RETIREMENT PLAN FOR
AMALGAMATED TRANSIT UNION EMPLOYEES OF
NEWJERSEY TRANSIT
BUS OPERATIONS, INC.

Restated Effective July 1, 2001

ADDENDUM-CONTRACT:07-01-02 TO 06-30-05

1. **Pension Plan**

(a) The employees will be covered by a Pension Plan, the terms of which are incorporated in a separate document entitled "The Retirement Plan for NJ TRANSIT Bus Operations Inc. Amalgamated Transit Union Employees", ("The Plan").

(b) As of July 1, 1991, employees with a combination of age and years of service totaling 80 will be entitled to retire at full pension. The Company may, at its option, require 90 days notice of intention to retire under this provision.

(c) The Retirement Plan for NJ TRANSIT Bus Operations Inc. Amalgamated Transit Union Employees shall provide, or be amended. subject to applicable law and approval in accordance with the terms and conditions set forth in The Plan. to provide the following:

1. **Pension Benefits**: Except as provided below, for all employees retiring on or after July 1, 2000, 2.00% will be used to calculate pension. Effective January 4, 2003, however, the following adjustments shall be made concerning pension benefits:

    a. For those with a retirement date between July 1, 2000 and June 30, 2002, an increase of five (5%) percent to their monthly pension benefits.

b. For those with a retirement date before July 1, 2000, an increase of ten (10%) percent to their monthly pension benefits.

c. Excluded from the increases set forth in (a) and (b) above are those retirees who did not begin to receive their pensions immediately upon cessation of active service with NJ Transit.

d. For those with a retirement date effective between January 1, 2003 and June 30, 2003, an increase of five (5%) percent over the monthly pension benefit that they would have received but for this Agreement.

e. For those with a retirement date effective between July 1, 2002 through December 31, 2002, there will be no change in their pension benefit.

2. Pre-Retirement Survivorship: The penalty for selecting the pre-retirement survivorship option shall be eliminated for all active employees.

3. Disability Pension: Effective between July 1, 2000 and January 3, 2003, the minimum disability provision shall be $525.00 for ten (10) years of service, $575.00 for fifteen (15) years of service and $625.00 for twenty (20) years of service. Effective January 4, 2003, the minimum disability provision shall be increased to $550.00 for ten (10) years of service, $600.00 for fifteen (15) years of service and $650.00 for twenty (20) years of service.

4. Plan Funding: The funding of the pension plan shall be based on a new 30 year amortization effective July 1, 1993. The Company shall contribute monthly, 1/12 of the annual cost as determined by the plan actuary.

5. Retirement Committee: The Retirement Committee shall consist of six (6) persons - three (3) appointed by the Company and three (3) appointed by the Union.

6. Husband and Wife Pension: Employees under age 55 who retire under the rule of 80, or on a disability pension, will be allowed to choose a

"Husband and Wife" pension. Effective January 12, 1989, if an employee retires having elected the "Husband and Wife" pension, and the employee's spouse, thereafter, predeceases the employee, the pension shall be increased to what it would have been had the "Husband and Wife" Pension not been elected.

7. <u>Survivorship Option</u>: Effective July 1, 1993, the spouse of an active employee which active employee has passed away and met the rule of 80 but is less than age 55 at the time of death will be afforded survivorship option. Effective January 1, 2005, the spouse of an employee with twenty (20) or more years of service that dies while still an active employee, regardless of the employee's age at the time of such death, will be afforded survivorship option.

8. <u>Strike Credit</u>: All active employees who were also employed prior to the 1976 strike shall be given credit for pension purposes for any 1976 strike days for which they have not previously received credit.

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INTRODUCTION

ESTABLISHMENT

The Company, effective May 8, 1972, pursuant to collective bargaining between Transport of New Jersey, formerly named Public Service Coordinated Transport, a corporation of the State of New Jersey and Amalgamated Transit Union, hereby establish this Plan and Fund, for the exclusive benefit of eligible employees.

This Plan originally became effective May 1, 1972. Effective March 1, 1976, the Plan was restated and amended to incorporate all changes to the Plan since May 1, 1972. Effective September 14, 1982, the Plan was amended and restated to incorporate all previous amendments since March 1, 1976 and to include amendments necessitated by the purchase of Transport of New Jersey by New Jersey Transit Corporation. Effective March 1, 1990 the Plan was restated to incorporate all amendments since September 14, 1982. Effective March 1, 1992, the Plan was restated to incorporate all amendments since March 1, 1990. Effective July 1, 1994, the Plan was again amended to reflect amendments made to the Plan since March 1, 1992. Effective July 1, 2001, the Plan is restated to reflect all changes and amendments to the Plan since July 1, 1994 and will remain in force from year to year unless modified by the Collective Bargaining Agreement between the Company and the Union.

The rights and obligations with respect to participants who retired, died, transferred, or terminated employment prior to July 1, 2001 shall be determined under the terms and conditions of the plan in effect at the time of the earlier of retirement, death, transfer or termination unless otherwise specifically provided for herein.

TITLE

The retirement and disability allowance plan set forth herein shall be known as the "Retirement Plan for Amalgamated Transit Union Employees of New Jersey Transit Bus Operations, Inc.," and is sometimes referred to in this document as "this Plan" or "the Plan."

PURPOSE

The exclusive purpose of this Plan is to provide retirement income and disability payments for eligible employees of the Company and their designated beneficiaries subject to the conditions set forth herein. This Plan is intended to be qualified plan under Section 401(a) of the Internal Revenue Code as sponsored by a governmental agency.

ARTICLE I - DEFINITIONS

1.1 Actuarial Equivalent means, effective July 1, 1998, a benefit of equivalent value when computed on the basis of the 1983 Group Annuity Mortality Table, a 7% interest rate, and other actuarial factors adopted by the Committee.

1.2 Affiliated Company means New Jersey Transit Corporation, and any of the corporations, companies, businesses and other entities subsidiary to or affiliated with the Company which the Board of Directors may from time to time designate as such.

1.3 Beneficiary means the person designated by a Participant to receive the balance of payment, if any, after the death of a Participant, in accordance with the provisions of this Plan.

1.4 Board of Directors means the Board of Directors of the Company.

1.5 Code means the Internal Revenue Code of 1986, as amended.

1.6 Collective Bargaining Agreement means the current labor agreement in effect pursuant to collective bargaining between the Company and the Union.

1.7 Committee means the Retirement Committee, as described in Section 9.3.

1.8 Company means New Jersey Transit Bus Operations, Inc., a New Jersey corporation, any successor organization whether by merger, consolidation, purchase or otherwise, which succeeds to the business of New Jersey Transit Bus Operations, Inc. and which adopts the Plan.

1.9 Eligible Employee means an Employee covered under the Collective Bargaining Agreement between the Company and the Union for which contributions to this Plan are required.

1.10 Employee means a person employed by the Company or an Affiliated Company.

1.11 Final Average Salary means the average annual Salary of an Employee for the 3 years of highest earnings within the last 10 years of the Employee's Credited Service under this or any other plan maintained by the Company. If the date of such termination of employment with the Company precedes the completion of 10 years of Credited Service with the Company, then the number of complete years of Credited Service with the Company shall be used. Each yearly period shall be measured retroactively from the end of the payroll period immediately preceding the date of termination of employment with the Company.

1.12 Hour of Service means each hour for which an Employee receives payment from the Company or an Affiliated Company or is entitled to such payment for the performance of duties.

In addition, an Hour of Service means each hour for which an Employee was paid or entitled to payment by the Company or an Affiliated Company 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, incapacity (due to illness or physical disability), layoff, jury duty, military duty, or leave of absence. Notwithstanding the preceding sentence, no more than 501 Hours of Service (1,000 Hours of Service in the case of incapacity due to illness or physical disability) are to be credited for time during which no duties are performed on account of any single continuous period during which the Employee performs no duties.

Hours of Service are not to be credited for a payment that solely reimburses an Employee for medical or medically related expenses incurred by the Employee. Payment is deemed to be made by the Company or an Affiliated Company regardless of whether such payment is made by or due from the Company directly or indirectly through a trust fund or insurer to which the Employer contributes or pays premiums and regardless of whether contributions made or due to the trust fund, insurer or other entity are for the benefit of particular Employees or on behalf of a group of Employees in the aggregate.

In addition, an Hour of Service means an hour for which back pay is either awarded or agreed to by the Company or an Affiliated Company. No more than 501 Hours of Service are to be credited for payments of back pay to the extent that such back pay covers a period during which the Employee did not or would not have performed duties. Hours of Service shall not be credited for the same hours under more than one provision of this subsection, for purposes of determining whether a Break in Service has occurred in accordance with Section 3.3.

1.13 Normal Retirement Age shall mean age 65.

1.14 Normal Retirement Date means the date upon which an Employee attains Normal Retirement Age, or, if later, the tenth anniversary of his becoming an Employee.

1.15 Participant means an Eligible Employee who meets the requirements of Section 2.1, or a former Participant who is vested in accordance with Section 5.5.

1.16 Plan means the Retirement Plan for Amalgamated Transit Union Employees of New Jersey Transit Bus Operations, Inc., as set forth herein and as amended from time to time.

1.17 Plan Year means the 12-month period beginning with July 1 and ending with the last day of June.

1.18 Salary means the total amounts paid to an Employee by the Company for services rendered including salary, wages and overtime payments. The term Salary shall exclude contributions made by the Company under the Plan and Workmen's Compensation payments. During a period for which an Employee is receiving temporary disability payments on which contributions are being made to this Plan, the term Salary shall mean the amount of those payments.

Notwithstanding any other provision of law, effective January 1, 1996 the amount of Salary used to determine the retirement benefit of a Participant must not exceed the following limits:

(a) For individuals who first became Participants before January 1, 1996, the limit of the amount of Salary permitted to be taken into account under Code Section 401(a)(17) as that Section existed on January 1, 1993.

(b) For individuals who first became Participants on or after January 1, 1996, the limit of the amount of Salary permitted to be taken into account under Code Section 401(a)(17) as that Section existed on January 1, 1996.

The annual compensation of each Participant taken into account in determining benefit accruals in any Plan Year after December 31, 2001 shall not exceed $200,000 in accordance with Code Section 401(a)(17). For this purpose, annual compensation means compensation during the Plan Year or such other consecutive 12-month period over which compensation is determined under the Plan (the "determination period"). For purposes of determining benefit accruals in a Plan Year beginning after December 31, 2001, compensation for determination periods beginning before January 1, 2002 shall also be $200,000. The $200,000 limit on annual compensation shall be adjusted for cost-of-living increases in accordance with Code Section 401(a)(17)(B). The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year.

Notwithstanding the foregoing, for Plan Years beginning after December 31, 1997, an Employee's compensation for purposes of the limitations under Code Sections 415 and 401(a)(17) shall include any elective deferral, as defined in Code Section 402(g)(3), and any amount that is contributed or deferred by the Employer at the election of the Employee and which, by reason of Code Section 125, 132(f)(4), 402(e)(3), 402(h) or 457, is not includible in the gross income of the Employee.

1.19 <u>Total and Permanent Disability</u> means determination by the Social Security Administration that the Participant is entitled to a Social Security disability benefit in connection with the Old Age, Survivors and Disability Insurance Program, except when the disability arises out of and in the course of employment for an employer other than the Company. In the absence of a Social Security disability award, the Committee may in its discretion determine that a Participant is disabled based on written medical evidence if they determine that as a result of bodily injury or disease the Participant is unable to engage in work covered by the Collective Bargaining Agreement by reason of a physical or mental impairment that is expected to be of continued or indefinite duration or to result in death.

1.20 Trust Fund means the contributions deposited with and held by the Administrator pursuant to the Plan and any property to which such contributions may be converted and any income thereon.

1.21 Union means the Amalgamated Transit Union.

1.22 Other Terms. Additional terms are defined in other sections of this Plan as follows:

	Terms	Sections
(a)	Administrator	9.8
(b)	Alternate Early Retirement Pension	5.2 (a)
(c)	Break in Service	3.3
(d)	Credited Service	3.2
(e)	Date of Employment	3.2 (b)
(f)	Date of Severance	3.2 (b)
(g)	Deferred Vested Benefit	5.5
(h)	Direct Rollover	6.3 (d)
(i)	Distributee	6.3 (c)
(j)	Early Retirement Benefit	5.2
(k)	Eligible Retirement Plan	6.3 (b)
(l)	Eligible Rollover Distribution	6.3 (a)
(m)	Husband and Wife Pension	6.1
(n)	Normal Retirement Benefit	5.1
(o)	Period of Severance	3.2 (b)
(p)	Required Beginning Date	8.2
(q)	Year of Service	3.1

ARTICLE II – PARTICIPATION

2.1 Participation. All Eligible Employees shall participate in the Plan. An Employee becomes a Participant on the first day he becomes an Eligible Employee.

2.2 Termination of Participation. Participation in the Plan shall terminate at the end of any Plan Year in which the Employee incurs a Break in Service or when his contributions are refunded to him in accordance with Section 5.6, unless such Participant is vested under Section 5.5. If the Employee is eligible for any retirement benefits as described in Article V of the Plan, his Participation shall continue.

2.3 Reinstatement of Participation. After terminating Participation, an individual shall recommence participation on the first day he again becomes an Eligible Employee.

2.4 Prior Participation. All persons who were receiving retirement or disability allowances prior to March 1, 1973 under the Welfare Plan of Public Service Coordinated Transport, and who were Eligible Employees at the time of their retirement are Participants of this Plan. Such allowances and any increases in the allowances paid to these Participants that may be negotiated in the future shall become a liability of the Trust Fund established under this Plan and shall be paid from this Trust Fund.

ARTICLE III - YEARS OF SERVICE AND CREDITED SERVICE

3.1 Years of Service for Vesting Eligibility. A Participant's eligibility for vested benefits under the Plan shall be determined by his Years of Service as follows:

(a) A Year of Service prior to January 1, 1976 means each full year of employment with the Company or an Affiliated Company in which there has been no break in continuity of employment. For this purpose, the following is not considered a break in continuity of employment: (1) any period of absence approved by the Retirement Committee of not more than 3 months duration and (2) any period of absence on account of illness of not more than 6 months duration for Employees with less than 10 years of continuous service and not more than 12 months duration for Employees with 10 years or more of continuous service.

(b) A Year of Service for any calendar year beginning on or after January 1, 1976 shall accrue, subject to the Break in Service provisions of Section 3.3, in which an Employee's Hours of Service equal or exceed 1,000, provided, however, no Employee shall accrue more than one Year of Service for any one calendar year.

3.2 Credited Service for Determining Benefits.

(a) Credited Service for an individual for periods prior to March 1, 1976, means the total period of service in the employ of the Company or the Company and one or more of the following:

(1) any predecessor of the Company or a subsidiary thereof,

(2) the former parent of the Company, Public Service Corporation of New Jersey, or

(3) any company which was a subsidiary of Public Service Corporation of New Jersey, or any predecessor of any such company,

in which there has been no break in continuity of employment and shall include a period of service preceding a break in continuity of employment when such break is of not more than 12 months duration.

The following shall not be considered a break in continuity of employment:

(1) any period of absence approved by the Retirement Committee of not more than 3 months duration; or

(2) any period of absence on account of illness of not more than 6 months duration for employees with less than 10 years of continuous service and

of not more than 12 months duration for Employees with 10 years or more of continuous service.

(b) Credited Service for periods on or after March 1, 1976 means the number of years and fractions of years elapsed from the Date of Employment as an Eligible Employee to the Date of Severance from service as an Eligible Employee. For this purpose, "Date of Employment" means the date on which the Employee's first Hour of Service is credited upon employment as an Eligible Employee or upon re-employment as an Eligible Employee after a Date of Severance, and "Date of Severance" shall mean the date an Employee quits, retires, is discharged, transfers to a status other than that of an Eligible Employee or dies, or, if earlier, the end of a Period of Severance. "Period of Severance" means any absence other than for reasons of quitting, retirement, discharge or death which is 12 months or less, except that a Period of Severance shall be extended for any period of absence or leave of absence because of holding an office in the Union or in the International of the Union. Credited Service is subject to the Break in Service provisions of Section 3.3.

3.3 <u>Break in Service</u>.

(a) "Break in Service" means a calendar year beginning on or after January 1, 1976, during which an Employee's Hours of Service do not exceed 500. An Employee who is vested in accordance with Section 5.5 or who has met the requirements for benefits under Article V shall not incur a Break in Service. A Break in Service shall occur upon a refund of employee contributions as specified in Section 5.6.

(b) Upon incurring a Break in Service, an Employee who is not vested under Section 5.5 shall cease to be a Participant and his contributions under Section 4.1, if any, shall be refunded in accordance with Section 5.6. Upon reinstatement of participation in the Plan after incurring a Break in Service, an Employee who is not vested shall have those Years of Service and Credited Service, if any, which he had accrued prior to such Break, fully restored to him only if the number of his consecutive Breaks in Service is less than the aggregate number of his Years of Service which he had accrued prior to such break and only if he returns to the Trust Fund any employee contributions and interest previously refunded to him with interest accumulated at the rate of 4% compounded annually for each Plan Year through February 29, 1976 and at the rate of 5% compounded annually for each Plan Year thereafter from the date of receipt to the date of reinstatement of participation. There shall be disregarded in computing the aggregate number of Years of Service before any Break in Service, any Years of Service which could have been disregarded under this Section 3.3 by reason of any prior Break in Service.

(c) Solely for the purpose of determining whether a Participant has incurred a Break in Service, any leave of absence granted by an Employer, up to 12 weeks, that qualifies under the Family and Medical Leave Act (FMLA) shall not be counted as a Break in Service for purposes of determining eligibility and vesting.

3.4 Credit for Qualified Military Service. Notwithstanding any provision of this Plan to the contrary, contributions, Credited Service for determining benefits and Years of Service for vesting eligibility and determining Breaks in Service with respect to qualified military service will be provided in accordance with Code Section 414(u) and the Uniformed Services Employment and Reemployment Rights Act of 1994.

3.5 Treatment of Transfers within the Company and Between Affiliated Companies. Other provisions of this Plan notwithstanding, for purposes of accruing Years of Service for vesting eligibility and Credited Service for determining benefits, the following shall apply:

(a) Employment with any Affiliated Company shall be included in determining an individual's Years of Service for vesting purposes, subject to the Break in Service provisions of Section 3.3, considering any and all employment with Affiliated Companies towards satisfying service requirements against such a Break.

(b) Each Participant shall receive Credited Service for determining benefits under this Plan for employment with an Affiliated Company immediately prior to becoming an Eligible Employee, subject to the Break in Service provisions of Section 3.3, considering all employment with Affiliated Companies towards satisfying service requirements against such a Break.

(c) Additionally, work performed for Public Service Electric & Gas Company, prior to October 14, 1980 shall for purposes of this Plan be considered work performed for an Affiliated Company.

(d) The above subsection (b) notwithstanding, Credited Service for the purposes of satisfying the requirements of Section 5.2 (b) shall only be granted for employment with the Company and the Maplewood Equipment Company.

ARTICLE IV - CONTRIBUTIONS TO THE FUND

4.1 Employee Contributions. Commencing March 1, 1973, Eligible Employees contributed 4% of their compensation to the Trust Fund of this Plan. Commencing December 2, 1978, Eligible Employees contributed 3% of their compensation to the Trust Fund. Commencing December 1, 1979, Eligible Employees contributed 2% of their compensation to the Trust Fund. Commencing December 6, 1980, Eligible Employees are not required to contribute to the Trust Fund.

4.2 Employer Contributions.

(a) The Company shall contribute, with respect to each month and each year, that percentage of the Salary of all Eligible Employees equal to 1/12 of the amount determined by the actuary employed by the Committee in the last valuation as necessary to maintain the Plan on a sound actuarial basis and in accordance with the entry age normal cost method of funding. In any event, the Company shall contribute at a rate sufficient to fund the unfunded accrued liability by March 1, 2016. The unfunded accrued liability created by amendments effective March 24, 1981 will be amortized over a period of 30 years.

(b) With respect to any month prior to the receipt by the Committee of the annual certification by the Plan's actuary, the Company shall make estimated contributions on the basis of the preceding actuarial certification. Upon receipt of the actuarial certification applicable to the current year of the Plan, the Company shall appropriately adjust the succeeding monthly contributions to the end that the total Company contributions from the beginning of the current Plan Year to date shall equal those required under the current actuarial certification. If, because of unforeseen circumstances, the Plan Year closes with excess contributions having been paid by the Company, the excess shall be treated as an advance contribution applicable to the next Plan Year, and in determining the costs for the ensuing Plan Year, the actuary shall take account of such advance contribution.

(c) The Company will maintain more than one funded pension plan for its Employees. Notwithstanding any other provision of this Plan, prior to March 1, 1977, if an Employee transfers or is transferred from a position covered by one plan to a position covered by another plan, all monies paid by such Employee and the Company on his behalf into one plan's trust fund shall be transferred to the other plan's trust fund, and said Employee shall be credited in the plan to which the monies are transferred with all such payments and with the Years of Service and Credited Service earned in the plan from which the monies are being transferred. After the transfer is made, the Credited Service earned by the Employee in the plan from which the monies are transferred shall be cancelled.

If, on or after March 1, 1977, an Employee transfers or is transferred from a position covered by one plan to a position covered by another plan, the monies paid by such Employee and the interest thereon as of the date of the transfer shall be transferred to the other plan's trust fund, and said Employee shall be credited in the plan to which the monies are transferred with all such payments and with the Years of Service and Credited Service earned in the plan from which the monies are being transferred. After the transfer is made, the Credited Service earned by the Employee in the plan from which the monies are transferred shall be cancelled. In addition, there shall be transferred on such date an amount equal to a percentage of the present value of the Employee's accrued benefit in the plan from which he is transferred which is not met by his accrued Employee contributions with interest to the date of transfer.

The percentage shall be equal to the percentage that the assets of the plan, from which he is transferring, other than from employee contributions with interest, as of the end of the preceding Plan Year, are of the present value of all accrued benefits as of the end of the preceding Plan Year which are not met by the total employee contributions with interest. If at some future time, such Employee transfers back into this Plan, the amount transferred back to this Trust Fund, will equal his contributions with interest to the date of transfer back, plus an amount at least equal to the amount previously transferred out of this Trust Fund other than the amount due to the employee contribution with interest to the original date of transfer.

4.3 Forfeitures. Any benefits forfeited due to a Break in Service under Section 3.3 will remain in the Trust Fund. The Employer will not use any such forfeited benefits to increase the benefits to other Participants, but instead will use the forfeited amounts to reduce its contributions for future Plan Years.

ARTICLE V - RETIREMENT BENEFITS

5.1 Normal Retirement Benefits. Each Participant who retires at or after his Normal Retirement Date shall be paid a pension for life in monthly installments, unless a Husband and Wife Pension is payable under Section 6.1, computed at an annual rate as follows:

Effective July 1, 1994, 1 1/2% of a Participant's Final Average Salary multiplied by the Participant's years of Credited Service.

Effective July 1, 1997, 1 3/4% of a Participant's Final Average Salary multiplied by the Participant's years of Credited Service.

Effective July 1, 2000, 2% of a Participant's Final Average Salary multiplied by the Participant's years of Credited Service.

Notwithstanding the above, all employees who retired after August 1, 1993 directly from employment with the Company and including Participants whose applications were scheduled to be heard by the Committee on December 9, 1993 and with a retirement date prior to December 31, 1993, shall be treated the same for pension purposes as Participants retiring after August 1, 1994. This will also cover any Participant who is receiving a Disability Benefit with an effective date between August 1, 1993 and December 31, 1993.

5.2 Early Retirement Benefits.

(a) Each Participant may retire at age 55 or thereafter but before attainment of age 65 upon completion of 15 but less than 25 years of Credited Service on an Alternate Early Retirement Pension. Each Participant who retires under this subsection (a) shall be paid a pension for life in monthly installments, unless a Husband and Wife Pension is payable under Section 6.1, computed as in Section 5.1 and then reduced by 1/4 of 1% for each month that such Participant is less than age 65 at the time of retirement, and 1/2 of 1% for each month that such Participant is less than age 62, except that for Participants retiring from age 55 to age 60, the factors will be shown below with the appropriate interpolation made between the ages shown.

Early Retirement Factors
Ages 55 to 64

Age at Retirement	Percentage of Benefits Payable
55	51%
56	57
57	62
58	68
59	73
60	79
61	85
62	91
63	94
64	97

(b) Effective June 1, 2002, each Participant may retire at any age provided that the Participant's attained age plus Credited Service equals or exceeds 80 (Rule of 80). The Company may require up to 90 days notice of intention to retire under this provision.

Each Participant who retires under the provisions of this subsection (b) shall be paid for life in monthly installments computed in accordance with Section 5.1 without the reduction described in subsection (a), unless a Husband and Wife Pension is payable under Section 6.1, computed in the same manner as in provided in Section 5.1.

5.3 Disability Benefits.

(a) Each Employee having at least 10 years of Credited Service who becomes Totally and Permanently Disabled while employed by the Company, shall be paid a pension in monthly installments during such period of disability computed in the manner as provided in Section 5.1, provided the Employee makes a claim for disability benefits pursuant to this Section 5.3 prior to the termination of the participant's employment with the Company.

(b) Effective July 1, 2000, Employees who retire under this Section 5.3 shall be paid a minimum benefit of $525 monthly if they have accumulated 10 years of Credited Service; a minimum benefit of $575 monthly if they have accumulated 15 years of Credited Service; and a minimum benefit of $625 monthly if they have accumulated 20 years of Credited Service. When, however, disability benefits are paid under either a worker's compensation law or an occupational disease law, the pension during the period of such payments shall be the sum by which the monthly pension calculated hereunder exceeds such payments for the same period.

5.4 Minimum Pensions. No monthly pension payments, when added to the pension payable from any other plan maintained by the Company, shall be less than $95 for Participants with at least 10 years of Credited Service, less than $105 for Participants with at least 15 years of Credited Service, or less than $116.66 for Participants with at least 20 years of Credited Service, but this provision shall apply only to Normal Retirement Benefits or Early Retirement Benefits first payable at age 60 or later. Credited Service for purposes of this Section 5.4 shall only include Credited Service earned under any other plan maintained by the Company.

5.5 Deferred Vested Benefits. If a Participant's status as an Employee is terminated for reasons other than Normal Retirement, Early Retirement or Disability under this Article V, and at that time he has completed at least 10 Years of Service for vesting eligibility under Section 3.1, he shall be entitled to receive a pension paid for life in monthly installments, unless a Husband and Wife Pension is payable under Section 6.1, and commencing at his Normal Retirement Date computed in the manner provided in Section 5.1 based upon his Final Average Salary and Credited Service to the date of his termination of employment. Such Participant may elect to begin receiving payments at age 55 or later with a reduction in his pension of 1/2 of 1% for each month he is younger than age 65 at the time payments are effective.

5.6 Refund of Employee Contributions.

(a) An Employee leaving the service of the Company for any cause other than death or at any time before he is eligible to receive a Normal Retirement, Early Retirement or Disability Benefit under this Plan may, upon request, receive a refund in a single lump sum and in an amount equal to his employee contributions made in accordance with Section 4.1 with interest accumulated at the rate of 4% compounded annually for each Plan Year through February 29, 1976 and at the rate of 5% compounded annually for each Plan Year thereafter, less any benefits he has received from the Trust Fund. A refund under this Section 5.6 shall cause an immediate Break in Service under Section 3.3, unless the Employee is vested in accordance with Section 5.5.

(b) If an Employee who is vested elects a refund of employee contributions with interest, his annual benefit payable at Normal Retirement Date will be reduced by an amount equal to the annual benefit attributable to such contributions. The annual benefit attributable to such contributions is equal to 10% of the amount refunded accumulated with interest from the date of refund to Normal Retirement Date. Interest will be calculated for this purpose at the rate of 5% per annum compounded annually. The annual benefit attributable to employee contributions shall not exceed the Employee's annual benefit payable at Normal Retirement Date. If the Employee elects to receive a Deferred Vested Benefit prior to age 65, the reduction applicable will be the Actuarial Equivalent of the reduction that would apply at Normal Retirement Date.

(c) An Employee may not borrow against any employee contributions to the Plan made in accordance with Section 4.1 or withdraw any part of such contributions so long as he remains an Employee, except as otherwise provided in this Section 5.6.

5.7 Retirement Benefit Offset for Transferred Employees. The amount of a pension as determined in this Article V, which a retiring Participant may receive, shall be offset by any amount of the retirement benefit, payable in the same form and as of the same commencement date as the individual's pension, that such individual may receive under other pension plans sponsored by the Company or under pension plans sponsored by another Affiliated Company or by a New Jersey Public Employees Retirement System (NJPERS) employer, to the extent that such benefit to be used as an offset is earned as a result of periods of employment that were used in determining Credited Service for the purposes of determining benefits as described in Section 3.5.

5.8 Retirement Supplements.

(a) All retired Participants and Beneficiaries receiving benefit payments as of March 23, 1981 shall have their monthly pension increased, effective March 24, 1981. Those who retired prior to March 24, 1976 shall receive a 10% increase in their monthly pension amount. Those who retired from March 24, 1976 to March 23, 1981 shall receive a 5% increase in their monthly pension amount.

(b) All retired Participants and Beneficiaries receiving benefit payments as of July 1, 1992 shall have their monthly pension increased, effective July 1, 1992. Those who retired prior to March 24, 1976 shall receive a 10% increase in their monthly pension amount. Those who retired from March 24, 1976 to June 30, 1992 shall receive a 5% increase in their monthly pension amount.

ARTICLE VI - HUSBAND AND WIFE PENSION AND OPTIONAL FORMS OF PAYMENT

6.1 Husband and Wife Pension.

(a) Notwithstanding the provisions of Article V, a Participant who retires with a Normal Retirement, Early Retirement, Disability, or Deferred Vested Benefit, and whose legal spouse has been married to the Participant for at least a year prior to the date his pension becomes payable, shall receive a Husband and Wife Pension, unless he elects to receive a pension payable under Section 6.2.

The Husband and Wife Pension equals a reduced pension to the Participant for his life. The Participant's legal spouse shall continue to receive for her life a pension equal to 50% of the Participant's reduced pension if such spouse survives him. The reduced pension payable to the Participant under this Section 6.1 shall be the Actuarial Equivalent of the pension to which the Participant is entitled under the Plan based upon his life only. Effective January 13, 1989, if a Participant is receiving a Husband and Wife Pension, and the Participant's spouse predeceases the Participant, the Participant's pension shall be increased to the amount payable for the life of the Participant only.

(b) A Participant may reject the Husband and Wife Pension, or revoke a previous rejection, at any time before the date his pension becomes payable. A Participant shall in any event have the right to exercise this choice up to 90 days after he has been advised by the Committee of the effect of such rejection or revocation on his pension.

6.2 Optional Forms of Payment.

(a) Life only. If a Participant so elects, the pension otherwise payable under Section 6.1 shall be payable for his life only, in the amount as calculated under the applicable section in Article V.

(b) Survivorship options. A Participant, by written notice of election of a survivorship option filed with the Committee at least one year prior to the date of Normal or Early Retirement, may elect to convert a Normal or Early Retirement Benefit into a form of benefit of Actuarial Equivalent value under either of the following options:

(1) 100% Joint and Survivor Benefit. Under this option the pension to which a Participant would be entitled upon Normal or Early Retirement shall be converted into a reduced pension of Actuarial Equivalent value that shall be paid to the Participant for his life, and after the Participant's death, a pension in the amount equal

100% to the amount of such reduced pension shall be paid to the Beneficiary designated by the Participant in such notice of election of option, during the life of such Beneficiary, if such Beneficiary survives the Participant.

(2) 50% Joint and Survivor Benefit. Under this option the pension to which a Participant would be entitled upon Normal or Early Retirement shall be converted into a reduced pension of Actuarial Equivalent value that shall be paid to the Participant for his life, and after the Participant's death, a pension in an amount equal to 50% of the amount of such reduced pension shall be paid to the Beneficiary designated by the Participant in such notice of election of option, during the life of such Beneficiary, if such Beneficiary survives the Participant.

In the case of joint and survivor benefit under this Section 6.2, the election shall become effective on the date on which the Participant retires. The election of an option and the designation of a Beneficiary under this Section 6.2 may not be changed or revoked unless a written request of such change or revocation is filed by the Participant at least one year before the date of retirement. If before the election becomes effective the Beneficiary dies or the Participant retires with a Disability Benefit, the election of the option shall be revoked.

A joint and survivor benefit option will not be permitted, unless the designated Beneficiary is the Employee's spouse, if the present value of payments to be made to the Participant is less than 50% of the present value of the total payments to be made to the Participant and his Beneficiary.

(c) The Committee shall not give effect to any election under subsection (a) or (b) if within two years after it has been made, the Participant dies from accidental causes and the election would deprive the person who is the legal spouse of the Participant of a Husband and Wife Pension, provided it was the same spouse who was married to the Participant the year before the pension became effective. The Committee may rely upon the Participant to notify the Committee of his marital status and such notification shall be binding upon the Participant, the Beneficiary or any person claiming through or under either of them notwithstanding subsequent findings to the contrary.

6.3 Direct Rollovers. This Section 6.3 applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this Section 6.3, a Distributee may elect, at the time and manner prescribed by the Committee, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible

Retirement Plan specified by the Distributee in a Direct Rollover, except that a Distributee may not elect a Direct Rollover of a distribution (or series of distributions) of less than $200 in a single calendar year.

Rollovers apply only to the Participant's accumulated interest in Employee Contributions made in accordance with Section 4.1 and as provided for in Sections 2.2 and 5.6 and to small benefit cashouts made in accordance with Section 8.4.

Definitions. For purposes of applying this Section 6.3, the following definitions shall apply:

(a) Eligible Rollover Distribution. An Eligible Rollover Distribution is any distribution of all or any portion of the balance of a Participant's retirement benefit to the credit of the Distributee except that an Eligible Rollover Distribution does not include:

(1) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and his designated Beneficiary, or for a specified period of 10 years or more;

(2) any distribution to the extent such distribution is required under Code Section 401(a)(9);

(3) the portion of any distribution that is not includible in a Distributee's gross income; and

(4) any distribution which is made upon hardship of the employee.

(b) Eligible Retirement Plan. An Eligible Retirement Plan is an individual retirement account described in Code Section 408(a), an annuity plan described in Code Section 408(b), an annuity plan described in Code Section 403(a), or a qualified trust described in Code Section 401(a), that accepts the Distributee's Eligible Rollover Distribution.

Effective for distributions made after December 31, 2001, an Eligible Retirement Plan shall also include an annuity contract described in Code Section 403(b) and an eligible plan under Code Section 457(b), which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such from this Plan. This definition of Eligible Retirement Plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is an alternate payee under a qualified domestic relations order as defined in Section 11.4 and Code Section 414(p).

(c) Distributee. A Distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is an alternate payee under a Qualified Domestic Relations Order as defined in Section 11.2 are Distributees with regard to the interest of the spouse or former spouse.

(d) Direct Rollover. A Direct Rollover is a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

ARTICLE VII – DEATH BENEFITS

7.1 Pre-Retirement Spouse Benefit.

(a) The spouse of a Participant who is eligible for a Normal Retirement Benefit under Section 5.1 or an Early Retirement Benefit under Section 5.2 or a Deferred Vested Benefit under Section 5.5, is eligible to receive survivor benefits if the Participant dies before retirement.

(b) The surviving spouse of a Participant described in subsection (a) shall receive a benefit during his or her remaining lifetime equal to 50% of the reduced pension the Participant would have received under a Husband and Wife Pension provided for in Section 6.1 if such Participant had retired immediately before death.

7.2 Death Benefit for Beneficiaries.

(a) If a Participant dies before receiving a retirement or disability benefit under this Plan and no benefits are payable under Section 7.1, the Trust Fund shall pay to the designated Beneficiary of such Participant a lump sum equal to the Participant's employee contributions made under Section 4.1 with interest compounded annually at the rate of 4% for each Plan Year through February 29, 1976 and at the rate of 5% for each Plan Year thereafter.

(b) If a Participant dies after he begins receiving a retirement or disability benefit under this Plan, the Trust Fund shall pay to the designated Beneficiary of such Participant a lump sum equal to the amount by which the aggregate of the Participant's employee contributions (plus interest at the rate of 4% compounded annually for each Plan Year through February 29, 1976 and at the rate of 5% for each Plan Year thereafter) exceeds the aggregate of all benefits payments made to the Participant under this Plan.

7.3 Designation of Beneficiary. A Participant may designate one or more Beneficiaries to receive any amounts payable because of the death of the Participant by forwarding such written designation to the Committee in an approved form. If a Participant fails to designate a Beneficiary in such a manner, or the designated Beneficiary predeceases the Participant, the designated Beneficiary of such Participant shall be the Participant's estate.

7.4 Distribution Limitation. Notwithstanding any other provision of this Article VII, all distributions from the Plan shall conform to Code Section 401(a)(9) and the regulations thereunder, including the incidental death benefit provisions of Code Section 401(a)(9)(G). Further, such regulations shall override any Plan provision that is inconsistent with Code Section 401(a)(9).

ARTICLE VIII – BENEFIT COMMENCEMENT AND LIMITATIONS

8.1 Benefit Commencement.

(a) The Participant shall begin receiving benefit payments as of the date that the Participant has fulfilled all the conditions specified in the Plan for entitlement to payment, and further provided that he has filed an application for a pension benefit which has been approved by the Committee.

(b) However, unless the Participant elects otherwise, benefits shall be payable no later than the 60th day after the later of (1) the close of the Plan Year in which the Participant attains Normal Retirement Age, or (2) the close of the Plan Year in which the Participant terminates his employment and retires from the service of the Company. Under no circumstances shall payment of benefits begin later than the Participant's Required Beginning Date.

8.2 Required Beginning Date.

For a Participant who attains age 70½ on or after January 1, 2000, the Required Beginning Date is April 1 of the calendar year following the later of:

(a) the calendar year in which he or she attains age 70½; or

(b) the calendar year in which he or she retires.

8.3 Maximum Limitation. In no event shall this Plan pay benefits in excess of the maximum limits specified for qualified plans by Code Section 415. The Committee shall be entitled to rely on a representation by the Company that the pension payable to a Participant under this Plan, to the extent attributable to employment with the Company does not, together with any other pension payable to him under any other plan maintained by the Company (and to the extent attributable to employment with the Company) exceed the limitations of Code Section 415.

8.4 Small Benefit Cashout. Notwithstanding any other provision of this Plan, effective July 1, 2002, if the Actuarial Equivalent of a benefit payable under this Plan is less than $5,000, or such other higher amount as set forth in Code Section 411(a)(11), such benefit may be paid in a single lump sum.

ARTICLE IX - POWERS AND DUTIES OF FIDUCIARIES

9.1 Named Fiduciaries. The Board of Directors of the Company and the Retirement Committee are the only named fiduciaries of the Plan. A fiduciary is a person who exercises discretionary authority or control over the management of the Plan or who exercises authority or control over the management of assets held under the Plan or their disposition, or who has any discretionary authority or responsibility in the administration of the Plan and shall include any person who is designated as such by the Plan.

9.2 Board of Directors. The Board of Directors of the Company may amend or terminate the Plan through the approval of Collective Bargaining Agreements with the Union. They will have no responsibility for the day-to-day operation and administration of the Plan. Responsibility for the day-to-day operation and administration of the Plan is delegated by the Board of Directors to the Retirement Committee.

9.3 Retirement Committee.

(a) The Retirement Committee shall consist of at least 6 members. The Board shall appoint 3 members, and the Union shall appoint 3 members. The Board may appoint 3 alternate members, and the Union may appoint 3 alternate members to serve in place of Committee members who are unavailable for meetings. Any Company alternate may serve in the place of any Company member, and any Union alternate may serve in the place of any Union member. The Board and the Union shall have the right at any time to replace any member appointed by it. In the event of a strike or lockout, the Committee shall continue to function and perform its duties.

The vote of the Committee shall be on an individual basis with the majority in number deciding all matters with respect to the administration of the Plan. The decision of the Committee shall be final and binding in all matters except with regard to the eligibility of any Participant for a retirement, disability or deferred vested pension or for a refund. Final determination of such matters shall be made in accordance with arbitration procedures provided for in this Plan.

(b) The Committee shall have the following powers and duties:

(1) To administer the Plan in accordance with the provisions of this document.

(2) To make and change from time to time and to enforce such rules and regulations consistent with the terms of the Collective Bargaining Agreement in effect between the Company and the Union as may be desirable for the carrying out of its duties, and for

the efficient administration of the Plan. The Committee shall not alter or amend any of the terms of the Collective Bargaining Agreement or of this Plan.

(3) The Committee shall make an annual report to the Company and shall make such other reports for the operation of the Plan as it may deem necessary. The Committee shall employ an actuary and may employ such other technical or professional services (including investment counselors, plan administration service providers and custodial service providers) as it deems necessary.

The actuary selected by the Committee shall be a consultant who is, or a consulting organization which has on its staff an Enrolled Actuary who is a Fellow or Associate of the Society of Actuaries, and who is experienced in the operation of pension plans. The actuary shall do such technical and advisory work as the Committee may direct, including, but not limited to the analysis of the experience of the Plan, the preparation of the actuarial tables for the making of computations thereunder, and the submission of an annual actuarial report to the Committee, containing an analysis of the experience of the Plan for the preceding year, an actuarial balance sheet showing the financial condition of the Plan, and a certificate as to the basis for determining the contributions required from the Company for the following Plan Year. The Committee shall transmit a copy of each actuarial report to the Company.

The Union members of the Committee shall have the right to select a second actuary, who shall meet the same qualifications as set forth above, and who shall review the annual actuarial report prepared by the actuary selected by the Committee, with particular reference to the actuarial assumptions and methods employed in that report. Such actuary shall submit to the Committee a report expressing his concurrence or disagreement with the assumptions, methods or calculations and the basis therefor.

Both actuaries shall be paid out of the Trust Fund on the basis of a fee formula submitted to the Committee by each actuary and approved by the Committee.

At least once each year, the Committee shall have an audit made of the funds forwarded to, disbursed by, and held by the Administrator, by a recognized firm of independent certified public accountants. The Committee shall publish such audit annually.

(4) All necessary expenses incurred by the Committee shall be certified by the Committee to and paid by, the Administrator and

out of the Trust Fund. To the extent it is determined that certain Plan expenses cannot be legally paid from the Trust Fund, such expenses will be paid by the Company.

(5) The Committee shall hold meetings at such times as it shall determine but not less than 6 meetings per year. Four of the members or their alternates, when present, shall constitute a quorum.

(6) The Committee shall select from its membership a Chairman and Secretary and all shall serve without compensation. If the Chairman is a Company-appointed member, the Secretary shall be a Union-appointed member, and vice versa. The Chairman or Secretary or their alternates shall each be entitled to vote at all meetings. The members of the Committee appointed by the Company shall vote as individuals, and so shall the members appointed by the Union.

The Secretary of the Committee (or designee) shall keep a record of all proceedings of the Committee.

9.4 Chairman and Secretary of the Committee. The Chairman and Secretary, or their alternates, shall have the power, if in agreement with each other:

(a) To determine according to the provisions herein set forth, the eligibility of an Employee for a retirement, disability or deferred vested pension or for a refund under this Plan, and, if eligible, his rights hereunder.

(b) To certify to the Administrator named in accordance with Section 9.8, the name of each Employee eligible for refund or a retirement or disability allowance and the amount payable to him and to rescind such certification according to the provisions of this Plan.

9.5 Arbitration Procedures. If the Chairman and Secretary are not in agreement on the eligibility of any Employee for retirement or disability allowance, or for a refund, they shall refer the question of eligibility to the full Committee. If 4 members of the Committee or their alternates are not in agreement, the question at issue shall be submitted to arbitration on the request of either party in accordance with the procedure for arbitration of grievances as set forth in the Collective Bargaining Agreement between the parties. The arbitration panel shall not have the authority to alter, amend or modify any of the provisions of the Collective Bargaining Agreement between the Company and the Union, nor shall it have the authority to alter, amend or modify any of the provisions of this Plan.

In all other respects, with regard to administration of the Plan, the decision of the Committee by majority vote on an individual basis shall be final and binding with the right of arbitration.

9.6 Limitation of Liability. No member of the Committee shall be liable for any action taken or omitted by him in good faith, but shall be liable only for such loss or damage due to willful misconduct or due to conduct which would not be considered prudent if performed by an individual with like knowledge and experience. Excepting only liability for the breach of any fiduciary duties, the members of the Committee shall be and are hereby indemnified by the Fund against liability and expenses reasonably incurred in connection with any action to which they may be a party by reason of their membership on the Committee.

9.7 Records.

(a) The Company shall keep all records, compile all data and accept all applications for retirement or refunds and submit such applications to the Chairman and Secretary for their consideration.

(b) The Chairman and Secretary or the majority of the Committee has the right at all times to call for additional information concerning any or all applications forwarded to the Committee and to examine all records or data pertaining to the Plan.

(c) In circumstances where precise salary information is not available with respect to a particular Participant, the Committee may rely on reasonable salary estimates for the purposes of benefit calculations under this Plan.

9.8 Plan Administrator.

(a) The Committee shall select and appoint a bank or trust company incorporated under the laws of the United States or of the States of New Jersey or New York for the purpose of administering the Trust Fund as the Plan Administrator. Any successor Administrator shall likewise be selected and appointed by the Committee and shall meet the same qualifications as set forth herein. ~~The Plan Administrator shall not be a fiduciary of the Trust Fund.~~

(b) All fees of the Administrator shall be paid out of the Trust Fund with the approval of the Committee.

(c) The Plan Administrator shall have no liability as to the correctness of the amounts to be paid under this Plan when such amounts are determined and certified by the Committee, nor shall the Administrator have any liability as to the correctness of the amount to be received by the Company from the Employees for the purpose of depositing the same with the

Administrator when such amounts are determined and certified by the Committee.

(d) The Committee is authorized to enter into any and all agreements whatsoever with the Administrator as the Committee may deem advisable for carrying out the provisions of this Plan and the administration of the Trust Fund to be created hereunder, including the discretionary powers to be exercised by the Administrator in making investments and reinvestments to the end that the Trust Fund shall at all times be prudently invested, the compensation and expenses of the Administrator, and any and all other matters in accordance with the terms of the Plan deemed desirable by the Committee, and such an agreement shall be binding and conclusive on the parties hereto, the Committee, and all Employees and persons entitled to retirement or disability allowances or other payments under this Plan and the Plan Administrator, acting hereunder and in accordance herewith, shall thereby incur no obligation whatsoever except as provided by any such agreements and in this Plan.

9.9 Accuracy of Information. The Committee may rely upon any information given by a Participant as to his age or marital status or that of a designated Beneficiary, but may require any such information to be substantiated by proof. If, at any time, any such information is found to be inaccurate, the Committee may, in its discretion, make such adjustments as it may deem appropriate under the circumstances, and the Committee, in such event, may defer payment of benefits, reduce benefits, and obtain refunds of benefits paid, such rights to be available not only against the Participant but also against the Beneficiary or any person claiming through or under them. Neither the Participant nor the Beneficiary or any person claiming through or under them, nor any third party, may assert any claims against the Company, the Union, the Committee or the Plan Administrator because any information given by a Participant to the Committee was inaccurate.

9.10 Reports. The Company shall exercise such authority and responsibilities it deems appropriate to comply with federal laws and regulations relating to reports and shall provide any and all reports made by the Plan to the Participants upon request.

9.11 Claims and Appeals.

(a) Claims for benefits under the Plan shall be filed in writing on forms provided by the Committee. Within 60 days after receipt of such claim, the Committee will notify the claimant in writing as to whether the claim has been granted, provided, however, if the claimant has not received written notice of such decision within a 60-day period, the claimant shall regard his claim as denied.

Any notice of denial of a claim shall set forth, in a manner calculated to be understood by the claimant:

(1) the specific reason or reasons for the denial,

(2) specific reference to pertinent Plan provisions on which the denial is based,

(3) description of any additional material or information necessary for claimant to perfect the claim, and an explanation of why such material or information is necessary, and

(4) an explanation of the Plan's claim and review procedure.

(b) Any claimant or his duly authorized representative who has been denied a claim for benefits under the Plan, shall be entitled upon the filing of a written request for review with the Committee within 60 days after receipt by the claimant of written notice of denial of his claim (or if the claimant has not received a notice of decision within the 60-day period described in subsection (a) of this within 120 days of receipt of the claim form) to appeal the denial of his claim to the Committee.

(c) The claimant or his duly authorized representative shall be entitled in connection with such appeal to examine pertinent documents and submit issues and comments in writing to the Committee. Any decision and review by the Committee shall be in writing, shall include specific reasons for the decision (including reference to the pertinent Plan provisions on which the decision is based) and shall be written in a manner calculated to be understood by the claimant. Such decision shall be made by the Committee not later than 60 days after receipt by it of the claimant's request for review.

ARTICLE X – AMENDMENT AND TERMINATION

10.1 Amendment. The Board of Directors may amend the Plan through the approval of Collective Bargaining Agreements with the Union, in accordance with Section 9.2. The Retirement Committee may change from time to time such rules and regulations consistent with the terms of the Collective Bargaining Agreement as may be desirable to carry out its duties in administering the Plan. The Committee shall not amend the terms of this Plan.

10.2 Termination. The Board of Directors may discontinue or terminate this Plan in whole or in part. The rights of all affected Participants to benefits accrued to the date of termination, partial termination, or discontinuance shall be 100% nonforfeitable, to the extent then funded.

In the event of termination, the assets then remaining in the Plan after providing for any administrative expenses shall be allocated in the following order:

(a) To all Participants in the employ of the Company or formerly in the employ of the Company, including such Participants currently receiving a pension benefit, and Beneficiaries of Participants as of the date of termination to the extent of their contributions, less any payments made to such persons, with interest accumulated at the rate of 4% compounded annually for each Plan Year through February 29, 1976 and at the rate of 5% compounded annually for each Plan Year thereafter.

(b) To all Participants hired prior to May 6, 1972 who, prior to the three-year period ending on the date of termination, were receiving a pension or whose Beneficiaries were receiving a pension or were entitled to immediately receive a pension, or would have been entitled to immediately receive a pension if they had terminated employment prior to the beginning of such three-year period to the extent of the value of their accrued benefits as of the date of termination which is not covered by subsection (a) and only on account of their service prior to May 6, 1972 and based on the provisions of the Plan in effect during the five-year period prior to the date of termination under which such pension would be the smallest amount. With respect to all Participants and Beneficiaries who are currently receiving a pension, the smallest amount during such three-year period shall be pension amount in pay status for such period.

(c) To all other Participants who, prior to the three-year period ending on the date of termination, were receiving a pension or whose Beneficiaries were receiving a pension or were entitled to immediately receive a pension, or would have been entitled to immediately receive a pension if they had terminated employment prior to the beginning of such three-year period to the extent of the value of their accrued benefits as of the date of termination which is not covered by subsection (a) or (b) and based on the provisions of the Plan in effect during the five-year period prior to the date of termination under which such pension would be the smallest amount. With respect to all Participants and Beneficiaries who are currently receiving a pension, the smallest amount during such three-year period shall be pension amount in pay status for such period.

(d) To all Participants hired prior to May 6, 1972 who are receiving a pension or whose Beneficiaries are receiving a pension or who have met the requirements for a Normal Retirement Benefits, Early Retirement Benefits or Deferred Vested Benefits on the date of termination to the extent of the value of their accrued benefits would be guaranteed under Title IV of ERISA as of the date of termination which is not covered by subsection (a), (b) or (c) and only on account of service prior to May 6, 1972.

(e) To all other Participants who are receiving a pension or whose Beneficiaries are receiving a pension or who have met the requirements for a Normal Retirement Benefits, Early Retirement Benefits or Deferred Vested Benefits on the date of termination to the extent of the value of their accrued benefits would be guaranteed under Title IV of ERISA as of the date of termination which is not covered by subsection (a), (b), (c) or (d).

(f) To all Participants hired prior to May 6, 1972 who have met the requirements for a Normal Retirement Benefits, Early Retirement Benefits or Deferred Vested Benefits on the date of termination to the extent of the value of their additional accrued benefits as of the date of termination which is not covered by subsection (a), (b), (c), (d) or (e) and only on account of service prior to May 6, 1972.

(g) To all other Participants who have met the requirements for a Normal Retirement Benefits, Early Retirement Benefits or Deferred Vested Benefits on the date of termination to the extent of the value of their additional accrued benefits as of the date of termination which is not covered by subsection (a), (b), (c), (d), (e) or (f).

(h) To all Participants hired prior to May 6, 1972 who are not receiving a pension and are not eligible to receive Normal Retirement Benefits, Early Retirement Benefits or Deferred Vested Benefits as of the date of termination and were still in the employ of the Company on the date of termination to the extent of the value of their accrued benefits on the date of termination which is not covered by subsection (a) and only on account of service prior to May 6, 1972.

(i) All other Participants who are not receiving a pension and are not eligible to receive Normal Retirement Benefits, Early Retirement Benefits or Deferred Vested Benefits as of the date of termination and were still in the employ of the Company on the date of termination to the extent of the value of their accrued benefits on the date of termination which is not covered by subsection (a) or (h).

Funds shall be allocated toward a category described above if there are sufficient assets in the Trust Fund in excess of the total required to meet the obligations to each of the preceding categories. If there are assets allocated toward a category which are insufficient to fulfill the entire obligation of that category, each individual within the category shall be allocated assets in the same proportion that the individual's obligation bears to the total obligation for the category.

If, after satisfaction of all liabilities to Participants and Beneficiaries there is any balance remaining in the Trust Fund that is due to erroneous actuarial computations, the balance shall be returned to the Company, if not otherwise prohibited by law.

Notwithstanding anything in this Plan to the contrary, the allocation of assets and distribution of benefits under the Plan and Trust Fund shall be made consistent with the provisions of Section 4044 of ERISA.

10.3 Assets in Excess of Liabilities. If, after the satisfaction of all liabilities with respect to Participants and their Beneficiaries, there is any balance remaining in the Trust Fund that is due to erroneous actuarial computations, such balance shall be refunded to the Company to the extent permitted by law.

10.4 Severability. If any provision of this Plan, or any step in administration of the Plan, is held to be illegal for any reason, such illegality or invalidity shall not affect the remaining provisions of the Plan, unless such illegality or invalidity prevents the accomplishment of the purposes and objectives of the Plan. In the event of any such holding, the Committee will immediately take action to amend the Plan to remedy the defect.

ARTICLE XI – GENERAL PROVISIONS

11.1 Exclusive Benefit. The Company in no event shall have any right, title or interest in the Trust Fund or any part thereof, or to have any contributions made by it under the Plan returned to it. It is the intent that all contributions made by the Company to the Trust Fund shall be divested of any interest or claim of or by the Company and such contributions shall under no circumstances be subject to the debts, liabilities or obligations of the Company or be considered any part of its assets or profit for any purposes whatsoever.

11.2 Non-Assignment. To the end of making it impossible for Employees, Participants or Beneficiaries under this Plan to imperil the provisions made herein for their support and welfare, it is expressly stipulated that no Employee or Participant or Beneficiary under this Plan, shall have any right to assign, transfer, hypothecate, encumber, commute or anticipate his interest in any payments under this Plan, nor shall such payments be subject to the jurisdiction of any bankruptcy courts or insolvency proceedings. Such payments shall not in any way be subject to legal process to levy execution upon or attachment or garnishment proceedings against the same for the payment of any claims against any Employee, Participant or Beneficiary

Notwithstanding the paragraph above, this Plan shall make payment in accordance with the provisions of any judgment, decree or order that otherwise meets the requirements of Code Section 414(p) as a "Qualified Domestic Relations Order," as such applies to governmental plans and as determined by the Retirement Committee.

11.3 Mergers. In the event of any merger or consolidation of the Plan or in the event of any proposed transfer in whole or in part of the assets and liabilities of the Plan to another plan or to a fund held under any other plan of deferred compensation maintained and to be established for the benefit of all or some of the Participants, the assets or liabilities of the Plan applicable thereto shall be merged or consolidated with or transferred to such other plan or fund only if each Participant and Beneficiary would (if either this Plan or the other plan then terminated) receive a benefit after the merger or consolidation or transfer that is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation or transfer (if this Plan had then terminated). Notwithstanding the above, no merger may take place unless agreed to in a collective bargaining agreement between the Company and the Union.

11.4 Incapacity of Participants and Beneficiaries. In the event that the Committee after investigation shall find any person entitled to a pension or benefit is unable to care for his affairs because of illness or accident or is a minor or has died, the Committee may direct that any pension or benefit payment due him, unless claim shall have been made therefore by a duly appointed legal representative, be paid or applied to or for the benefit of such person, or his spouse, any child of his (including an adopted child), any parent or other blood relative of his, or a person with whom he resides, or any of them, and any such payment or application so made shall be a complete discharge of the liabilities of the Plan and the Committee therefor.

11.5 Gender/Number. The masculine pronoun wherever used shall include the feminine and a singular shall include a plural, where applicable.

11.6 Applicable Laws. The laws of the State of New Jersey shall determine all questions arising with respect to the provisions of this Plan, except to the extent superseded by Federal law.

This Plan is intended to comply with the requirements for tax qualification under the Internal Revenue Code and all regulations thereunder, and is to be interpreted and applied consistent with that intent. In addition, this Plan was established and is operated consistent with basic principles of the Employee Retirement Income Security Act of 1974 (ERISA), even though as a governmental pension plan (as defined under Code Section 414(d)), this Plan is not subject to the requirements set forth in Title I of ERISA.

11.7 Limitation of Liability. The Company and the Union shall indemnify and hold harmless each Committee member serving on the Retirement Committee from and against any and all claims, losses, damages, expenses (including reasonable attorneys' fees approved by the Company, and where applicable, the Union), and liability (including any reasonable amounts paid in settlement with the Company's and the Union's approval) arising from any act or omission of the Retirement Committee, except when the same is judicially determined to be due to the willful misconduct of the Retirement Committee.

11.8 Employment not Guaranteed. Nothing contained in this Plan shall be construed as a contract of employment between the Company, the Affiliated Company, and any Employee, nor shall it afford to any Employee a right of continued employment with the Company and/or an Affiliated Company.

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