

Bethel College Retirement Plan

Bethel College, Inc. hereby memorializes the terms of the Bethel College Retirement Plan, as set forth below, effective the 1st day of January, 2009.

Section 1 - Definition of Terms Used

1.1 "Account": The account or accumulation maintained for the benefit of any Participant or Beneficiary under an Annuity Contract or a Custodial Account

1.2 "Account Balance": The value of the aggregate amount credited to each Participant's Account under all Accounts, including the Participant's Elective Deferrals, the earnings or loss of each Annuity Contract or a Custodial Account (net of expenses) allocable to the Participant, any transfers for the Participant's benefit, and any distribution made to the Participant or the Participant's Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes any account established under Section 6 for rollover contributions and plan-to-plan transfers made for a Participant, if such contributions are authorized under the Adoption Agreement, the account established for a Beneficiary after a Participant's death, and any account or accounts established for an alternate payee (as defined in section 414(p)(8) of the Code).

1.3 "Active Participant": A Participant, other than a visiting professor or adjunct, who has satisfied the requirements for sharing in employer matching or discretionary contributions.

1.3 "Administrator": the Employer is the Administrator. The Administrator may delegate, by separate agreement, any administrative responsibilities hereunder to one or more persons, committees, Vendors, or other organizations.

1.4 "Annuity Contract": A nontransferable contract as defined in section 403(b) (1) of the Code, established for each Participant by the Employer, or by each Participant individually, that is issued by an insurance company qualified to issue annuities in the state in which the Employer or Participant, as applicable, resides and that includes payment in the form of an annuity.

1.5 "Beneficiary": The designated person who is entitled to receive benefits under the Plan after the death of a Participant, subject to such additional rules as may be set forth in the Individual Agreements.

1.6 "Custodial Account": The group or individual custodial account or accounts, as defined in section 403(b) (7) of the Code, established for each Participant by the Employer, and/or by each Participant individually, to hold assets of the Plan. 1.7.

1.7 "Code": The Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered.

- 1.8 "Compensation":** All cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee's gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including an election under Section 2 made to reduce compensation in order to have Elective Deferrals under the Plan). "Compensation" shall exclude fringe benefits, imputed income or reimbursements.
- 1.9 "Disabled":** Shall mean that, as provided in Code Section 72(m)(7) an individual unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration.
- 1.10 "Elective Deferral":** The Employer contributions made to the Plan at the election of the Participant in lieu of receiving cash compensation. Elective Deferrals are limited to pre-tax salary reduction contributions.
- 1.11 "Eligibility Year of Service":** Shall mean a twelve (12) consecutive month period ("eligibility computation period") during which the eligible employee completes 1,000 hours of service. The eligible employee's subsequent eligibility computation periods pertaining to the employer contributions shall be the twelve (12) consecutive month period commencing on the anniversary of the eligible employee's employment commencement date.
- 1.12 "Eligible Employee":** Means any Employee who will work 1000 hours over a twelve (12) month consecutive period, or an Employee who actually does work 1,000 hours during an Eligibility Year of service, and meeting the eligibility requirements of Section 2.1.
- 1.13 "Employee":** Each individual, whether appointed or elected, who is a common law employee of the Employer performing services as an employee of the Employer.
- 1.14 "Employer":** Means Bethel College, Inc.
- 1.15 "Employer Contributions":** Any contributions made to the Plan by the Employer pursuant to Section 2.2(c).
- 1.16 "Entry Date":** The first date, either January 1 or July 1, following the date of the Eligible Employee's first hour of work for the Employer, if such Employee is expected to work 1,000 hours during the following 12 months, or, if the Eligible Employee is not expected to work 1,000 hours in an eligibility computation period, the January 1 or July 1 immediately following the eligibility computation period during which the individual completes 1,000 hours.
- 1.17 "ERISA":** The Employee Retirement Income Security Act of 1974, as amended from time to time.
- 1.18 "Highly Compensated Employee":** Any Employee who meets the definition section 414(q) (1) (B) of the Code for the preceding year as described herein.

1.19 "Hour of Service": (1) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer or Related Employer. These hours shall be credited to the Employee for the computation period in which the duties are performed; and

(2) Each hour for which an Employee is paid, or entitled to payment, by the Employer or Related Employer on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, or leave of absence. No more than 501 Hours of Service shall be credited under this paragraph for any single continuous period (whether or not such period occurs in a single computation period.) Hours of Service under this paragraph shall be calculated and credited in accordance with Section 1530.200b-2 of the Department of Labor Regulations which is incorporated herein by this reference; and

(3) Each hour for which back pay, irrespective of mitigation of damages is either awarded or agreed to by the Employer or Related Employer. These Hours of Service shall be credited to the Employee for the computation period or periods in which the award or agreement pertains rather than the computation period in which the award, agreement, or payment is made.

The same Hours of Service shall not be credited both under paragraph (1) or paragraph (2), as the case may be, and under this paragraph (3).

1.20 "Funding Vehicles": The Annuity Contracts or Custodial Accounts issued for funding amounts held under the Plan and specifically approved by Employer for use under the Plan.

1.21 "Includible Compensation": An Employee's actual wages received by Employee for the most recent period of service that may be counted as a year of service under Section 403(b) (3) of the Code, and increased (up to the dollar maximum) by any compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including any Elective Deferral under the Plan). Notwithstanding the foregoing, for purposes of determining Employer Contributions, Includible Compensation shall be subject to a maximum of \$245,000 (or such higher maximum as may apply under section 401(a) (17) of the Code. The amount of Includible Compensation is determined without regard to any community property laws. "Includible Compensation" shall exclude fringe benefits, imputed income and reimbursements.

1.22 "Individual Agreement": The agreements between a Vendor and the Employer and/or a Participant that constitutes or governs a Custodial Account or an Annuity Contract.

1.23 "Participant": An individual for whom Elective Deferrals or other contributions permitted herein are currently being made, or for whom such contributions have previously been made, under the Plan and who has not received a distribution of his or her entire Account Balance under the Plan.

1.24 "Plan": Means the Bethel College Retirement Plan.

1.25 "Plan year": The calendar year.

1.26 "Related Employer": The Employer and any other entity which is under common control with the Employer under section 414(b) or (c) of the Code. For this purpose, the Employer shall determine which

entities are Related Employers based on a reasonable, good faith standard and taking into account the special rules applicable under Notice 89-23, 1989-1 C.B. 654.

1.27 "Severance from Employment": For purpose of the Plan, Severance from Employment means Severance from Employment with the Employer and any Related Entity.

1.28 "Vendor": The provider of an Annuity Contract or Custodial Account, or any organization expressly authorized by such provider to act on their behalf under this Plan.

1.29 "Valuation Date": Each business day of the Plan Year.

1.30 "Vested Account Balance": The aggregate value of the vested portion of the Participant's account balance.

Section 2 - Participation and Contributions

2.1 Eligibility. An Employee who ordinarily works or is expected to work at least 1000 hours in the ensuing 12-month period are eligible to participate. Each Eligible Employee shall be eligible to participate in the Plan and elect to have Elective Deferrals made on his or her behalf on the first month or the seventh month of the Plan Year immediately following their first date of service to the Employer. However, an Employee who is a student worker, student-teacher or student -lab coordinator (i.e., a student providing service to the Employer on a temporary basis while attending a school, college or university) is not eligible to participate in the Plan as described in the Code section 3121(b) (10). Temporary employees who do not meet the eligibility requirements are also not eligible to participate, as long as permitted under IRS Regulations.

2.2 Contributions. (a) **Elective Deferrals.** An Employee elects to become a Participant by executing an election to reduce his or her Compensation (and have that amount contributed as an Elective Deferral on his or her behalf) and filing it with the appropriate Administrator. This compensation reduction election shall be made on the agreement provided by the Administrator under which the Employee agrees to be bound by all the terms and conditions of the Plan. The Administrator has established an annual minimum deferral amount of two (2) percent of base salary. The participation election shall also include designation of the Funding Vehicles and Accounts therein to which Elective Deferrals are to be made. Any such election shall remain in effect until a new election is filed. Only an individual who performs services for the Employer as an Employee may reduce his or her Compensation under the Plan. Each Employee will become a Participant in accordance with the terms and conditions of the Individual Agreements. Except as otherwise provided in the Plan, all Elective Deferrals shall be made on a pre-tax basis. An Employee shall become a Participant as soon as administratively practicable following the date applicable under the employee's election.

(b) **Automatic enrollment.** An Employee's failure to execute and file an Elective Deferral shall result in automatic enrollment with Non-Elective Deferrals on a pre-tax basis into a designated TIAA –CREF Target Date Fund Account with a two (2) percent deferral which shall remain in effect until a new election is filed.

(c) **Employer Discretionary Contributions.** (1) The Employer may make non-elective Employer Discretionary Contributions on behalf of each Active Participant at such times, in such amounts, and in such a manner as it determines in its sole discretion. Employer Discretionary Contributions for a Plan Year shall be allocated among Active Participants in a manner to be determined by the Plan Administrator. An Employer Discretionary Contribution may be returned to the Employer within a one year period after it was contributed pursuant to the terms of Section 403(c)(2)(A)(i) of ERISA if the contribution was made because of a mistake of fact.

(d) **Nondiscrimination requirements.** Notwithstanding anything contained herein to the contrary, all applicable participation, contribution and nondiscrimination rules described herein shall be governed by Section 403(b) (12) of the Code and any rules and regulations issued pursuant thereto, including, but not limited to, IRS Notice 89-23.

2.3 Approved Vendors. Any Employer Contribution can only be made to an Individual Agreement issued by a Vendor which has been approved by the Plan Administrator.

2.4 Information Provided by the Employee. Each Eligible Employee enrolling in the Plan should provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the Plan, including any information required under the Individual Agreements.

2.5 Changes in Elective Deferrals Election. Subject to the provisions of the applicable Individual Agreements, an Eligible Employee may at any time revise his or her participation election, including a change of the amount of his or her Elective Deferrals or a change in the allocation of his or her Elective Deferrals to reflect pre-tax deferrals or after-tax deferrals to the Funding Vehicles and Accounts. A change in the investment direction shall take effect as of the date provided by the Administrator on a uniform basis for all Employees.

2.6 Contributions Made Promptly. Elective Deferrals under the Plan shall be transferred to the applicable Funding Vehicle within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant, unless an earlier date is required by applicable law. Employer Discretionary Contributions shall be transferred to the applicable Funding Vehicle at its sole discretion and as soon as administratively feasible.

2.7 Leave of Absence. Unless an election is otherwise revised, if an Employee is absent from work by leave of absence, Elective Deferrals under the Plan shall continue to the extent that Compensation continues.

Section 3 - Limitations on Amounts Deferred

3.1 Basic Annual Limitation. Except as provided in Sections 3.2 and 3.3, the maximum amount of the Elective Deferral under the Plan for any calendar year shall not exceed the lesser of (a) the applicable dollar amount

under section 402(g) (1) (B) of the Code or (b) the Participant's Includible Compensation for the calendar year.

3.2 Age 50 Catch-up Elective Deferral Contributions. An Employee who is a Participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of Elective Deferrals up to the maximum age 50 catch-up Elective Deferrals for the year. The maximum dollar amount of the age 50 catch-up Elective Deferrals for a year is \$5,500 for 2009, and is adjusted for cost-of-living after 2008 to the extent provided under the Code.

3.3 Coordination. Amounts in excess of the limitation set forth in Section 3.1 shall be allocated first to the special 403(b) catch-up under Section 3.3 and next as an age 50 catch-up contribution under Section 3.3. However, in no event can the amount of the Elective Deferrals for a year be more than the Participant's Includible Compensation for the year.

3.4 Special Rule for a Participant Covered by another Section 403(b) Plan. For purposes of this Section 3, if the Participant is or has been a participant in one or more other plans under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Section 3. For this purpose, the Administrator shall take into account any other such plan maintained by any Related Employer and shall also take into account any other such plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan. Notwithstanding the foregoing, another plan maintained by a Related Entity shall be taken into account for purposes of Section 3.2 only if the other plan is a § 403(b) plan.

3.5 Correction of Excess Elective Deferrals. If the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above, or the Elective Deferral on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another plan of the employer under section 403(b) of the Code (and any other plan that permits elective deferrals under section 402(g) of the Code for which the Participant provides information that is accepted by the Administrator), then the Elective Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant in accordance with applicable IRS guidance.

3.6 Correction of Excess Employer Deferrals. Employer contributions shall not exceed the amounts permitted under the nondiscrimination rules of Section 401(m) of the Code, nor shall they exceed limitations of Section 415 of the Code (taking into account Elective Deferrals). In applying the limitation on contributions provisions of Section 415 (c) of the Code, the limitation year shall be the Plan Year.

If the Employer Contributions exceeds such limits, such contribution for each Highly Compensated Employee shall be corrected, to the extent the Plan Administrator determines necessary to meet limitations, in accordance with the Code and Income tax Regulations under 401(m) and 415(c). Should the Administrator not have the authority under existing Individual Agreements to cause such a distribution, the Administrator must notify the Participant of its obligation to order such a distribution.

The Plan Administrator, in its sole discretion, may reduce or suspend Employer Contributions to accounts of Highly Compensated Employees, in the event the Plan Administrator determines that it is not likely that the limitations will not be satisfied for a particular Plan Year.

3.7 Protection of Persons Who Serve in a Uniformed Service. An Employee whose employment is interrupted by qualified military service under section 414(u) of the Code or who is on a leave of absence for qualified military service under section 414(u) of the Code may elect to make additional Elective Deferrals upon resumption of employment with the Employer equal to the maximum Elective Deferrals that the Employee could have elected during that period if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Elective Deferrals, if any, actually made for the Employee during the period of the interruption or leave. Except to the extent provided under section 414(u) of the Code, this right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).

3.8 Annual Contribution Limits. The aggregate amount contributed into a Participant's 403(b) Account for any year shall not exceed the amount permitted under section 415(c) of the Code based on the Participant's most recent period of service determined under section 403(b)(3) of the Code. If any Employer Contributions cause a Participant's 403(b) Contract to exceed the annual contribution limitation of section 415(c)(1) of the Code, the excess contributions shall be segregated and treated in a manner consistent with applicable IRS guidance on excess "annual additions."

3.9 Vesting. Participants shall always be 100% vested in the Employer Contributions and Elective Deferrals in their accounts.

Section 4 - Loans

4.1 Loans. Loans shall be permitted under the Plan to the extent permitted by and in accordance with the Individual Agreements controlling the Account assets from which the loan is made and by which the loan will be secured.

4.2 Information Coordination Concerning Loans. Each Vendor is responsible for all information reporting and tax withholding required by applicable federal and state law in connection with distributions and loans. To minimize the instances in which Participants have taxable income as a result of loans from the Plan, the Administrator(s) shall take such steps as may be appropriate to coordinate the limitations on loans set forth in Section 4.3, including the collection of information from Vendors, and transmission of information requested by any Vendor, concerning the outstanding balance of any loans made to a Participant under the Plan or any other plan of the Employer. The Administrator(s) shall also take such steps as may be appropriate to collect information from Vendors and transmission of information to any Vendor, concerning any failure by a Participant to repay timely any loans made to a Participant under the Plan or any other plan of the Employer.

4.3 Maximum Loan Amount. No loan to a Participant under the Plan may exceed the lesser of:

- (a) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Administrator (not taking into account any payments made during such one-year period); or
- (b) one half of the value of the Participant's vested Account Balance (as of the Valuation Date immediately preceding the date on which such loan is approved by the Administrator).

For purposes of this Section 4.3, any loan from any other plan maintained by the Employer and any Related Employer shall be treated as if it were a loan made from the Plan, and the Participant's vested interest under any such other plan shall be considered a vested interest under this Plan; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of a loan to exceed the amount that would otherwise be permitted in the absence of this paragraph.

4.4 Loan Repayments for Participants in Military Service. Notwithstanding any other provision of the Plan or any Annuity Contract or Custodial Account, loan repayments by eligible uniformed services personnel may be suspended as permitted under section 404(u)(4) of the Code and the terms of any loan shall be modified to conform to the requirements of the Uniformed Services Employment and Reemployment Rights Act.

Section 5 - Benefit Distributions

5.1 Benefit Distributions At Severance from Employment or Other Distribution Event. Except as permitted under Section 3.6 (relating to excess Elective Deferrals), Section 5.3 (relating to withdrawals of amounts rolled over into the Plan), or Section 5.4 (relating to hardship), distributions from a Participant's Account may not be made earlier than the earliest of the date on which the Participant has a Severance from Employment, dies, becomes Disabled, or attains age 59½. Notwithstanding the foregoing and in accordance with the terms of the Individual Agreements, the withdrawal restrictions described above do not apply to Elective Deferrals made to an Annuity Contract and attributable earnings as of December 31, 1988. Distributions shall otherwise be made in accordance with the terms of the Individual Agreements.

5.2 Minimum Distributions. Each Individual Agreement shall comply with the minimum distribution requirements of section 401(a) (9) of the Code and the regulations thereunder. For purposes of applying the distribution rules of section 401(a)(9) of the Code, each Individual Agreement is treated as an individual retirement account (IRA) and distributions shall be made in accordance with the provisions of § 1.408-8 of the Income Tax Regulations, except as provided in Treas. Reg. § 1.403(b)-6(e).

5.3 In-Service Distributions from Rollover Account. If the Funding Vehicle in which a Participant's Account is invested maintains a separate account attributable to rollover contributions to the Plan, to the extent permitted by the applicable Individual Agreement, the Participant may at any time elect to receive a distribution of all or any portion of the amount held in the rollover account.

5.4 Hardship Withdrawals. If authorized under the Individual Agreement:

- (a) Hardship withdrawals shall be permitted under the Plan to the extent permitted by the Individual Agreements controlling the Account assets to be withdrawn to satisfy the hardship. No Elective Deferrals shall be allowed under the Plan or any other Plan of the Employer during the 6-month period beginning on the date the Participant receives a distribution on account of hardship.
- (b) The Individual Agreements shall provide for the exchange of information among the Employer and the Vendors to the extent necessary to implement the Individual Agreements. Notwithstanding any Individual Agreement, the Plan only permits hardship withdrawals that satisfy the “safe harbor” standards with respect to establishing an immediate and heavy financial need (under Treas. Reg. §1.401(k)-1(d)(3)(iii)(B) and, except as the Vendor specifically agrees to administer under another permitted standard, satisfying the lack of other resources requirement (under Treas. Reg. 1.401(k)-1(d)(3)(iv)(E)) including the Vendor notifying the Employer of the withdrawal in order for the Employer to implement the resulting 6-month suspension of the Participant’s right to make Elective Deferrals under the Plan or any other Plan of the Employer.

5.5 Rollover Distributions. (a) A Participant or the Beneficiary of a deceased Participant (or a Participant’s spouse or former spouse who is an alternate payee under a domestic relations order, as defined in section 414(p) of the Code) who is entitled to an eligible rollover distribution may elect to have any portion of an eligible rollover distribution (as defined in section 402(c)(4) of the Code) from the Plan paid directly to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Code) specified by the Participant in a direct rollover. In the case of a distribution to a Beneficiary who at the time of the Participant’s death was neither the spouse of the Participant nor the spouse or former spouse of the participant who is an alternate payee under a domestic relations order, a direct rollover is payable only to an individual retirement account or individual retirement annuity (IRA) that has been established on behalf of the Beneficiary as an inherited IRA (within the meaning of section 408(d) (3) (C) of the Code).

- (b) Each Vendor shall be separately responsible for providing, within a reasonable time period before making an initial eligible rollover distribution, an explanation to the Participant of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

5.6 Death Benefit. If Participant dies prior to the distribution of his/her Account, the entire Account Balance shall be fully payable to the Participant’s surviving spouse or other designated Beneficiary, under the terms of the Individual Agreements, which shall comply with ERISA Section 205.

Section 6 - Rollovers to the Plan and Transfers

6.1 Eligible Rollover Contributions to the Plan.

(a) Eligible Rollover Contributions. To the extent provided in the Individual Agreements, an Employee who is a Participant who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the Plan. Such rollover contributions shall be made in the form of cash only. The Vendor may require such documentation from the

distributing plan as it deems necessary to effectuate the rollover in accordance with section 402 of the Code and to confirm that such plan is an eligible retirement plan within the meaning of section 402(c)(8)(B) of the Code. However, in no event does the Plan accept a rollover contribution from a Roth elective deferral account under as described in section 402A (e) (1) of the Code.

(b) Eligible Rollover Distribution. For purposes of Section 6.1(a), an eligible rollover distribution means any distribution of all or any portion of a Participant's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include (1) any installment payment for a period of 10 years or more, (2) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the employee, (3) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code, or corrective distribution of excess amounts in accordance with Sections 3.6 and 10.7. In addition, an eligible retirement plan means an individual retirement account described in section 408(a) and 408A of the Code, an individual retirement annuity described in section 408(b) and 408A of the Code, a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, or an eligible governmental plan described in section 457(b) of the Code, that accepts the eligible rollover distribution.

(c) Separate Accounts. Unless otherwise provided by the terms of applicable Individual Agreements, Vendors shall provide separate accounting for any eligible rollover distribution paid to the Plan.

6.2 Plan-to-Plan Transfers to the Plan.

(a) The Administrator may permit a transfer of assets to the Plan as provided in this Section 6.2. Such a transfer is permitted only if the other plan provides for the direct transfer of each person's entire interest therein to the Plan and the participant is an Employee or former Employee of the Employer. The Administrator and any Vendor accepting such transferred amounts may require that the transfer be in cash or other property acceptable to it. The Administrator or any Vendor accepting such transferred amounts may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with Treas. Reg. § 1.403(b)-10(b)(3) and to confirm that the other plan is a plan that satisfies section 403(b) of the Code.

(b) The amount so transferred shall be credited to the Participant's Account Balance, so that the Participant or Beneficiary whose assets are being transferred has an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to that Participant or Beneficiary immediately before the transfer.

(c) To the extent provided in the Individual Agreements holding such transferred amounts, the amount transferred shall be held, accounted for, administered and otherwise treated in the same manner as an Elective Deferral except that (1) the Individual Agreement which holds any amount transferred to the Plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the Individual Agreement must impose restrictions on distributions to the Participant or Beneficiary whose assets are being transferred that are not less stringent than those imposed

on the transferor plan and (2) the transferred amount shall not be considered an Elective Deferral under the Plan in determining the maximum deferral under Section 3.

6.3 Plan-to-Plan Transfers from the Plan.

- (a) Participants and Beneficiaries may elect to have all or any portion of their Account Balance transferred to another plan that satisfies section 403(b) of the Code in accordance with Treas. Reg. § 1.403(b)-10(b)(3). A transfer is permitted under this Section 6.3(a) only if the Participants or Beneficiaries are Employees or former Employees of the Employer under the receiving plan and the other 403(b) plan provides for the acceptance of plan-to-plan transfers with respect to the Participants and Beneficiaries and for each Participant and Beneficiary to have an amount deferred under the other plan immediately after the transfer at least equal to the amount transferred.
- (b) The other 403(b) plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under section 403(b) of the Code, the other plan shall impose 403(b) restrictions on distributions to the Participant or Beneficiary whose assets are transferred that are not less stringent than those imposed under the Plan. In addition, if the transfer does not constitute a complete transfer of the Participant's or Beneficiary's interest in the Plan, the other plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).
- (c) Upon the transfer of assets under this Section 6.3, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section 6.3 (for example, to confirm that the receiving plan satisfies section 403(b) of the Code and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Treas. Reg. § 1.403(b)-10(b) (3).

6.4 Contract and Custodial Account Exchanges.

- (a) A Participant or Beneficiary is permitted to change the Investment of his or her Account Balance among the Vendors under the Plan, subject to the terms of the Individual Agreements. However, exchanges are not permitted to Vendors that are not eligible to receive contributions under Section 2.
- (b) The Participant or Beneficiary must have an Account Balance immediately after the exchange that is at least equal to the Account Balance of that Participant or Beneficiary immediately before the exchange (taking into account the Account Balance of that Participant or Beneficiary under both section 403(b) contracts and custodial accounts immediately before the exchange).
- (c) The Individual Agreement with the receiving Vendor has distribution restrictions with respect to the Participant that are not less stringent than those imposed on the investment being exchanged.

(d) The Employer enters into an agreement with the receiving Vendor for the other contract or custodial account under which the Employer and the Vendor will from time to time in the future provide each other with the following information:

(1) Information necessary for the resulting contract or custodial account, or any other contract or custodial accounts to which contributions have been made by the Employer, to satisfy section 403(b) of the Code, including the following:

(i) The Employer providing information as to whether the Participant's employment with the Employer is continuing, and notifying the Vendor when the Participant has had a Severance from Employment (for purposes of the distribution restrictions in Section 5.1);

(ii) the Vendor notifying the Employer of any hardship withdrawal under Section 5.3 if the withdrawal results in a 6-month suspension of the Participant's right to make Elective Deferrals under the Plan; and

(iii) the Vendor providing information to the Employer or other Vendors concerning the Participant's or Beneficiary's section 403(b) contracts or custodial accounts or qualified employer plan benefits (to enable a Vendor to determine the amount of any plan loans and any rollover accounts that are available to the Participant under the Plan in order to satisfy the financial need under the hardship withdrawal rules of Section 5.3); and

(2) Information necessary in order for the resulting contract or custodial account and any other contract or custodial account to which contributions have been made for the Participant by the Employer to satisfy other tax requirements, including the following:

(i) the amount of any plan loan that is outstanding to the Participant in order for a Vendor to determine whether an additional plan loan satisfies the loan limitations of Section 4.3, so that any such additional loan is not a deemed distribution under section 72(p)(1); and

(ii) Information concerning the Participant's or Beneficiary's after-tax employee contributions in order for a Vendor to determine the extent to which a distribution is includible in gross income.

(e) If any Vendor ceases to be eligible to receive Elective Deferrals under the Plan, the Vendor shall enter into an information sharing agreement as described in Section 6.4(d) with the Employer if the Employer's existing contract with the Vendor does not provide for the exchange of information described in Section 6.4(d) (1) and (2).

6.5 Permissive Service Credit Transfers.

(a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in section 414(d) of the Code) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account Balance

transferred to the defined benefit governmental plan. A transfer under this Section 6.5(a) may be made before the Participant has had a Severance from Employment.

(b) A transfer may be made under Section 6.5(a) only if the transfer is either for the purchase of permissive service credit (as defined in section 415(n) (3) (A) of the Code) under the receiving defined benefit governmental plan or a repayment to which section 415 of the Code does not apply by reason of section 415(k) (3) of the Code.

(c) In addition, if a plan-to-plan transfer does not constitute a complete transfer of the Participant's or Beneficiary's interest in the transferor plan, the Plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).

Section 7 - Investment of Contributions

7.1 Manner of Investment. All Elective Deferrals, Employer Contributions or other amounts contributed to the Plan, all property and rights purchased with such amounts under the Funding Vehicles, and all income attributable to such amounts, property, or rights shall be held and invested in one or more Annuity Contracts or Custodial Accounts. Each Custodial Account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Custodial Account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries.

7.2 Investment of Contributions. Each Participant or Beneficiary shall direct the investment of his or her Account among the investment options available under the Annuity Contract or Custodial Account in accordance with the terms of the Individual Agreements. Transfers and exchanges among Annuity Contracts and Custodial Accounts may be made under this Section 7.2 to the extent provided in the Individual Agreements and permitted under applicable Income Tax Regulations.

7.3 Current and Former Vendors. The Administrator shall maintain a list of all Vendors under the Plan. Such list is hereby incorporated as part of the Plan. Each Vendor and the Administrator shall exchange such information as may be necessary to satisfy section 403(b) of the Code or other requirements of applicable law. In the case of a Vendor which is not eligible to receive Elective Deferrals under the Plan (including a Vendor which has ceased to be a Vendor eligible to receive Elective Deferrals under the Plan and a Vendor holding assets under the Plan in accordance with Section 6.2 or 6.4), the Employer shall keep the Vendor informed of the name and contact information of the Administrator in order to coordinate information necessary to satisfy section 403(b) of the Code or other requirements of applicable law.

7.4 Incorporation of Individual Agreements. The Plan, together with the Individual Agreements, is intended to satisfy the requirements of section 403(b) of the Code and the Income Tax Regulations thereunder. Terms

and conditions of the Individual Agreements are hereby incorporated by reference into the Plan. Any conflict between this Plan document and the Individual Agreements shall be resolved by the Plan Administrator.

7.5 Investment Authority. In addition to and not in limitation of other powers of the Plan Administrator under this plan, the Plan Administrator shall have the following specific powers and authority in the administration of the funds of this Plan where otherwise not restricted by the Individual Agreements or Section 403(b) of the Code.

- (1) To purchase, or subscribe for, any securities or other property and to retain the same, as permitted under Section 403(b) of the Code.
- (2) To vote upon any securities; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options, and to make any payments incidental thereto; to oppose, or to consent to, or otherwise participate in, corporate reorganizations or other changes affecting securities, and to delegate discretionary powers, and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect securities o other property.
- (3) To cause any securities or other property to be registered in the Plan's own name, in a clearing corporation, in a depository or in book entry form or in bearer form, but the books and records of the Plan shall at all times show that all such investments are part of the custodial account or annuity.
- (4) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted.
- (5) To settle compromise or submit to arbitration any claims, debts or damages due or owing to or from the Plan, to commence or defend suits or legal or administrative proceedings and to represent the Plan in all suits and legal and administrative proceedings.
- (6) To employ suitable agents and counsel and to pay their reasonable expenses and compensation and such agents or counsel may or may not be an agent or counsel for the Employer.
- (7) To apply for and procure as an investment of the Plan any annuity or other contracts as the Plan Administrator shall deem proper; to exercise, at any time or from time to time, whatever rights and privileges may be granted under such annuity or other contracts; to collect, receive and settle for the proceeds of all such annuity or other contract as and when entitled to do so under the provisions thereof;
- (8) To pool all or any of the assets of plan, from time to time, with assets belonging to any other 403(b) plan by the Plan Administrator and to commingle such assets and make joint or common investments and carry joint accounts on behalf of this Plan and such other plan or plans, allocating undivided shares or interests in such investments or accounts or any pooled assets of the two or more plans in accordance with their respective interests, consistent with the requirements of section 403(b) of the Code.

(9) To do all such acts and exercise all such rights and privileges, although not specifically mentioned herein, as the Plan Administrator may deem necessary to carry out the purposes of the Plan.

Section 8 - Amendments to the Plan

8.1 Termination of Contributions. The Employer has adopted the Plan with the intention and expectation that contributions will be continued indefinitely. However, the Employer has no obligation or liability whatsoever to maintain the Plan for any length of time and may discontinue contributions under the Plan at any time without any liability hereunder for any such discontinuance.

8.2 Amendment and Termination. The Employer reserves the authority to amend or terminate this Plan at any time, provided however that any amendment which reduces contractual rights or benefits under an Individual Agreement shall apply prospectively only except as required under the Code and applicable regulations promulgated thereunder.

8.3 Distribution upon Termination of the Plan. The Employer may provide that, in connection with a termination of the Plan and subject to any restrictions contained in the Individual Agreements, all Accounts will be distributed, provided that the Employer and any Related Employer on the date of termination do not make contributions to an alternative section 403(b) contract that is not part of the Plan during the period beginning on the date of plan termination and ending 12 months after the distribution of all assets from the Plan, except as permitted by the Income Tax Regulations,. The Employer may distribute the Accounts in the form of a fully paid annuity contract.

Section 9 – Administration

- (a) The Plan Administrator shall have the absolute discretion to determine all questions arising in connection with the administration, interpretation, and application of the Plan, including but not limited to determining eligibility for benefits and construing and interpreting the terms of the Plan. The decisions of the Plan Administrator with the scope of its authority shall be final and binding on all relevant parties.
- (b) In addition to the general description of its duties contained paragraph (a) above, the Plan Administrator shall be charged with the duties of the general administration of the Plan, including, but not limited, the following:
- 1 To construe the terms of the Plan.
 - 2 To determine all questions arising in the administration of the Plan, including those relating to the eligibility of Employees to participate in the plan, the rights of Participants and Beneficiaries.

- 3 To assure that the Plan and its administration complies with all applicable legal requirements, including applicable provisions of ERISA and the Code, that proper modifications are made in order to assure that the Plan complies with newly issued governmental regulations and requirements; and enter in any Vendor agreements which may be necessary to the operation of the Plan.
- 4 To issue rules and regulations and to adopt any policies and procedures that the Plan Administrator deems necessary for the proper conduct and administration of the Plan.
- 5 To obtain advice from such accountants, attorneys (who may but need not be accountants or attorneys for the Employer) and other persons as the Plan Administrator may deem necessary to the performance of its duties.
- 6 To communicate the Plan and its eligibility requirements to Participants and Beneficiaries through the distribution of Summary Plan Descriptions and other information as deemed appropriate, and to notify Employees as deemed appropriate. And to notify Employees when they become eligible to participate.
- 7 To determine, in accordance with the terms of the Plan, whether orders of attachments, levy, or garnishment are qualified domestic relations orders as that term is used under Section 206(d)(3) of ERISA and Section 414(p) of the Code.
- 8 To modify the Plan to the extent necessary to secure a favorable determination letter from the Internal Revenue Service, should the Internal Revenue Service adopt a procedures for such determination letters in the future.
- 9 To make available to Participants upon their reasonable request, for examination during regular business hours, such records of the *plan* as pertain to the Participant.
- 10 To appoint an agent for service of legal process.
- 11 To appoint and remove the custodians and annuity carriers from time to time as it deems necessary.
- 12 To direct that the compensation of such counsel, specialists, agents, advisors or other personas be paid from the assets of the Plan as Plan expenses (but not including any business (settler) expenses of the Employer), to the extent not paid by the Employer.
- 13 To appoint, at its option, one or more investment managers, investment advisors or other agents to provide direction with respect to any or all of the Plan assets, including the selection of investment companies or annuity contracts which may be made available under the Plan.

9.3 Delegation of Responsibility. The Plan Administrator shall have the authority to delegate, from time to time, by instrument in writing, all or any part of its responsibilities under the Plan to such person or persons as it

may deem advisable and in the same manner to revoke any such delegation of responsibility. Any action of the delegate in the exercise of such delegated responsibilities shall have the same force and effect for all purposes hereunder as if such action had been taken by the Plan Administrator. Any delegation of authority with regard to obligations under Section 403(b) of the Code shall comply with the regulations promulgated thereunder.

9.4 Bonding. Each person who handles Plan contributions or assets shall be bonded to the extent required by Section 412 of ERISA.

9.5 Payment of Expenses. Any expenses of administration may be paid out of the Plan's assets unless paid by the Employer and assets of the Plan may be liquidated to pay such expenses to the extent such is permitted by the Individual Agreements. Administrative expenses reimbursed by the Employer to the Plan shall not be considered an Employer Contribution. Such expenses may include any expenses incident to the functioning of the Plan Administrator, or any person or persons retained or appointed by any named fiduciary incident to the exercise of duties under the Plan, but not limited to, fees of accountants, counsel, investment managers, agents (including non-fiduciary agents) appointed for the purpose of assisting the Plan Administrator, including carrying out the instructions of Participants as to the direction of investments (if permitted), and other specialists and their agents, the costs of any bonds required pursuant to Section 412 of ERISA, and all other costs of administering the Plan. Until paid, the expenses shall constitute a liability of the Plan.

Section 10 – Claims Procedures

10.1 Initial Claim for Benefits. Each Participant or Beneficiary (for the purposes of this Article called a "claimant") may submit his/her claim for benefits to the Plan Administrator (or to such other person as may be designated by the Plan Administrator) in writing in such form as is permitted by the Plan Administrator. A claimant shall have no right to seek review of a denial of benefits, or to bring any action in any court to enforce a claim for benefits prior to his/her filing a claim for benefits and exhausting his/her rights to review under this Section 10.1 and Section 10.2.

When a claim for benefits has been filed properly, such claim for benefits shall be evaluated and the claimant shall be notified of the approval or the denial within ninety (90) days after the receipt of such claim unless special circumstances require an extension of time for processing the claim. If such an extension of time for processing is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial ninety (90) day period, which notice shall specify the special circumstances requiring an extension and the date by which eighty (80) days after the date on which the claim was filed. A claimant shall be given a written notice in which the claimant shall be advised as to whether the claim is granted or denied, in whole or in part. If a claim is denied, in whole or in part, the claimant shall be given written notice which shall contain (a) the specific reasons for the denial, (b) references to pertinent Plan provisions upon which the denial is based, (c) a description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary, and (d) the claimant's rights to seek review of the denial.

10.2 Review of claim denial. If a claim is denied, in whole or in part, the claimant shall have the right to request that the Plan Administrator (or such other person as may be designated by the Plan Administrator) review the denial, provided that the claimant files a written request for review with the Plan Administrator within sixty (60) days after the date on which the claimant received written notification of the denial. A claimant (or his duly authorized representative) may review pertinent documents and submit issues and comments in writing to the Plan Administrator. Within sixty (60) days after a request for review is received, the review shall be made and the claimant shall be advised in writing of the decision on review, unless special circumstances require an extension of time for processing the review, in which case the claimant shall be given a written notification within such initial sixty (60) day period, specifying the reasons for the extension and when such review shall be completed (provided that such review shall be completed within one hundred and twenty (120) days after the date on which the request for review was filed).

The decision on review shall be forwarded to the claimant in writing and shall include specific reasons for the decision and references to Plan provisions upon which the decision is based. A decision on review shall be final and binding on all persons for all purposes. If a claimant shall have no rights to review and shall have no right to bring action in any court and the denial of the claim shall become final and binding on all persons for all purposes.

Section 11 - Miscellaneous

11.1 Non-Assignability. Except as provided in Section 11.2 and 11.3, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors; and neither the Participant nor any Beneficiary shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Plan, which payments and interest are expressly declared to be non-assignable and non-transferable.

11.2 Domestic Relation Orders. Notwithstanding Section 11.1, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to the domestic relations law of any state ("domestic relations order"), then the amount of the Participant's Account Balance shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Administrator shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order.

11.3 IRS Levy. Notwithstanding Section 11.1, the Administrator may direct payment from a Participant's or Beneficiary's Account the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

11.4 Tax Withholding. Contributions to the Plan are subject to applicable employment taxes (including, if applicable, Federal Insurance Contributions Act (FICA) taxes with respect to Elective Deferrals, which constitute wages under section 3121 of the Code). Any benefit payment made under the Plan is subject to applicable income tax withholding requirements (including section 3401 of the Code and the Employment Tax Regulations thereunder). A payee shall provide such information as the Administrator or Vendor may need to satisfy income tax withholding obligations, and any other information that may be required by guidance issued under the Code.

11.5 Payments to Minors and Incompetents. If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid in conformity with applicable Annuity Contracts or Custodial Accounts. If the applicable Annuity Contracts or Custodial Accounts do not address the issue of payments to minors and incompetents, then the Administrator shall direct payment of the benefit to such person as the Administrator may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

11.6 Mistaken Contributions. If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned to the party that made the contribution.

11.7 Overpayments. Notwithstanding any other provision of the Plan, any overpayment from the Plan including, but not limited to, excessive distributions of Plan benefits, over contribution of Employer Contributions, or overpayment of plan expenses, may be recovered in any manner deemed reasonable by the Plan Administrator, such means which shall be applied in a nondiscriminatory manner, including, but not limited to, the withholding of future distributions, contributions or payments.

11.8 Procedure When Distributee Cannot Be Located. The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown on the records of the Employer or the Administrator, (b) notification sent to the Social Security Administration or the Pension Benefit Guaranty Corporation (under their program to identify payees under retirement plans), and (c) the payee has not responded within 6 months. To the extent consistent with the administrative procedures of a Vendor and/or Administrator under the Plan Accounts of participants or other distributees who cannot be located may be escheated to the State in which the distributee last resided, subject to any limitations upon such procedures under applicable federal or state law.

11.9 Incorporation of Individual Agreements. The Plan, together with any Individual Agreements, is intended to satisfy the requirements of section 403(b) of the Code and the Income Tax Regulations thereunder. Terms and conditions of the applicable Individual Agreements are hereby incorporated by reference into the Plan, excluding those terms that are inconsistent with the Plan or section 403(b) of the Code. In such event, the Individual Agreements shall be interpreted, to the extent possible, in a manner to conform to the Plan and applicable

requirements, provided however that the Plan may not enlarge the rights of the Employer, the Administrator, or a Participant under the Individual Agreement

11.10 Governing Law. The Plan will be construed, administered and enforced according to the Code and the laws of the state in which the Employer has its principal place of business.

11.11 Headings. Headings of the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

11.12 Gender. Pronouns used in the Plan in the masculine or feminine gender include both genders unless the context clearly indicates otherwise.

11.13 Indemnification. If Employer appoints an Employee or committee of Employees to represent Employer as the Administrator of the Plan, Employer shall, to the extent permitted by applicable law, indemnify any such Employee acting on its behalf in this capacity. Such individuals shall be indemnified from any and all liability that may arise by reason of his action or failure to act concerning this Plan, excepting any willful misconduct or criminal acts.

11.14 No Employer Liability. Employer shall have no liability for the payment of benefits under the Plan provided that the providers of the applicable Annuity Contracts and Custodial Accounts receive written direction for the payment of benefits in accordance with Section 6. Each Participant shall look solely to the providers of applicable Annuity Contracts and Custodial Accounts for receipt of payments or benefits under the Plan.

The Employer has evidenced its intent to adopt this Plan by executing this Plan document. This Plan document, and any underlying Annuity Contracts and Custodial Accounts provided by the Vendors authorized by the Employer, as well as necessary forms and administrative policies and procedures incorporated by the Employer, an Administrator or any Funding Vehicle shall constitute the entire Plan.

IN WITNESS WHEREOF, the Employer has caused this Plan to be executed this

_____ Day of January, 2009.

Bethel College, Inc.

By: _____

ITS: _____