COVENANT PENSION PLAN
(Re-stated effective April 2010)

ARTICLE I
Definitions

Section 1.1. Definitions. Where the following words and phrases appear in this Plan, they shall have the respective meanings set forth below, unless their context clearly indicates to the contrary.

a) Accrued Benefit: The monthly benefit payable to a participant at normal retirement date on the normal form.

b) Actuarial Equivalent. The term "actuarial equivalent" means a benefit of equal value under different terms of payment, as computed in accordance with actuarial assumptions recommended by the actuary to be approved by the Board. These assumptions may be changed from time to time because of mortality studies and economic conditions which pertain in the United States as a whole at that time, or as may be localized because of special local conditions. These assumptions are to be used uniformly to ensure equal treatment of all participants at the time of their termination from the plan, providing a stable basis which is nondiscriminatory in operation so that the employer's costs will not increase because of volatility of interest rates. The basis to be used at the time of calculation may be found below in the table. (Currently the basis for conversion from the normal form of payment to any optional form, including the automatic form, is set as the Unisex Pension 1984 table with 6 percent interest per annum compounded annually.)

<table>
<thead>
<tr>
<th>PBGC Immediate Annuity Rate</th>
<th>Interest Rate</th>
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<tbody>
<tr>
<td>Not more than 4 percent</td>
<td>3 percent</td>
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<tr>
<td>Over 4 percent but not more than 5 percent</td>
<td>4 percent</td>
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<tr>
<td>Over 5 percent but not more than 7 percent</td>
<td>5 percent</td>
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<tr>
<td>Over 7 percent but not more than 12 percent</td>
<td>6 percent</td>
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<tr>
<td>Over 12 percent but not more than 14 percent</td>
<td>7 percent</td>
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<tr>
<td>Over 14 percent but not more than 18 percent</td>
<td>8 percent</td>
</tr>
<tr>
<td>Over 18 percent</td>
<td>9 percent</td>
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The mortality table is to be underlying table used for Pension Benefit Guaranty Corporation (PBGC) calculations at the time conversion is effective, unless this basis is no longer a unisex table. In the latter case, the prevailing unisex table is to be used.

In the case of a lump-sum equivalent the lump-sum amount will be calculated using the amount needed to purchase an annuity on the normal form beginning at the normal or later retirement date, as applicable. This amount will be the amount calculated from the unisex table that is the basis of the single premium immediate annuity rates of the Pension Benefit Guaranty Corporation (PBGC). This amount will be converted to a present value as necessary for a deferred benefit due to begin at normal retirement date by discounting according to the plan termination assumptions named in the announcements made by the PBGC for the date involved.

c) Benefits: The term "benefits" shall mean the following classes of benefits under the plan:
(1) normal retirement benefits  
(2) early retirement benefits  
(3) total and permanent disability benefits  
(4) automatic joint and 65 percent survivor benefits  
(5) vested benefits

Notwithstanding any other provisions of the pension plan, no participant shall be eligible for more than one class of benefit at the same time.

d) Board: The Board of Pensions and Benefits of the Evangelical Covenant Church.

e) Considered Compensation: Considered compensation shall include annual base salary and other income from the employer, including housing and utility allowances, if any. Where a parsonage is provided, base salary for purposes of this calculation shall be increased by 33 percent or $4,200, whichever is greater. In no event shall considered compensation for any one participant be reported as less than $9,000 a year. In addition, covered compensation taken into consideration for any participant in any plan year shall not exceed the limitations under Internal Revenue Code section 401 (a) (17).

f) Contributions: The term "contributions" shall mean the money paid to the fund by the employers.

g) Covered Employment: The term "covered employment" means the term of employment with respect to which employers are required or permitted to make contributions to the fund. The Board shall have the power to waive this payment in cases of bankruptcy, receivership, or assignment for benefit of creditors.

h) Corporate Trustee. A trust company licensed under applicable federal and state laws to serve as a custodian of the Trust Fund.

i) Disability: A physical or mental condition which, in the judgment of the Board, totally and permanently prevents a participant from engaging in any substantial full-time gainful employment. A determination of disability shall be based on medical evidence satisfactory to the Board, as provided in Article IV, Section 4.2.

j) Early Retirement Date: The first day of the month coinciding with or next following the vested participant's sixty-second (62nd) birthday.

k) Effective Date: The effective date of the Plan.

l) Employer: The Evangelical Covenant Church, hereinafter referred to as the Covenant; any regional conference of the Covenant; any church which is a member of the Covenant; and any institution, school, or other entity approved by the Board of Pensions and Benefits as an employer to be included in this Plan.

m) Hour Of Service. The term "hour of service" shall mean:

(1) With respect to any hour prior to May 1, 1976, each hour paid in covered employment, in accordance with the terms and provisions of this plan as constituted prior to July 1, 1976.

(2) With respect to any hour on or after May 1, 1976, each hour shall be computed and credited in accordance with DOL Regs. 2530.200(b) and (c), for which an employee is directly or indirectly paid, or is entitled to payment, by an employer for:

(i) The performance of duties pursuant to the Employment Agreement or "Call";
(ii) A period during which no duties are performed due to vacation, holiday, illness, incapacity, lay-off, military service in time of declared national emergency, leave of absence, jury duty or other like events; and

(iii) A period for which back pay is awarded or agreed to by an employer, provided any such hour has not already been included in (i) or (ii) above.

n) Investment Manager: Any fiduciary other than a member of the Board of Pensions and Benefits or a named fiduciary, who:
   (1) Has the power to manage, acquire or dispose of any asset of the Plan,
   (2) Is registered as an investment advisor under the Investment Advisors Act of 1940, is a bank as defined in that Act or as an insurance company licensed in more than one state to perform investment managing services, and
   (3) Has acknowledged in writing that he/she or it is a fiduciary with respect to the Plan.

o) Mandatory Participant:
   (1) A minister who has standing with the Covenant Ministerium and is employed full time, at least 30 hours per week, by an employer; and
   (2) A full-time missionary of the Covenant not included in Paragraph o)(1), as reported by the Department of World Mission to the director of pensions.

p) Member: Individual elected to the Board of Pensions and Benefits pursuant to Article VIII, Section 8.1, of this agreement.

q) Normal Retirement Age: The participant's normal retirement age is sixty-five or the fifth anniversary of participation in the plan, if later.

r) Normal Retirement Date: The participant's normal retirement date is the first day of the month coincident with or immediately following the attainment of normal retirement age.

s) Participant: Either mandatory or voluntary as hereinafter defined. When used in this Plan, participant shall include either mandatory or voluntary, unless otherwise indicated.

t) Pension: A series of monthly amounts that are payable to a person who is entitled to receive benefits under the Plan.

u) Plan: The Covenant Pension Plan, the Plan set forth herein, as amended from time to time.

v) Retirement Date: The date on which the payment of participant's retirement income is to commence as determined in accordance with the Rules of the Plan.

w) Service: All full-time employment with an approved employer shall be counted as service under the Plan, provided that payments are received from the employer as stated in Article III, Section 3.1. Any reference in this Plan to the period of service of a participant shall include any fractional portions of a year.

x) Spouse: The lawful wife of a male participant, or the lawful husband of a female participant.

y) Trust Fund: The pension fund forming a part of the Plan and known as the Covenant Pension Trust, established to receive and invest contributions of the employers and from which the benefits are paid.
z) **Vested Participant:** A vested participant is a participant who meets at least one of the following criteria:

1. Any participant with at least five years of service earned after January 1, 1986, or
2. Any participant active on January 1, 1986, with at least five years of service earned any time, or
3. Any participant with at least ten years of service earned after January 1, 1972, or
4. Any participant active on January 1, 1972, with at least ten years of service earned any time, or
5. Any participant with at least twenty-five years of service earned any time.
6. Any participant who attains the age of 65 while engaged in covered employment by an employer required to make contributions to the plan.

aa) **Voluntary Participant:**

1. A minister who has standing with the Covenant Ministerium, and who is employed full-time by a Covenant or regional conference institution, or other approved employers; and
2. A minister who is not a mandatory participant, who is an associate member of the Covenant Ministerium employed full time who makes an election to participate with the consent of an employer included in the plan.

Section 1.2. **Construction.** The words "hereof," "herein," "hereunder," and other similar compounds of the word "here" shall mean and refer to the entire Plan, not to any particular provision or section.

**ARTICLE II**

**Credited Service**

Section 2.1. **Eligibility Service.** Eligibility service shall mean the first hour of service for which a contributing employer is required to contribute to the trust on the participant's behalf. The initial eligibility computation period will be a 12-consecutive month period beginning with the employment commencement date. Each succeeding computation period will begin with the plan year which includes the first anniversary of the participant's employment commencement date. The participant shall become eligible to participate in the plan after 1,000 hours of contributions have been credited to his/her account during the initial eligibility computation period or during a succeeding plan year.

The participant becomes eligible to participate on the first day of the month coincident with or immediately following the 1,000th hour of service for which a contributing employer is required to contribute to the Trust on the participant's behalf.

An individual who is vested or was a non vested participant in this plan whose prior service cannot be disregarded under IRC 410(a)(5), who is re-employed after a break in service, will participate immediately on his or her first hour of service for which a contributing employer is required to contribute to the trust on the participant's behalf.
Section 2.2. **Benefit Service.** Benefit service shall mean the number of years for which a participant received credit on the records of the fund. Benefit service shall be calculated by dividing the total hours credited to the participant by 1,500 and the result is rounded to the nearest $\frac{1}{10}$th of a year, not to exceed forty-five years.

The total benefit service for purposes of determining the monthly retirement benefit of participants who retire on May 1, 1994, and thereafter shall be computed by totaling the latest years of benefit service earned, starting at the date of retirement and adding backward all years of benefit service earned prior thereto, up to a maximum of forty-five years of total benefit service.

Section 2.3. **Credited Service.** Credited service or service shall mean the number of years for which a participant receives credit on the records of the fund.

a) **Service Prior to the Restatement Date:** The service for a participant prior to this restatement date shall be determined in accordance with the terms and provisions of the original plan.

b) **Service From and After the Restatement Date:** Years of service shall be earned by a participant who has acquired 1,000 hours worked within a plan year beginning with the plan year which includes the first anniversary of the employee's employment commencement date. The total service of the participant shall not include any years of break in service.

For purposes of determining years of service all covered service with an employer or employers and all continuous non-covered service with the same employer maintaining the plan shall be taken into account provided, however, no continuous non-covered service shall be credited to the fund unless the employer or participant notifies the administrator of the hours worked by the participant in non-covered service within ninety (90) days after the date of participation or the plan year, whichever is later.

Hours creditable hereunder are as follows:

1. An employee shall be credited with all hours paid in covered employment prior to May 1, 1976.

2. An employee shall be credited with hours of service, as determined in accordance with Article I, Section 1.1(m), during a Plan year commencing on or after May 1, 1976.

3. An employee shall be credited at the rate of 40 hours per week for each full week with respect to which Workmen's Compensation disability benefits are payable, or which constituted a valid waiting period for such benefits, and for total disability as defined under Article I, Section 1.1(i)except that not more than an aggregate of 3 years of future service credit shall be given for such absences during an employee's career; provided that an employee in order to receive such credit must make written application therefore to the Board within one (1) year from the date she or he becomes so disabled, and further provided that no more than 40 hours per week may be credited under this provision.

4. An employee shall be credited with certain hours of service during an absence from credited service if such employee is absent from work by reason of (1) pregnancy of the employee, (2) birth of a child of the employee (3) placement of a child with the employee in connection with
an adoption or, (4) caring for a child described in (2) or (3) immediately following such birth or placement. The service granted will prevent the employee from suffering a break-in-service, however, it will not count for accrual of benefits.

All the hours shall be credited (under this provision) in the year the absence begins only if it is necessary to prevent a break in service in that year. Otherwise all the hours shall be credited in the following years. The number of hours credited shall equal the minimum number necessary to prevent a one-year break in service in the plan year in which these hours are credited.

The plan administrator may require certification under reasonable and uniform rules to establish the basis of the absence under this provision.

Section 2.4. Uniformed Services Employment And Re-Employment Rights. Notwithstanding any provisions of this Plan to the contrary, contribution, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Internal Revenue Code.

ARTICLE III
Funding

Section 3.1. Payments By The Employer. The employer shall make payments equal to 12.5% of the considered compensation for each participant. The payment shall be made quarterly on March 31, June 30, September 30, and December 31 of each year. If the employer is ninety (90) days or more in arrears, the Board shall assess an interest charge on the unpaid sums. No employee shall be entitled to credit for service for the period during which the employer has failed to make the required payments until the installments and all interest payments have been brought current.

Section 3.2. Minimum Payment. If the employer has a covered participant for a full calendar year, payment shall not be less than that required by the minimum annual considered compensation. If the employer does not have a covered participant for a full calendar year, the minimum payment to the fund shall not be less than $100.

ARTICLE IV
Requirements for Retirement Benefits

Section 4.1. Normal Retirement. A vested participant shall be eligible for a normal pension on or after the participant’s sixty-fifth birthday. The pension benefit will be calculated from the considered compensation paid into the fund as of the participant’s sixty-fifth birthday. If the participant chooses to continue fulltime work, he or she shall have their employer continue to pay into the pension plan. At retirement from any other subsequent employer, benefits will be recalculated and paid at the recalculated amount thereafter; however, benefits will not be recalculated more often than annually. This provision shall apply only to those participants
retiring at or subsequent to age 65 and shall not apply to those individuals retiring under the
provision for early retirement, disability, or any other provisions of the plan.

Payment of a normal pension shall commence as of the first day of the month, following
the date of retirement, in which the participant submits a properly completed application for
pension benefits, whichever is later and the last payment thereof shall be made as of the first day
of the month in which the death of the retired participant occurs.

Notwithstanding the foregoing, however, benefits first payable on or after May 1, 1986
shall commence no later than April 1 of the calendar year following the calendar year in which
the participant attains age 70½ or the employee retires normal or early, whichever is latest.
Benefits will begin not later than the sixtieth (60th) day after the close of the plan year in which
the normal retirement age is attained, unless the employee elects otherwise.

Section 4.2. Disability Retirement. A vested participant, who is disabled pursuant to the
Rules of the Plan, shall be eligible for a pension at his or her normal or early retirement date.
Said disability pension shall be calculated by calculating the years of service pursuant to Article
V, Section 5.1 below. For those years in which the participant is disabled and credit is granted,
the compensation shall be considered to have been at least one-half the published Covenant
pastor’s current average annual salary, effective July 1, 2002.

Disability under the Plan shall be considered total and permanent if, on the basis of a
medical examination by a doctor or clinic appointed by the Board, the Board finds that the
participant has a physical or mental condition which totally and presumably permanently
prevents the participant from engaging in any substantial gainful employment and such condition
has existed for at least six (6) months. The Board shall, however, have the right to waive the
requirement for a medical examination if it determines that such an examination is unnecessary.

Disability shall be considered to have ended if, prior to normal retirement date, the
participant:

a) Engages in a substantial gainful employment, except for such employment as is
found by the Board to be for the primary purpose of rehabilitation or not
incompatible with a finding of total and permanent disability; or

b) Has sufficiently recovered, in the opinion of the Board based on a medical
examination by a doctor or clinic appointed by the Board, to be able to engage in
regular employment with the employer and refuses an offer of employment by the
employer; or

c) Refuses to undergo any medical examination requested by the Board, provided
that a medical examination shall not be required more frequently than twice in
any calendar year.

Section 4.3. Deferred Vested Retirement. Each vested participant whose service is broken
after the effective date of the Plan, and prior to his/her early or normal retirement date, shall be
eligible to receive a vested deferred retirement pension, commencing upon attaining of his/her
normal retirement date, or at the early retirement date provided the participant is vested. A
deferred vested participant who is vested pursuant to the Rules of the Plan shall be eligible for an
eyear retirement pension on or after attainment of age sixty-two. The amount of the early
retirement pension shall be calculated by reducing the participant's normal retirement benefit by
½ percent for each month the participant's retirement precedes the participant's attainment of age
sixty-five.
Section 4.4. Early Retirement. A participant who is vested pursuant to the Rules of the Plan shall be eligible for an early retirement pension on or after attainment of age sixty-two. The amount of the early retirement pension shall be calculated by reducing the participant's normal retirement benefit by ½ percent for each month the participant's retirement precedes the participant's attainment of age sixty-five.

Section 4.5. Reemployment After Retirement. In the event a retired participant returns to work for an employer, as defined in Article I, Section 1.1(l) above, pension benefits shall continue to be paid during said period of reemployment at the same level in effect at the date of retirement, or the current minimum pension, whichever is applicable. The reemployed retired participant shall not accrue any additional benefits.

An employer who employs a retired participant shall be exempted from the requirement of contributions to the fund under Article III, Section 3.1, of the Plan.

Section 4.6. Commencement Of Benefits. Payment of any pension benefit provided for by this Plan shall commence as of the latter of the date of early, normal, or disability retirement and receipt of a properly completed application.

Section 4.7. Termination Of Benefits. The last payment to a participant or a surviving spouse, whichever is later, shall be made as of the first day of the month in which death occurs.

Section 4.8. Limitation Of Pension. The annual pension benefit payable to an employee under this plan on the normal form shall not exceed 100% of the employee's average annual compensation for the three consecutive calendar years in which he or she had the greatest compensation. In addition, the normal form of benefit will not exceed the allowable IRS Sec. 415 limits.

Section 4.9. Multiple Plan Reduction. If an employee has been a participant in one or more defined benefit plans and one or more defined contribution plans maintained by the employer, the sum of the defined benefit plan fraction and the defined contribution plan fraction for any limitation year may not exceed one. The defined benefit plan fraction is a fraction formed by a numerator equal to the annual benefit payable to the participant under these defined benefits plans as of the end of the limitation year and a denominator equal to the lesser of 1.25 multiplied by the maximum dollar limitation provided under the Internal Revenue Code Section 415(b)(1)(A) for such limitation year of 1.40 multiplied by the amount taken into account under Internal Revenue Code Section 415(b)(1)(B) for such limitation year. The defined contribution plan fraction is a fraction formed by a numerator equal to the sum of the annual additions to the participant's accounts under such plans at the end of the limitation year and a denominator equal to the sum of the lesser of the following amounts determined for such year and each prior year of service with the employer, either 1.25 multiplied by the dollar limitation in effect under Internal Revenue Code Section 415(c)(1)(A) or 1.40 multiplied by the amount which may be taken into account under Internal Revenue Code Section 415(c)(1)(B) for such limitation year. Annual additions means the sum credited to a participant's account for any limitation year equal to employer contributions allocated plus the lesser of employee contributions in excess of 6 percent of compensation or one-half of the employee contributions plus forfeitures allocated plus
amounts allocated to an individual medical account (as defined in IRC Section 415(1)(1) which is part of a defined benefit plan maintained by the employer plus amounts derived from contributions paid or accrued after December 31, 1985, for taxable years ending after that date, which are attributable to post-retirement medical benefits allocated to a separate account of a key employee under a welfare benefit plan maintained by the employer. For any limitation year in which the plan is super top heavy 1.00 shall be substituted for 1.25 above. The plan administrator shall adjust the numerator of the defined benefit plan fraction in such a manner that the sum of the two fractions does not exceed one.

ARTICLE V
Amount of Retirement Benefit

Section 5.1. Normal Pension. A participant who meets the requirements for a normal pension shall receive a monthly amount equal to 1/12 of 1 ½ percent of the total considered compensation. Participants shall receive credit for considered compensation as follows:

a) $3,200 for each year of service prior to January 1, 1972,
b) $6,400 for each year of service from January 1, 1972 to December 31, 1973,
c) considered compensation received from January 1, 1974 for which the employer has made payments to the trust fund.

Section 5.2. Disability Pension. A participant who meets the requirements for a disability pension shall receive a monthly amount equal to the sum of: 1) for the period of service, an amount provided by Article V, Section 5.1 above; 2) for the period of disability prior to normal retirement date, an amount provided by Article V, Section 5.1 above, assuming a minimum annual considered compensation level as provided in Article I, 1.1, e) above.

Section 5.3. Deferred Pension. A participant who meets the requirement for a deferred pension shall receive a monthly amount which shall be determined in accordance with the provisions of Article V, Section 5.1, considering service prior to termination of employment.

Section 5.4. Early Pension. A participant who meets the requirements for early retirement as defined in Article IV, Section 4.4 above, shall have the pension reduced by 0.5 percent for each month of early retirement.

Section 5.5. Minimum Pension. Upon normal retirement, a minimum pension of $989.00 per month (effective 1/1/2008) will be provided for all vested participants with twenty-five years or more of service. This minimum pension will be reduced by 1/25th for each year of service less than twenty-five. Upon early retirement (Article V, Section 5.4) or upon election of the optional surviving spouse benefit (Article V, Section 5.6), the minimum pension will be reduced in accordance with the applicable rule in addition to the reduction, if any, made because the participant has less than twenty-five years of service at retirement. The minimum pension for a surviving spouse shall be 75 percent of the amount received by the participant ($742.00/month).

Section 5.6. Optional Surviving Spouse Benefit. A participant may elect to receive a reduced pension payable monthly during the participant's lifetime, with payments to continue
after death in the same amount or a percentage thereof, to a spouse as designated by the participant. Such selection shall be made by written notice to the Board of Pensions and Benefits not less than two years prior to normal or early retirement date. The reduced pension shall be the actuarial equivalent of the pension the participant would receive at normal or early retirement date, computed in accordance with Article V, Section 5.1 hereof. Pension payments under Article V, Section 5.1 shall terminate with the monthly payment coinciding with or next preceding the death of the survivor of the participant and the spouse.

If the election is not made within the above time limits, such selection may, nevertheless, be made at any time prior to the participant's first actual or early retirement date, provided the participant furnishes the Board of Pensions and Benefits with satisfactory evidence of good health.

If the participant selects this option and dies before a normal or early retirement date, the election shall be void and the pension payable shall be determined under Article VI, Section 6.1, of the Rules.

If the participant or spouse dies before the participant's actual retirement date, the election of this option shall be void, and the participant's pension shall be payable as if such selection had not been made.

If the participant dies after the normal retirement date but prior to actual retirement, the pension payable to the spouse under this option shall commence on the first day of the month coinciding with or next following the date of death of the participant.

The election of this option may be rescinded by the participant at any time not less than two years prior to normal or early retirement or any time prior to normal or early retirement provided the participant furnishes satisfactory evidence to the Board of Pensions and Benefits of the good health of the spouse.

Section 5.7. Pension Increases. Benefits for retired participants and accumulated considered compensation for other participants was increased on July 1, 1986 by 12.5 percent and on July 1, 1989 by 15 percent. Effective July 1, 1992, benefits on December 1, 1991 for retired participants was increased in an amount not to exceed $170 per month as follows:

a) a percentage that is the lesser of twenty-five or years of service minus ten, and then,

b) $4.00 per month for each year of service in excess of twenty.

Effective July 1, 1992 considered compensation for all other participants was increased by an amount not to exceed $136,000 ($170 per month divided by .00125) as follows:

a) a percentage that is the lesser of twenty-five or years of service minus ten, and then,

b) $3,600 for each year of service in excess of twenty.

Benefits for retired participants and accumulated considered compensation for other participants was increased on January 1, 1996 by 3.0 percent, on January 1, 1997 by 3.0 percent, on January 1, 1998 by 3.0 percent, on January 1, 1999 by 3.0 percent, on January 1, 2000 by 3.0 percent, on January 1, 2001 by 3.0 percent, on April 1, 2007 by 6.0 percent, and on January 1, 2008 by 6.0 percent.

ARTICLE VI
Other Benefits
Section 6.1. *Automatic Spouse's Benefit.* Upon the death of an active or retired participant, who has not made an election pursuant to Article V, Section 5.6, "Optional Surviving Spouse Benefit," the participant's surviving spouse shall be entitled to a survivor's pension on the first day of the month following the participant's death if the participant was either eligible to receive a pension or was receiving a pension. In the event the participant had not attained normal retirement age at the time of the participant's death, the surviving spouse shall be entitled to a survivor's pension commencing the first day of the month following the participant's death. However, the participant's surviving spouse shall not be entitled to a pension under this provision, unless the surviving spouse was married to the participant for at least five years prior to the participant's death. The surviving spouse of a missionary shall receive only a surviving spouse's pension, unless the surviving spouse remains on active duty or returns to active duty and qualifies for a full pension.

The pension payable to the surviving spouse shall be a monthly amount equal to 65% of the monthly amount of pension which the participant was receiving, if retired, or would have been entitled to receive if the participant had retired on the day preceding the participant's death, assuming the participant was then eligible for a retirement benefit. The last payment to a surviving spouse shall be made as of the beginning of the month in which death occurs. The pension benefits of retirees who had previously selected survivor benefits in excess of 50% will be adjusted prospectively, pursuant to a determination by the Board of Pensions and Benefits' actuary.

**ARTICLE VII**

**Non-Assignability of Pension Benefits**

Section 7.1. No employee or pensioner shall have the right or power to assign, alienate, transfer, sell, hypothecate, mortgage, pledge, commute or in any way anticipate the payment or pension benefit; no pension benefit shall be in any way subject to any legal process of any kind or liable in any way for the payment of any employee's or pensioner's debts, except to the extent that the Board are directed by a qualified domestic relations order, or the Board may withhold payments or portions of payments to correct mistakes, errors, overpayment, payment, etc., any attempted assignment whether voluntary or by operation of law shall be void; and payments shall be made only to the pensioner in person or upon personal receipt except as herein otherwise provided.

In the event of the division of any benefit there shall be no change in any life contingency that may have been involved in the establishment of the initial benefit, and accordingly, all benefit payments may terminate on the death of the participant, or spouse, or former spouse, as the case may be. Upon the division of a benefit, if either of the parties remarries, the surviving spouse's benefits as defined by Article VI shall apply.

Section 7.2. Section 7.1 shall apply to the creation, assignment or recognition of a right to any benefit payable with respect to a participant pursuant to a Domestic Relations Order unless such order is determined to be a Qualified Domestic Relations Order. Benefits shall be provided in accordance with the applicable requirements of any Qualified Domestic Relations Order.
Section 7.3. The term Qualified Domestic Relations Order means a domestic relations order:
   a) which creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to, receive all or a portion of the benefits payable with respect to a participant under this plan, and
   b) with respect to which the requirements of Sections 7.4 and 7.5 are met.

Section 7.4. The term Domestic Relations Order means any judgment, decree or order (including approval of a property settlement agreement) which:
   a) related to the provision of child support, alimony payments, or marital property rights to a spouse, child or other dependent of a participant, and
   b) is made pursuant to a state domestic relations law (including a community property law).

Section 7.5. A Domestic Relations Order must clearly specify:
   a) the name and last known mailing address (if any) of the participant and the name and mailing address of each alternate payee covered by the order.
   b) the amount or percentage of the participant's benefits to be paid by the Plan to each such alternate payee, or the manner in which such amount or percentage is to be determined.
   c) the number of payments or period to which such order applies, and
   d) each plan to which such order applies.

Section 7.6. A Domestic Relations Order:
   a) cannot require the Plan to provide any type or form of benefit, or any option, not otherwise provided for under the plan.
   b) cannot require the plan to provide increased benefits (determined on the basis of actuarial value), and
   c) cannot require the payment of benefits to an alternate payee which are required to be paid to another alternate payee under another previously determined to be a Qualified Domestic Relations Order.

Section 7.7. For purposes of this section, the term earliest retirement age means the earliest date on which, under the Plan, the participant could elect to receive retirement benefits.

Section 7.8. To the extent provided in any Qualified Domestic Relations Order.
   a) the former spouse of a participant shall be treated as a surviving spouse of such participant for purposes of Plan, and
   b) if married for at least one (1) year, the former spouse shall be treated as meeting the requirements of the Plan.

Section 7.9. In the event a Domestic Relations Order is received by the plan:
   a) the plan administrator shall promptly notify the participant and any other alternate payee of the receipt of such order and the plan's procedures for determining the qualified status of Domestic Relations Orders, and
b) within a reasonable period after receipt of such order, the plan administrator shall determine whether such order is a Qualified Domestic Relations Order and notify the participant and each alternate payee of such determination.

Section 7.10. Reasonable procedures shall be established to determine the qualified status of Domestic Relations Orders and to administer distributions under such qualified orders. Such procedures:

a) shall be in writing
b) shall provide for the notification of each person specified in a Domestic Relations Order as entitled to payment of benefits under the Plan (at the address included in such Domestic Relations Order) of such procedures promptly upon receipt by the Plan of such Domestic Relations Order, and
c) shall permit an alternate payee to designate a representative for receipt of copies of notices that are sent to the alternate payee with respect to a Domestic Relations Order.

Section 7.11. A person who is an alternate payee under a Qualified Domestic Relations Order shall be considered a beneficiary under the plan.

Section 7.12. The term alternate payee means any spouse or former spouse of a participant who is recognized by a Domestic Relations Order as having a right to receive all or a portion of, the benefits payable under the plan with respect to such participant.

ARTICLE VIII
Administration

Section 8.1. Election Of The Board. The Plan shall be administered by the Board of Pensions and Benefits. The Board of Pensions and Benefits shall be elected by the Annual Meeting of the Covenant in accordance with the Bylaws of the Covenant. The members of the Board shall not receive compensation with respect to their services.

Section 8.2. Officers Of The Board. At the meeting immediately prior to each Annual Meeting of the Covenant, selection shall be made from their number of a chairperson, and also, except as otherwise provided, of such other officers as they may determine.

The chairperson shall serve without compensation, shall preside at all meetings, and shall perform such other duties as may be prescribed.

The director of pensions shall be the principal administrative officer of the Pension Plan. In such capacity, the director of pensions shall administer the Covenant Pension Plan. The director of pensions shall also solicit contributions, gifts, and bequests to the Pension Plan.

Section 8.3. Audit. The Executive Board of the Covenant may cause annual audits to be made of the Pension Plan and the Pension Trust Fund.

Section 8.4. Meetings Of The Board. Regular meetings of the Board shall be set twice a year. Special meetings may be called by the director, or by the chairperson of the Board, or by
the president of the Covenant, and must be called upon written request of any two members addressed to the chairperson or the director of pensions. Five elected members shall constitute a quorum at any meeting. Notice of the time and place of all meetings shall be mailed to the members of the Board at least ten days before each meeting.

Section 8.5. Board Powers And Duties. The Board shall have such powers as may be necessary to discharge its duties hereunder, including, but not by way of limitation, the following powers and duties:

a) To construe and interpret the Plan, decide all questions of eligibility, and determine the amount, manner, and time of payment of any benefits hereunder;

b) To prescribe procedures to be followed by participants in filing applications for benefits;

c) To make a determination as to the right of any person to a benefit and to afford any person dissatisfied with such determination the right to hearing thereon;

d) To receive from the employers and from the participants such information as shall be necessary for the proper administration of the Plan;

e) To prepare and distribute, in such manner as the Board determines to be appropriate, information explaining the Plan;

f) To furnish to employers, upon request, such annual reports with respect to the administration of the Plan as are reasonable and appropriate;

g) To receive and review actuarial valuations of the Plan made by the actuary selected by the Board;

h) To receive and review reports of the financial condition of the Plan and of the receipts and disbursements of the Plan;

i) To develop general investment guidelines, including the desired asset mix, and the amount of assets to be allocated to individual investment managers;

j) To set standards of performance and measuring devices for valuation and monitoring of investment performance;

k) To select qualified investment managers who are registered as Investment Advisors under the Investment Advisors Act of 1940; a bank as defined in that Act; or an insurance company licensed in more than one state to perform Investment Managing Services;

l) To invest the assets of the Trust Fund in bonds, notes, debentures, mortgages, equipment trust certificates, investment trust certificates, preferred or common stocks, or in such other property, real or personal, either within or without the United States as the investment manager(s) may deem advisable, without being limited by any statute or rule of law regarding type, amount, proportions or diversification of investment.

m) To appoint a corporate trustee to hold the assets of the Trust Fund as custodian. The corporate trustee shall serve at the pleasure of the Board, and shall have such rights, powers and duties as the Board shall from time to time determine, consistent with the applicable laws.

n) The Board of Pensions and Benefits shall appoint or elect a treasurer.

o) The Board of Pensions and Benefits shall appoint or elect a secretary.

p) The Board of Pensions and Benefits shall cause an annual audit to be made of the Pension Plan and the Pension Trust Fund.

Section 8.6. Rules And Decisions. The Board may adopt such rules and actuarial tables as it deems advisable and may employ such agents, attorneys, actuaries, or clerical assistants as it
deems necessary. All rules and decisions of the Board shall be uniformly and consistently applied to all participants in similar circumstances.

Any rule or decision which is not inconsistent with the provisions of the Plan shall be conclusive and binding upon all persons.

When making a determination or calculation, the Board shall be entitled to rely upon the information and advice furnished by the Covenant, legal counsel, the actuary for the Plan, and/or such other consultants and advisors retained by the Board.

ARTICLE IX
Duty to Furnish Information

Section 9.1. Each employee and former employee shall furnish to the Board any information or proof requested by it and reasonably required to administer this plan. Failure on the part of any such person to comply with such request promptly and in good faith shall be sufficient grounds for denying or suspending pension payments to such person until such information or proof has been submitted and found satisfactory. If any participant willfully makes a false statement material to a claim for a pension, the participant shall be entitled only to such payments and amounts or payment based on true and correct information, and the Board shall have the right to recover any overpayments made in reliance on such false statements.

Section 9.2. Benefits Paid From Fund. All benefits provided by the plan shall be paid from the fund to which employers shall contribute in accordance with the terms of the plan. If there is valid reason, the Board may direct the purchase of an annuity from an insurance company to complete any employee's program.

Section 9.3. Changes In Amounts Of Benefits. An actuarial valuation may be ordered by the Board. The actuary shall make such actuarial valuation of the fund for the purposes of determining the amounts of benefits which the fund will support. After completing the valuation, the actuary shall prepare a report for the Board including any recommendations for changes in the amounts of benefits provided by the plan. The Board may amend the plan at any time and shall be guided in such amendments with regard to benefits by the recommendations of the actuary and the requirements of law. The actuary will be a member of the American Academy of Actuaries or a Fellow of the Society of Actuaries and must be enrolled to perform actuarial services by the Joint Board for the Enrollment of Actuaries established under the Employees Retirement Income Security Act of 1974.

Section 9.4. Claims Procedure. If, upon application for a benefit under this plan, the Board determines that the benefit should be wholly or partially denied, written notice of such determination shall be furnished to the person who filed such application within a reasonable period of time after receipt of the application. Such written notice shall set forth in a manner calculated to be understood by the person filing such application 1) the specific reason or reasons for the denial, 2) specific reference to pertinent plan provisions on which the denial is based, 3) a description of additional material or information necessary to perfect the benefit, if applicable, and an explanation of why such material or information is deemed necessary, and 4) an explanation of the procedure for further review of the Board's determination.
Within sixty days of receipt of the written notice of benefit denial, the person filing the original application for benefits, or a duly authorized representative, may, by written application, request a re-determination by the Board of the denial of such benefits. Pursuant to such written application for a re-determination, the person filing the application, or a duly authorized representative, may review all pertinent documents and may submit issues, comments and arguments in writing.

Within sixty days of receipt of an application for re-determination (unless special circumstances require a longer period of time, in which case within a reasonable period of time not to exceed 120 days), the Board shall provide the person filing the application for re-determination with its decision, which shall be in writing and which shall set forth the specific reasons for the decision, written in a manner calculated to be understood by the person filing the application for re-determination, with specific reference to plan provisions on which the decision is based.

ARTICLE X
Guarantees and Liabilities

Section 10.1. Non Guarantee Of Employment. Nothing contained in this Plan shall be construed as a contract of employment between the employers and any participant, or as a right of any participant to be continued in the employment of the employers, or as a limitation of the right of the employers to discharge any of their participants, with or without cause.

Section 10.2. Rights To Trust Fund Assets. No participant shall have any right to, or interest in, any part of the Trust Fund's assets upon termination of employment of otherwise, except as provided from time to time under this Plan, and then only to the extent of the benefits payable to such participant out of the assets of the Trust Fund. All payments of benefits as provided for in this Plan shall be made solely out of the assets of the Trust Fund, and neither the employers, the Board of Pensions and Benefits nor any member of the Board shall be liable therefore in any manner. No part of the corpus or income of the Trust Fund shall revert to the employer, or be used for or diverted to purposes other than for the exclusive benefit of the participants, both active and retired and their spouses.

Section 10.3. Disclaimer Of Liability. Neither the Covenant, the corporate trustee, investment manager, the employers, nor any member of the Board guarantees the Trust Fund in any manner against loss or depreciation, and they shall not be liable for any act, or failure to act, which is made pursuant to the provisions of the Plan. The Covenant shall not be responsible for any act, or failure to act, of the Board, the corporate trustee or the investment manager. The members of the Board shall not be responsible for any act, or failure to act, of the employers, the corporate trustee or the investment manager.

Section 10.4. Indemnification Of The Board. The Board of Pensions and Benefits and the individual members thereof, shall be indemnified (by the Board of Pensions and Benefits) from the assets of the Trust Fund against any and all liabilities pursuant to the provisions of the Plan, including expenses reasonably incurred in the defense of any claim relating thereto. The provisions of this Section 10.4, "Indemnification of the Board" shall not apply to any liability
incurred by the Board or any individual member of the Board which results from his/her or its own willful misconduct.

ARTICLE XI
Amendments

Section 11.1. Amendments to this Plan, except those referred to in Article V, may be acted upon, provided sixty (60) days prior notice be given to churches, institutions, and employers, at any Annual meeting of the Covenant. An amendment must receive the affirmative vote of two-thirds of all delegates present and voting at the Annual Meeting.

Section 11.2. Any amendment to this Plan which affects the amount of retirement benefits, as calculated in Article V, shall be referred and recommended by the Pension Board to the Executive Board of the Covenant for action at the next regularly scheduled meeting of the Executive Board, which shall have the power to amend Article V.

Section 11.3. The Board of Pensions and Benefits will make changes to the rules of the Pension Plan for the purpose of compliance with federal laws, rules and regulations as they now exist or as they hereinafter are enacted.

ARTICLE XII
Termination

Section 12.1. Right To Terminate. The Covenant may terminate the Plan at any Annual Meeting of the Covenant, and may direct and require the Board to liquidate the Trust Fund. In order to terminate the Plan, a vote of two-thirds of all delegates present and voting at such Annual Meeting is required. In the event the Covenant shall for any reason cease to exist, the Plan shall terminate and the Trust Fund shall be liquidated, unless continued by a successor.

Section 12.2. Liquidation Of Trust Fund. Upon termination of the Plan, or a complete discontinuance of contributions, the assets of the Trust Fund shall be liquidated, after provision is made for the expenses of liquidation, by the payment (or provision for the payment) of benefits, in the following order of preference:

a) To each retired participant and surviving spouse who is receiving a pension on the date of termination;
b) To each active participant who attained age sixty-five and completed ten or more years of service prior to the date of termination; and
c) To participants who attained age fifty-five and completed ten or more years of service prior to the date of termination; and
d) To all other participants according to the respective actuarial values of their accrued benefits as of the date of termination.

If the assets of the Trust Fund applicable to any of the above groups are insufficient to provide full benefits for all persons in such group, the benefits otherwise payable to such persons
shall be reduced proportionately and no benefits shall be paid to any person in a succeeding
group.

The benefit a participant is entitled to receive under this section (12.2) shall be based on
service prior to the date of termination of the Plan, regardless of age and years of service on the
date of termination of the Plan.

Section 12.3. Manner Of Distribution. Any distribution after termination of the Plan may
be made at any time, and from time to time, in whole or in part, to the extent that no
discrimination in value results, in cash, in securities or other assets in kind, or in annuity
contracts, as the board in its discretion shall determine. In making such distribution, any and all
determinations, divisions, appraisals, apportionments, and allotments so made shall be final and
conclusive and not subject to question by any person.

Section 12.4. Reversion. In no event shall the employers receive any amounts from the
fund upon termination of the Plan, except that, notwithstanding any other provisions of the Plan,
the employers shall receive such amounts, if any, as remain after the satisfaction of all liabilities
of the plan to employees and beneficiaries.

Section 12.5. Liabilities. Employer shall have no liability in respect of payments under
the Plan and no liability in respect to the administration of the fund held by the Board, and each
employee and any other person who is entitled, or may become entitled, to payment of any kind
under this Plan shall look solely to the Plan's funds for all payments under the Plan, except as
otherwise provided.

ARTICLE XIII
Special Provisions re Ministers
Employed at Covenant Institutions

13.1. Employment By North Park University or Covenant Ministries of Benevolence
Prior To December 31, 1971. Any minister who, prior to December 31, 1971, became employed
on a full-time basis by North Park University and Theological Seminary, by Covenant Ministries
of Benevolence, or by any other Covenant institution shall be subject to the following provisions:

a) The minister must within sixty days after January 1, 1972, elect by written notice
filed with the Board not to participate in this Plan. If the minister so elects, the minister will
receive a monthly pension, upon attainment of age sixty-five, of $4.00 multiplied by each year of
past service through July 1, 1965.

b) The minister must within sixty days after January 1, 1972, elect in writing filed
with the Board to continue in the Plan as a voluntary participant, and the minister or the
minister's present employer must contribute:

(1) the full amount as required by Article III, Sections 3.1 and 3.2 of this Plan, and

(2) an amount equal to $240.00 for each year of service with North Park
University, Covenant Ministries of Benevolence, or any other Covenant
institutions from July 1, 1965, up to December 31, 1971.
c) Failure to make an election within the required time period terminates any rights the minister may have under this Plan or the former Covenant Pension Rules.

Section 13.2. Employment By North Park University or Covenant Ministries of Benevolence After December 31, 1971. Any minister who after December 31, 1971, becomes employed on a full-time basis by North Park University, by Covenant Ministries of Benevolence, or by any other Covenant institution shall be subject to the following provisions:

a) If the minister elects in writing to continue as a participant, the minister or the minister's new employer must contribute the amount as required by Article III, Sections 3.1 and 3.2; or

b) In the absence of such an election the minister will receive such benefits as may have accrued under this Plan prior to the date of transfer to the institution pursuant to the foregoing Rules of the Plan.

Section 13.3. Canada Covenant Pension Plan. Effective July 1, 1996, churches and institutions in Canada will no longer be participating employers in the Covenant Pension Plan. The Board of Pensions and Benefits is authorized to sponsor the Canada Covenant Pension Plan for employers in Canada, determining plan terms upon the principles of pension policy derive from the Covenant Pension Plan for service in Canada prior to July 1, 1996, will continue to be eligible for benefits from the Covenant Pension Plan, and for increases in accrued benefits that may in the future be approved. Years of service under the Canada Covenant Pension Plan after July 1, 1996 shall be credited for purpose of vesting to participants in the Covenant Pension Plan, but not for purpose of any benefits, as benefits are accrued under the Canada Covenant Pension Plan. Vested participants with service under both the Covenant Pension Plan and the Canada Covenant Pension Plan may be eligible for benefits from both plans.

ARTICLE XIV
Supplemental Benefit Program

Section 14.1. Fund for Supplemental Benefits. The Board of Pensions and Benefits shall establish from gifts and bequests to the Covenant Pension Fund a separate fund for supplemental benefits. The Board of Pensions and Benefits shall establish a written plan of supplemental benefits for persons who have served as Covenant ministers, or Covenant missionaries, or surviving spouses of Covenant ministers or Covenant missionaries. The supplemental benefits shall be available on a basis of need to those similarly situated, eligible persons as described above according to rules established by the Board of Pensions and Benefits and applied on a uniform and consistent basis. The Board of Pensions and Benefits shall annually determine the percentage of the fund for supplemental benefits to be distributed.

The provisions of this Article XIV shall not be subject to the vesting requirements of Article I, Section 1.1.z.

The Board of Pensions and Benefits has hereby adopted and executed this Plan on February 26, 2000.