

**ADOPTION AGREEMENT**  
**SECTION 457(b) DEFERRED COMPENSATION PLAN**

**NOTE:** This Plan (Adoption Agreement and Basic Plan Document) has not been approved by the Internal Revenue Service. It must be reviewed by qualified counsel to ensure that it is appropriate for its intended use.

The undersigned adopting employer hereby adopts this Plan. The Plan is intended to qualify as an "eligible deferred compensation plan" within the meaning of Code section 457(b). The Plan shall consist of this Adoption Agreement, its related Basic Plan Document and any related Appendix and Addendum to the Adoption Agreement. Unless otherwise indicated, all Section references are to Sections in the Basic Plan Document.

**COMPANY INFORMATION**

1. Name of adopting employer (Plan Sponsor): \_\_\_\_\_
2. Address: \_\_\_\_\_
3. City: \_\_\_\_\_ 4. State: \_\_\_\_\_ 5. Zip: \_\_\_\_\_
6. Phone number: \_\_\_\_\_ 7. Fax number: \_\_\_\_\_
8. Plan Sponsor EIN: \_\_\_\_\_
9. Plan Sponsor fiscal year end: \_\_\_\_\_
10. State of organization of Plan Sponsor: \_\_\_\_\_
11. The term "Company" includes the Plan Sponsor and the following entities: \_\_\_\_\_.

**PLAN INFORMATION**

**A. GENERAL INFORMATION**

1. **Plan name:**
  - a. \_\_\_\_\_
  - b. \_\_\_\_\_
2. **Effective Date:**
  - 2a. Original effective date of Plan: \_\_\_\_\_
  - 2b. Is this a restatement of a previously-adopted plan?  
[ ] Yes [ ] No
  - 2c. If A.2b is "Yes", effective date of Plan restatement: \_\_\_\_\_.

**NOTE:** If A.2b is "No", the Effective Date shall be the date specified in A.2a, otherwise the date specified in A.2c; provided, however, that when a provision of the Plan states another effective date, such stated specific effective date shall apply as to that provision.
3. **Plan Year** means each 12-consecutive month period ending on \_\_\_\_\_ (e.g. December 31).  
**NOTE:** The Plan Year should correspond to the Participant's taxable year which in most cases is the calendar year.

**Plan Type**

4. Type of Plan:
  - i. [ ] Plan maintained by a tax-exempt entity within the meaning of Code section 457(e)(1)(B).
  - ii. [ ] Governmental Plan maintained by a state or related entity within the meaning of Code section 457(e)(1)(A).

**Plan Features**

5. Employer/Employee contributions permitted (check all that apply):
  - a. [ ] Matching Contributions.
  - b. [ ] Nonelective Contributions.
  - c. [ ] Participant Deferral Contributions.
  - d. [ ] If A.5c is selected and the Plan is a Governmental Plan, Roth Deferrals are permitted.
  - e. If Roth Deferrals are permitted, enter the effective date of the Roth Deferrals: \_\_\_\_\_ (no earlier than January 1, 2011).

**Compensation**

6. Definition of Compensation (check all that apply):
  - a. [ ] Base salary.
  - b. [ ] The additional pay specified in A.7.
7. If A.6.b is selected, enter the additional pay: \_\_\_\_\_
- 8a. Are there any exclusions from the definition of Compensation:  
[ ] Yes [ ] No
- 8b. If A.8a is "Yes", enter the exclusions from the definition of Compensation: \_\_\_\_\_
- 8c. Exclude pay earned before participation in Plan from definition of Compensation:

Yes  No

Unless "No" is checked, Compensation shall include only that compensation which is actually paid to the Participant by the Company during that part of the Plan Year the Participant is eligible to participate in the Plan. Otherwise, Compensation shall include that compensation which is actually paid to the Participant by the Company during the Plan Year.

**B. ELIGIBILITY**

**Eligible Employee**

**NOTE:** If the Plan is not a Governmental Plan, participation in the Plan must be limited to a select group of management or highly compensated employees within the meaning of Title 1 of the ERISA.

1. Subject to the conditions and limitations of **B.2** through **B.4**, the term Eligible Employee shall include Employees who are also (check all that apply):
  - a.  Officers of the Company in the following positions: \_\_\_\_\_.
  - b.  Other management or highly compensated employees in the following classifications/positions: \_\_\_\_\_.
  - c.  Employees listed in an appendix to the Adoption Agreement.
  - d.  All Employees except: \_\_\_\_\_.
  - e.  All Employees.

**NOTE:** Only a Governmental Plan may select **B.1.d** or **B.1.e**.
2. Indicate whether an independent contractor may participate in the Plan:  
 Yes  No

**Eligible Employee - Other**

3. In addition to the requirements in **B.1**, the following additional conditions must be met in order for an Employee to become an Eligible Employee (check all that apply):
  - a.  Must be approved by the Chief Executive Officer of the Plan Sponsor.
  - b.  Must be approved by the Chief Executive Officer of the Employee's employing entity.
  - c.  Must be approved by the Board of the Plan Sponsor.
  - d.  Must be approved by the Board of the Employee's employing entity.
  - e.  Other requirements listed in **B.4**.
4. If **B.3.e** is selected, enter other requirements: \_\_\_\_\_

**Requirements for Participation**

An Eligible Employee shall become eligible to participate in the Plan upon meeting the following conditions in **B.5** through **B.6**:

5. Minimum service requirement for an Eligible Employee to become eligible to be a Participant in the Plan:
  - i.  None.
  - ii.  Completion of: \_\_\_\_\_
  - iii.  Other: \_\_\_\_\_
6. Frequency of entry dates:
  - i.  first day of each calendar month
  - ii.  first day of each plan quarter
  - iii.  first day of the first month and seventh month of the Plan Year
  - iv.  first day of the Plan Year
  - v.  Other: \_\_\_\_\_

**Modifications**

- 7a. Indicate whether there are any modifications to the requirements specified in **B.1 - B.6**:  
 Yes  No
- 7b. If **B.7a** is "Yes", specify the modifications: \_\_\_\_\_.

**C. ELECTIONS/CONTRIBUTIONS**

- 1a. If **A.5c** is selected (Participant Deferrals permitted), minimum Participant contribution: \_\_\_\_\_ (leave blank or enter "0" if none)
- 1b. If **A.5c** is selected (Participant Deferrals permitted), maximum Participant contribution: \_\_\_\_\_.
2. If **A.5c** is selected (Participant Deferrals permitted), a Participant may defer accumulated sick pay, accumulated vacation pay, and back pay:  
 Yes  No

**Matching Contributions**

3. If **A.5a** is "Yes" (matching contributions are permitted), specify method to allocate matching contributions (Section 5.01(b)):
- i.  Pursuant to the formula specified in **C.4**.
  - ii.  An amount and allocation formula as determined by the Company.
4. If **A.5a** is "Yes" (matching contributions are permitted), and **C.3.i** is selected, indicate the formula to allocate such contributions: \_\_\_\_\_.
5. If **A.5a** is "Yes" (matching contributions are permitted), indicate any requirements that must be met in the applicable Plan Year to receive an allocation of such contributions: \_\_\_\_\_.
- NOTE:** If **C.5** is blank or "None", there are no additional requirements for a Participant to receive an allocation of matching contributions.

#### Nonelective Contributions

6. If **A.5b** is "Yes" (nonelective contributions are permitted), specify method to allocate nonelective contributions (Section 5.01(b)):
- i.  In the ratio that each Participant's Compensation bears to the Compensation of all eligible Participants.
  - ii.  Pursuant to the formula specified in **C.7**.
  - iii.  An amount and allocation formula as determined by the Company.
7. If **A.5b** is "Yes" (nonelective contributions are permitted) and **C.6.ii** is selected, indicate the formula to allocate such contributions: \_\_\_\_\_.
8. If **A.5b** is "Yes" (nonelective contributions are permitted), indicate any requirements that must be met in the applicable Plan Year to receive an allocation of such contributions: \_\_\_\_\_.
- NOTE:** If **C.8** is blank or "None", there are no additional requirements for a Participant to receive an allocation of nonelective contributions.

#### Transfers/Rollovers

9. Transfers/rollover contributions are permitted (Section 5.03 and 5.04):  
 Yes  No  
**NOTE:** If the Plan is not a Governmental Plan and **C.9** is "Yes", Section 5.03 shall apply. If the Plan is a Governmental Plan and **C.9** is "Yes", Section 5.03 and 5.04 shall apply.

#### D. EARNINGS/TRUST

##### Earnings

1. A Participant's Accounts shall be credited with earnings in the following manner:
- i.  Fixed rate specified in **D.2**.
  - ii.  Predetermined investment(s) specified in an appendix to the Adoption Agreement.
  - iii.  Predetermined investment(s) as specified by the Plan Administrator.
  - iv.  Mid-term applicable federal rate (as defined pursuant to Code section 1274(d)) for January 1 of the calendar year.
- NOTE:** If the Plan is a Governmental Plan, **D.1** must be a predetermined investment.
2. If **D.1.i** (fixed rate) is selected, specify the rate: \_\_\_\_\_.
- NOTE:** If the rate specified in **D.2** is a published rate, and the entry in **D.2** does not specify when the rate is redetermined, such rate shall be redetermined at the beginning of each Plan Year.
3. If **D.1.ii** or **D.1.iii** (predetermined investments) is selected, specify the extent to which a Participant may choose among the predetermined investments:
- i.  A Participant may not choose among predetermined investments.
  - ii.  As of each Valuation Date.
  - iii.  As of the first day of each Plan Year.
  - iv.  Pursuant to Plan Administrator procedures.
- 4a. If **D.1.ii** or **D.1.iii** (predetermined investments) is selected and **D.3.ii**, **D.3.iii** or **D.3.iv** is selected (Participant direction is allowed), the Plan provides conditions and/or limitations to the Participant's right to select investments:  
 Yes  No
- 4b. If **D.1.ii** or **D.1.iii** (predetermined investments) is selected and **D.3.ii**, **D.3.iii** or **D.3.iv** is selected (Participant direction is allowed) and **D.4a** is "Yes", enter the conditions and/or limitations: \_\_\_\_\_.

##### Grantor Trust

5. If the Plan is not a Governmental Plan, specify the extent to which the Company shall establish a grantor trust to pre-fund its obligations for benefits hereunder (Section 7.02(a)):
- i.  No grantor trust shall be established.
  - ii.  The Company may, in its sole discretion, establish a grantor trust.
  - iii.  The Company shall establish a grantor trust.

**NOTE:** If the Plan is a Governmental Plan, the Plan shall establish a Trust pursuant to Section 7.02(b).

### Valuation Date

- 6a.** Enter Valuation Date:
- i.**  Last day of Plan Year
  - ii.**  Last day of each Plan quarter
  - iii.**  Last day of each month
  - iv.**  Each business day
  - v.**  Other
- 6b.** If **D.6a.v** is selected, enter the Valuation Date: \_\_\_\_\_ (Must be at least annually).

### **E. VESTING FOR COMPANY CONTRIBUTIONS**

#### Vesting Service Rules

- 1.** Indicate the method of determining vesting service: \_\_\_\_\_.
- NOTE:** Unless otherwise specified in **E.1**, a Participant shall earn one year of vesting service for each calendar year in which he is credited with 1,000 hours of service with the Employer.

#### Vesting Exceptions

- 2.** Provide for full vesting for a Participant who Terminates employment with the Employer after attainment of Normal Retirement Age while an Employee (Section 5.06):  
 Yes  No
- 3.** Provide for full vesting for a Participant who Terminates employment with the Employer due to death while an Employee (Section 5.06):  
 Yes  No
- 4.** Provide for full vesting for a Participant who Terminates employment with the Employer due to disability while an Employee (Section 5.06):  
 Yes  No
- 5a.** Provide for full vesting for a Participant upon the circumstances described in **E.5b** (Section 5.06):  
 Yes  No
- 5b.** If **E.5a** is "Yes", describe the other circumstances: \_\_\_\_\_.
- 6a.** Company contribution vesting schedule:  
 100%  3-7 Year Graded  2-6 Year Graded  1-5 Year Graded  1-4 Year Graded  5 Year Cliff  3 Year Cliff  2 Year Cliff  Other  Pursuant to another plan.
- NOTE:** If the amount of compensation deferred under the Plan during the taxable year is subject to a vesting schedule, the amount of compensation deferred that is taken into account as a Deferral in the taxable year in which the contribution vests must be adjusted to reflect gain or loss allocable to the compensation deferred until the contribution vests.
- 6b.** If **E.6a** is "Other", enter other vesting schedule: \_\_\_\_\_
- 6c.** If **E.6a** is "Pursuant to another plan", enter name of other plan: \_\_\_\_\_

#### Special Forfeiture Provisions

- 7a.** Provide for special forfeiture provisions (Section 5.06(c)):  
 Yes  No
- 7b.** If **E.7a** is "Yes", describe any event that shall result in a complete forfeiture of that portion of the Participant's Account specified in **E.7c**: \_\_\_\_\_.
- NOTE:** If the amount of compensation deferred under the plan during the taxable year is subject to a substantial risk of forfeiture, the amount of compensation deferred that is taken into account as an annual deferral in the taxable year in which the substantial risk of forfeiture lapses must be adjusted to reflect gain or loss allocable to the compensation deferred until the substantial risk of forfeiture lapses.
- 7c.** If **E.7a** is "Yes", a Participant meeting the conditions of **E.7b** shall forfeit the following portion of his or her Account even if such Account is otherwise fully vested: \_\_\_\_\_.

### **F. DISTRIBUTIONS**

**NOTE:** All distributions are subject to the minimum distribution requirements of Code section 401(a)(9).

#### Normal Retirement

- 1.** Normal Retirement Age means Attainment of age: \_\_\_\_\_.
- NOTE:** Normal Retirement Age must be on or after the earlier of: (i) age 65, or (ii) the age at which Participants have the right to retire under a basic defined benefit pension plan of the Employer (or money purchase plan if no defined benefit plan). An

earlier age may apply for eligible plans of qualified police or firefighters. The age selected may not be later than age 70-1/2.

#### Time of Payment for Reasons other than Death

2. Benefits may not commence later than the date specified below (Section 6.01):
- i.  The earlier of the Required Beginning Date or the number of years specified in **F.3** after the Participant's Termination.
  - ii.  The earlier of the Required Beginning Date or Normal Retirement Age.
  - iii.  Required Beginning Date.
- NOTE:** If **F.2.ii** is selected, payment may not be made earlier than that specified in Section 6.01.
3. If **F.2.i** is selected (number of years after Termination), enter the number years after the Participant's Termination during which benefits must commence (Section 6.01): \_\_\_\_\_.
- NOTE:** If zero is entered in **F.3**, distributions shall commence on the 61st day following the distribution event.

#### Form of Payment for Reasons other than Death

- 4a. Optional forms of payment payable for reasons other than death of the Participant (check all that apply):
- i.  A single lump sum payment.
  - ii.  Annual installment payments for a period of years (payable on an annual basis) which extends for no longer than the number of years specified in **F.4b**.
  - iii.  Other optional form of benefit specified in **F.4c**.
- 4b. If **F.4a.ii** (annual installments) is selected, enter the maximum number of years over which payments may be made: \_\_\_\_\_.
- NOTE:** May not extend beyond the life expectancy of the Participant and Beneficiary.
- 4c. If **F.4a.iii** (Other) is selected, describe other optional form of benefit: \_\_\_\_\_.

#### Payment on Participant Death

5. Distributions on account of the death of the Participant shall be made in accordance with one of the following payment forms (Section 6.05):
- i.  Pay entire remaining Account by end of the first calendar year following the date of death.
  - ii.  Participant's Beneficiary shall be entitled to make any elections as to timing and form of distribution as were available to the Participant at the time of death subject to the minimum distribution requirements of Code section 401(a)(9).

#### Unforeseeable Emergency

- 6a. A Participant may receive a distribution upon the occurrence of an unforeseeable emergency (Section 6.04):  
 Yes  No
- 6b. If **F.6a** is "Yes", **A.5c** (Participant Deferral Contributions) is selected, the Plan is a Governmental Plan, and Roth Deferrals are permitted, permit unforeseeable emergency distributions from Roth Deferral Accounts:
- i.  Yes
  - ii.  Yes - But only if the withdrawal from the Roth Deferral Account qualifies as a "qualified distribution" within the meaning of Code section 402A(d)(2).
  - iii.  No

#### Small Distributions

7. A Participant may make a one-time election to receive a distribution of a small balance (\$5,000 or less) as permitted by Code section 457(e)(9)(A) (Section 6.03):  
 Yes  No

#### Medium of Payment

8. Medium of distribution from the Plan:
- i.  Cash only
  - ii.  Cash or in-kind
  - iii.  In-kind only

#### Transfers

- 9a. Specify whether transfers may be made to another plan (Section 6.08):  
 Yes  No
- NOTE:** A transfer shall only be permitted to the extent that it is permissible in accordance with Code section 457(e)(10) and Treas. Reg. section 1.457-10(b).
- NOTE:** Governmental Plans are also subject to the direct rollover rules in Section 6.09.
- 9b. If the Plan is a Governmental Plan, specify whether service credit transfers may be made to another defined benefit

governmental plan (Section 6.10):

Yes  No

#### **Death or Disability during Qualified Military Service**

**10a.** For benefit accrual purposes, a Participant that dies or becomes disabled while performing qualified military service will be treated as if he had been employed by the Company on the day preceding death or disability and terminated employment on the day of death or disability pursuant to Code section 414(u)(9), Notice 2010-5 and any superseding guidance (Section 6.12):

Yes  No

**10b.** If **F.10a** is "Yes", enter the effective date: \_\_\_\_\_ (must be on or after January 1, 2007).

#### **Loans/Inservice**

**11.** If the Plan is a Governmental Plan, specify whether Participant loans may be made (Section 6.13):

Yes  No

**12.** If the Plan is a Governmental Plan and **C.9** permits rollover contributions, specify whether a Participant may receive an inservice withdrawal of his rollover Account (Section 6.07):

Yes  No

**13.** Specify whether a Participant may receive an inservice withdrawal of his Account upon attainment of age 70-1/2:

Yes  No

#### **2009 Required Minimum Distributions**

**14a.** If the Plan is a Governmental Plan, indicate the extent to which Participants and Beneficiaries have an election to receive distributions that include 2009 RMDs:

**i.**  Default to continue 2009 RMDs.

**ii.**  Default to discontinue 2009 RMDs.

**iii.**  Other: \_\_\_\_\_.

**NOTE:** If "Other" is selected, the below provisions will not apply except to the extent specified.

**14b.** Direct Rollovers of 2009 RMDs. For purposes of the direct rollover provisions of the Plan, the following will also be treated as eligible rollover distributions in 2009:

**i.**  None. 2009 RMDs will not be treated as eligible rollover distributions in 2009.

**ii.**  2009 RMDs only.

**iii.**  Extended 2009 RMDs only.

**iv.**  2009 RMDs and Extended 2009 RMDs.

#### **G. PLAN OPERATIONS**

##### **Plan Administration**

**1a.** Designation of Plan Administrator (Section 7.01):

**i.**  Plan Sponsor

**ii.**  Committee appointed by Plan Sponsor

**iii.**  Other

**1b.** If **G.1a.iii** is selected, Name of Plan Administrator: \_\_\_\_\_

**2a.** Type of indemnification for the Plan Administrator (and if applicable, the Trustee):

**i.**  Standard according to Section 7.03.

**ii.**  Custom.

**2b.** If **G.2a.ii** (Custom) is selected, indemnification for the Plan Administrator (and if applicable, the Trustee) is provided pursuant to an Addendum to the Adoption Agreement.

**H. MISCELLANEOUS**

Failure to properly fill out the Adoption Agreement may result in the failure of the Plan to achieve its intended tax consequences and may further result in significant tax penalties.

The Plan shall consist of this Adoption Agreement, its related Basic Plan Document #457B and any related Appendix and Addendum to the Adoption Agreement.

The undersigned agree to be bound by the terms of this Adoption Agreement and Basic Plan Document and acknowledge receipt of same. The Plan Sponsor caused this Plan to be executed this \_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_.

PLAN SPONSOR (COMPANY):

\_\_\_\_\_