distribution under the Plan, the distribution due such person shall be forfeited after five years. If, however, such person later files a claim for the benefit, such benefit shall be reinstated without any interest earned thereon. If the Administrator is unable, after reasonable and diligent effort, to locate a Beneficiary

under a period certain and life annuity who is entitled to a distribution of payments over the remainder of the period certain, distribution shall be made to the Participant's contingent Beneficiary or, if none, to the Participant's estate, and such non-locatable Beneficiary shall have no further claim or interest under the Plan. Notification by certified or registered mail to the last known address of the Participant or Beneficiary shall be deemed a reasonable and diligent effort to locate such person.

ARTICLE XII

MAXIMUM RETIREMENT BENEFITS

Notwithstanding any provisions to the contrary, benefits accrued or payable under this Plan shall not exceed the limits of Section 415 of the Code, the terms of which are hereby incorporated by reference for limitation years beginning on and after January 1, 2008. For purposes of this Article 12, the "limitation year" shall be the calendar year, and "compensation" shall mean the safe harbor definition of compensation in IRS Regulation Section 1.415(c)-2(d)(3) (i.e., Section 3401 wages, increased for cafeteria plan contributions and 401(k) deferrals), as (i) adjusted for the special timing rules described in IRS Regulation Section 1.415(c)-2(e), (ii) increased by any "deemed section 125 compensation," as described in IRS Regulation Section 1.415(c)-2(g)(6); and (iii) limited by Code Section 401(a)(17) as it is in effect as of the beginning of the limitation year to which it is credited under the timing rules described in this paragraph. Notwithstanding the foregoing, even though the final average compensation ("FAC") limit set forth in Code Section 415(b)(1)(B) does not apply to governmental plans pursuant to Code Section 415(b)(11), such limit shall nevertheless apply under this Plan because it has been incorporated as a plan design feature in all previous restatements of this Plan. In addition, the rule under Code Section 415(b)(4) for annual benefits not in excess of \$10,000, shall not apply if the unreduced (by the FAC limit) benefit exceeds \$10,000. In other words, a higher unreduced benefit shall not be reduced to \$10,000; instead, a benefit higher than \$10,000 shall be reduced as necessary to satisfy the FAC limit, even if such reduction results in a benefit that is less than \$10,000.

ARTICLE XIII

PENSION FUND

13.1 Pension Fund

The Pension Fund is maintained by the Funding Agent for the Plan under a Funding Agreement with the Employer. Benefits under the Plan shall be only such as can be provided by the assets of the Pension Fund, and no liability for payment of benefits shall be imposed upon the Employer or any Affiliated Employer, or any of their officers, employees, directors, or stockholders.

13.2 Contributions by the Employer

So long as the Plan continues, contributions will be made by the Employer at such times and in such amounts as the Employer in its sole discretion shall from time to time determine, based on the advice of the Actuary and consistent with the funding policy for the Plan. Subject to the provisions of Section 13.5, all such contributions shall be delivered to the Funding Agent for deposit in the Pension Fund. Participants shall make no contributions under the Plan.

13.3 Expenses of the Plan

The expenses of administration of the Plan, including the expenses of the Administrator and fees of the Funding Agent and any investment advisor, shall be paid from the Pension Fund, unless the Employer or the Employer elects to make payment.

13.4 No Reversion

The Pension Fund shall be for the exclusive benefit of Participants and persons claiming under or through them. All contributions pursuant to Section 13.2 hereof shall be based on the facts then understood by the Employer and shall be conditioned upon the initial qualification of the Funding Agreement and Plan under Code Sections 401 and 501(a). All such contributions shall be irrevocable and such contributions as well as the Pension Fund, or any portion of the principal or income thereof, shall never revert to or inure to the benefit of the Employer or any Affiliated Employer except that:

- (a) the residual amounts specified in Article XVI may be returned to the Employer;
- (b) any contributions which are made under a mistake of fact may be returned to the Employer within one year after the contributions were made; and
- (c) any contributions made for years during which the Funding Agreement and Plan were not initially qualified under Code Sections 401 and 501(a) may be returned to the Employer within one year after the date of denial of initial qualification.

The Employer shall determine, in its sole discretion, whether the contributions described above, other than the residual amounts described in paragraph (a), shall be returned to the Employer. If any such contributions are to be returned, the Employer shall so direct the Funding Agent, in writing, no later than ten days prior to the last day upon which they may be returned.

13.5 Forfeitures Not to Increase Benefits

Any forfeitures arising from the termination of employment or death of an Employee, or for any other reason, shall be used to reduce Employer contributions to the Pension Fund, and shall not be applied to increase the benefits any Participant otherwise would receive under the Plan at any time prior to the termination of the Plan.

13.6 Change of Funding Medium

The Employer shall have the right to change at any time the means through which benefits under the Plan shall be provided. No such change shall constitute a termination of the Plan or result in the diversion to the Employer of any funds previously contributed in accordance with the Plan.

ARTICLE XIV

ADMINISTRATION

14.1 Authority of the Employer

The Employer, which shall be the plan administrator for purposes of the Code, shall have all the powers and authority expressly conferred upon it herein and further shall have the sole discretionary right, authority, and power to interpret and construe the Plan, and to determine any disputes arising thereunder. In exercising such powers and authority, the Employer at all times shall exercise good faith, apply standards of uniform application, and refrain from arbitrary action. The Employer may employ such attorneys, agents, and accountants as it may deem necessary or advisable to assist it in carrying out its duties hereunder. The Employer may: designate a person or persons other than a named fiduciary to carry out any of such powers, authority, or responsibilities. Accordingly, the Employer has previously delegated to the Retirement Review Committee all of its authority under this Section 14.1 (but not its right to amend the Plan).

The Retirement Review Committee shall be composed of seven members: the City Manager, the HR Director, the Finance Director, two at large appointees (who need not be Employees or Participants), one current Active Participant in the Plan and one individual receiving retirement payments from the Plan. The two at-large appointees shall be appointed by a majority vote of the City Council to serve for terms of three years each. The remaining members of the Committee shall appoint the Active Participant and retiree members, also to serve for terms of three years each or, if earlier, in the case of the Active Participant member, until the individual so appointed is no longer an Active Participant. Any member's term shall automatically end as of the earliest to occur of the expiration of his or her term, the member's death or, in the case of an *ex officio* member, his or her vacation of the office.

14.2 Action of the Retirement Review Committee

Any act authorized, permitted, or required to be taken by the Retirement Review Committee may be taken by a majority of the members of the Committee, either by vote at a meeting (and members who are not physically present in a meeting shall be deemed present if they can hear and be heard by the other attendees either telephonically or electronically), or in writing without a meeting. All notices, advice, directions, certifications, approvals, and instructions required or authorized to be given by the Retirement Review Committee under the Plan shall be in writing and signed by either (i) a majority of the members of the Committee or by such member or members as may be designated by an instrument in writing, signed by all the members thereof, as having authority to execute such documents on its behalf, or (ii) the employee or employees of the Employer who have the authority to act on behalf of the Committee.

14.3 Qualified Domestic Relations Orders

The Plan does not recognize domestic relations orders within the meaning of Code Section 414(p).

14.4 Indemnification

In addition to whatever rights of indemnification any Elected Official or any employee or employees to whom any power, authority, or responsibility is delegated pursuant to Section 14.2, may be entitled under the articles of incorporation, regulations, or bylaws of the Employer, under any provision of law, or under any other agreement, the Employer shall satisfy any liability actually and reasonably incurred by any such person or persons, including expenses, attorneys' fees, judgments, fines, and amounts paid in settlement (other than amounts paid in settlement not approved by the Employer), in connection with any threatened, pending, or completed action, suit, or proceeding which is related to the exercise or failure to exercise by such person or persons of any of the powers, authority, responsibilities, or discretion as provided under the Plan and the Funding Agreement, or reasonably believed by such person or persons to be provided thereunder, and any action taken by such person or persons in connection therewith, unless the same is judicially determined to be the result of such person's or persons' gross negligence or willful misconduct.

14.5 Actions Binding

Subject to the provisions of Section 14.3, any action taken by the Employer which is authorized, permitted, or required under the Plan shall be final and binding upon the Employer, the Funding Agent, all persons who have or who claim an interest under the Plan, and all third parties dealing with the Employer or the Funding Agent.

ARTICLE XV

AMENDMENT & TERMINATION OF PLAN

15.1 Employer's Right of Amendment

The Employer reserves the right at any time and from time to time, by means of a written instrument executed in the name of the Employer by its duly authorized representatives, to amend or modify the Plan and, to the extent provided therein, to amend or modify the Funding Agreement. No pension or other benefit granted prior to the time of any amendment or modification of the Plan shall be reduced, suspended, or discontinued as a result thereof, except to the extent necessary to enable the Plan to meet the requirements for qualification under the Code or the requirements of any governmental authority. Moreover, no such action shall operate to recapture for the Employer any contributions made to the Pension Fund, except as provided in Section 13.4 or Section 16.7.

15.2 Termination of the Plan

The Employer reserves the right, by means of a written instrument executed in the name of the Employer by its duly authorized representatives, at any time to terminate the Plan. In the event of termination, no further benefits shall accrue, and all assets remaining in the Pension Fund, after provision has been made for payment of the expenses of administration and liquidation in connection with the termination, shall be allocated by the Funding Agent upon the advice of the Actuary, among the Participants and Beneficiaries of the Plan to the extent necessary to fully fund their Accrued Benefits..

15.3 Assets Insufficient for Allocation

If the assets available for allocation under Section 16.2 are insufficient to satisfy in full the benefits of all individuals entitled to an allocation, the assets shall be allocated pro rata among such individuals on the basis of the present value (as of the date of termination of the Plan) of their respective Accrued Benefits.

15.4 Residual Assets

Subject to the provisions of Section 16.1, any residual assets of the Plan shall be distributable to the Employer if:

- (a) all liabilities of the Plan to Participants and their beneficiaries have been satisfied; and
- (b) the distribution does not contravene any provision of law.

15.5 Payments by the Funding Agent

The Funding Agent shall make the payments specified in a written direction of the Employer in accordance with the provisions of Section 16.2 until the same shall be superseded by a further

written direction. The obligation of the Funding Agent to make any payment hereunder in all events shall be limited to the amount of the Pension Fund at the time any such payment shall become due.

15.6 Residual Assets Distributable to the Employer

Upon written notice from the Employer that any residual assets of the Plan are distributable to the Employer in accordance with the provisions of Section 16.7, then the Funding Agent shall pay over such residual assets, or an amount equal to the fair market value of that portion of such residual assets which are not so paid, to the Employer; provided, however, that, under no circumstances or conditions other than as set forth in this Section 16.10 and in Section 13.4, shall any contribution of the Employer, or any portion of the proceeds or avails thereof, ever revert, be paid, or inure to the benefit, directly or indirectly, of the Employer or any Affiliated Employer; nor shall any portion of the principal or the income from the Pension Fund ever be used for or diverted to any purpose other than for the exclusive benefit of Participants and persons claiming under or through them pursuant to the Plan.

ARTICLE XVI
MISCELLANEOUS

16.1 No Commitment as to Employment

Nothing contained herein shall be construed as a commitment or agreement on the part of any person to continue his employment with his Employer, or as a commitment on the part of his Employer to continue the employment, compensation, or benefits of any person for any period, and all employees of the Employer shall remain subject to discharge, layoff, or disciplinary action to the same extent as if the Plan had never been put into effect.

16.2 Claims of Other Persons

Nothing in the Plan or Funding Agreement shall be construed as giving any Participant or any other person, firm, or corporation, any legal or equitable right as against the Employer, its officers, employees, or directors, or as against the Funding Agent, except such rights as are specifically provided for in the Plan or Funding Agreement or hereafter created in accordance with the terms and provisions of the Plan.

16.3 Governing Law

Except as provided under Federal law, the provisions of the Plan shall be governed by and construed in accordance with the laws of the State of Georgia.

16.4 Nonforfeitability of Benefits Upon Termination or Partial Termination

Notwithstanding any other provision of the Plan, in the event of the termination or a partial termination of the Plan, including the complete discontinuation of contributions to the Plan, the rights of all Employees who are affected by such termination to benefits accrued to the date of such termination, to the extent funded as of such date, shall be nonforfeitable.

16.5 Merger, Consolidation, or Transfer of Plan Assets

The Plan shall not be merged or consolidated with any other plan, nor shall any of its assets or liabilities be transferred to another plan, unless, immediately after such merger, consolidation, or transfer of assets or liabilities, each Participant in the Plan would receive a benefit under the Plan which is at least equal to the benefit he would have received immediately prior to such merger, consolidation, or transfer of assets or liabilities (assuming in each instance that the Plan had then terminated).

If another qualified plan merges or consolidates with the Plan, notwithstanding any other provision of the Plan to the contrary, the forms of payment and other provisions that were available with respect to benefits accrued immediately prior to the transfer or merger under such other qualified plan and that may not be eliminated under Code Section 411(d)(6) shall continue to be

available under the Plan with respect to the benefit that the Participant would have received immediately prior to such merger, consolidation or transfer of assets or liabilities.

16.6 Funding Agreement

The Funding Agreement and the Pension Fund maintained thereunder shall be deemed to be a part of the Plan as if fully set forth herein and the provisions of the Funding Agreement are hereby incorporated by reference into the Plan.

16.7 Benefit Offsets for Overpayments

If a Participant or Beneficiary receives benefits hereunder for any period in excess of the amount of benefits to which he was entitled under the terms of the Plan as in effect for such period, such overpayment shall be offset against current or future benefit payments, as applicable, until such time as the overpayment is entirely recouped by the Plan.

16.8 Veterans Reemployment Rights

Notwithstanding any other provision of the Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with Code Section 414(u).

Effective for death and disabilities occurring on and after January 1, 2007, and to the extent required by Code Section 401(a)(37), in the case of a Participant who dies while performing qualified military service (as defined in Code Section 414(u)), the Participant's Beneficiary(-ies) shall be entitled to any additional benefits, other than benefit accruals relating to the period of qualified military service, to which such Beneficiary(-ies) would have been entitled if the Participant had resumed Employment and had an immediate Termination of Employment on account of his death.

To the extent that the Employer pays amounts that constitute differential wage payments within the meaning of Code Section 414(u)(12), such amounts shall be considered compensation for any purpose under this Plan.

ARTICLE XVII

RETROACTIVE ANNUITY STARTING DATES

17.1 No Retroactive Annuity Starting Dates

A Participant or Beneficiary must advise the Administrator, in the manner or in the form prescribed by the Administrator, of his anticipated Annuity Starting Date (except as set forth in Section 11.8, when the Participant is the subject of a mandated Annuity Starting Date). Such notice must be received by the Administrator at least 90 days before the requested Annuity Starting Date. In the event that the Administrator does not receive the notice at least 90 days in advance, the Administrator may, in the Administrator's sole discretion, (1) unilaterally implement a later Annuity Starting Date; (2) require that the Participant or Beneficiary select a new Annuity Starting Date; or (3) honor the requested date.

17.2 Participant Obligation to Advise of Mailing Address

Each Participant and, in the case of a deceased Participant, his Beneficiary, shall keep the Administrator apprised of his current mailing address. Any notice from the Participant or Beneficiary changing his mailing address shall be in writing and directed to the individual, position or department within the Administrator that is responsible for maintaining records regarding the Plan and its Participants. Any such notice shall include sufficient information from which the Administrator can verify the identity of the Participant or Beneficiary who provided the notice. If the Administrator receives a change of address request and believes that it may not have been made by or on behalf of the Participant or Beneficiary, the Administrator shall take reasonable steps to verify the address. If the Administrator cannot verify the address or the identity of the individual who submitted the address change, it shall take any steps it deems necessary or appropriate to ensure to protect the Participant or Beneficiary and the Plan.

Any notice sent by the Administrator to the Participant's or Beneficiary's mailing address, as such address is reflected on the Administrator's records, shall be deemed to have been provided to the Participant or Beneficiary, as applicable, regardless of whether it is actually received. Nothing in this Section 19.3 shall be deemed to relieve the Administrator of any obligation to use a good faith effort to contact a Participant or Beneficiary or to contradict the procedures set forth in Section 11.10, "Missing Persons."

17.3 Default Definition of Compensation.

In any case in which this Plan refers to Compensation as defined in Code Section 415(c)(3), and another definition is not specified, such reference shall be deemed to refer to (i) the safe harbor definition of Compensation in IRS Regulation Section 1.415(c)-2(d)(2), as adjusted for the timing rules in IRS Regulation Section 1.415(c)-2(e), except that (ii) for determinations before January 1, 2008, such reference shall refer to the definition of

Compensation in IRS Regulation Section 1.415-2(d)(10), as it applies to determinations before January 1, 2008, but including elective amounts described in Code Section 415(c)(3)(D).

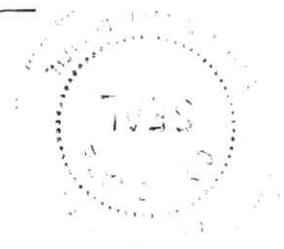
* * *

EXECUTED AT Covington, GA, this 5th
day of November, 2020.

CITY OF COVINGTON, GEORGIA

By: Stuart Horton

Title: Mayor



SCHEDULE A

OPTIONAL VOLUNTARY BENEFITS TO BE PROVIDED

PURSUANT TO OLD SECTION 4.4

As described in Section 5.3, the following are the Optional Voluntary Benefits to be provided under this Plan to Electing Participants who purchased Optional Voluntary Benefits between November 1, 2013, and January 7, 2019. Because the only accurate way to describe the Optional Voluntary Benefit promised to the respective Elective Participants is to specify the actual dollar amounts promised, the Electing Participants will be referred to in this Schedule A by the last four digits of their employee identification numbers and by the purchase date of their Optional Voluntary Benefit, both of which are preserved in records maintained by the Employer's Benefits Manager (or her successor in the event that her position is eliminated or consolidated).

Employee ID	Purchase Date (On or About)	Optional Voluntary Benefit	Unreduced Payment Date	# Months Additional "95 & Out" Eligibility Service
The following Electing Participants purchased vesting service only:				
0798	1/1/2014	\$131.29	1/1/2014	0
0838	5/1/2014	\$220.16	1/1/2015	0
0754	1/1/2015	\$24.60	1/1/2015	0
0848	6/1/2017	\$47.01	1/1/2047	0
0786	7/1/2014	\$78.70	9/1/2040	0
0733	8/1/2015	\$20.86	4/1/2044	0
The following Electing Participants purchased an additional benefit payable at age 62:				
0072	5/1/2014	\$708.30 ¹	1/1/2021	0
0086	9/1/2014	\$81.26	6/1/2019	0
0284	1/12/2014	\$423.48	1/1/2014	0
0101 (Purchase 1 of 2)	8/1/2014	\$173.88	4/1/2038	0
0101 (Purchase 2 of 2)	2/15/2015	\$416.54	4/1/2038	0
0939	1/1/2017	\$395.91	8/1/2024	0

¹ This Electing Participant's actual benefit will likely be reduced from this amount to satisfy Section 5.2(d)'s limit to 80% of the Electing Participant's Average Monthly Compensation at retirement.

0402	7/1/2018	\$951.43	12/1/2028	0
0007	1/1/2014	\$963.28	11/1/2020	0
0156 (Purchase 1 of 2)	10/1/2016	\$453.94	1/1/2026	0
0156 (Purchase 2 of 2)	6/1/2017	\$150.97	1/1/2026	0
0938	3/1/2016	\$462.57	6/1/2030	0
0077	2/1/2017	\$430.81	12/1/2026	0
The following Electing Participants purchased 95 and Out Retirement:				
002 (Purchase 1 of 2)	1/1/2014	\$327.89	1/1/2017	19
0002 (Purchase 2 of 2)	1/1/2015	\$136.26	5/1/2016	8
0004	1/1/2014	\$255.07	1/1/2014	14
0717	2/1/2017	\$941.44	11/1/2034	84
0177	6/1/2016	\$451.83	8/1/2019	40
0263	9/1/2014	\$710.04	5/1/2018	52
0686	6/1/2018	\$734.44	9/1/2038	62
0342	11/1/2016	\$1,155.81	10/1/2030	84
0274	11/1/2014	\$849.91	10/1/2023	72