

### **Conduit Subtrust for Retirement Benefits**

1.01. Notwithstanding any provision in this document to the contrary, if the Trustee is named as the beneficiary of any of my Deferred Retirement Benefits, then the Trustee shall hold manage, and control such accounts and plan benefits as a separate retirement benefits subtrust separately for each named beneficiary for the following uses and purposes:

- (a) Each year, beginning with the year of my death, the Trustee shall withdraw from any Deferred Retirement Benefit the Minimum Required Distribution for such Deferred Retirement Benefit for such year, plus such additional amount or amounts as the Trustee deems advisable in his or her discretion. The Trustee shall distribute each amount so withdrawn (net of expenses properly charged thereto) to or for the benefit of the child for whom the subtrust is established, if such child is then living. If such child is not then living, the Trustee shall distribute the amount in the manner described in the sections of this Article entitled “Special Testamentary Power of Appointment” and “Termination of Trust”.
- (b) The following definitions shall apply in administering the conduit subtrust for retirement benefits:
  - (1) “Retirement Benefit” means the trust’s interest in one of the following types of assets payable to this trust as a beneficiary or owned by this trust: a qualified or nonqualified annuity; a benefit under a qualified or nonqualified plan of deferred compensation; any account in or benefit payable under any pension, profit-sharing, stock bonus, or other qualified retirement plan; any individual retirement account or trust; and any and all benefits under any plan or arrangement that is established under Sections 401, 403, 408, 408A, 457, or similar provisions of the Code. “Retirement Benefits” means all of such interests collectively.
  - (2) “Deferred Retirement Benefit” means any Retirement Benefit that (i) is subject to the Minimum Distribution Rules, and (ii) a Designated Beneficiary of such benefit has the option (either under the terms of the plan or arrangement that governs such benefit, or by causing the benefit to be transferred to an inherited IRA) to take distributions of such benefit in annual installments over the Life Expectancy of the (or of the oldest) Designated Beneficiary. “Deferred Retirement Benefits” means all of such interests collectively. Benefits payable under a plan or arrangement that is not subject to the Minimum Distribution Rules (such as under current law, a “nonqualified deferred compensation

plan”) are not Deferred Retirement Benefits.

- (3) “Minimum Distribution Rules” means the rules of Section 401(a)(9) of the Code, including regulations thereunder.
- (4) The “Minimum Required Distribution” with respect to any Retirement Benefit for any year means (i) the value of the Retirement Benefit determined as of the preceding year-end, divided by (ii) the applicable Distribution Period; or such greater or lesser amount as the Trustee shall be required to withdraw under the laws then applicable to this trust to avoid penalty. Notwithstanding the foregoing, the Minimum Required Distribution for the year of my death shall mean (x) the amount (if any) that was required to be distributed to me with respect to such benefit during such year under the Minimum Distribution Rules, minus (y) amounts actually distributed to me with respect to such benefit during such year.
- (5) The terms “Life Expectancy”, “Designated Beneficiary”, and “Applicable Distribution Period” each have the same meaning as under the Minimum Distribution Rules.

### **Special Testamentary Power of Appointment**

1.02. Upon the death of the child for whom the trust is named, the then-remaining principal and undistributed income of the trust named for such child shall be distributed in such proportions and in such manner to or for the benefit of any one or more persons or entities as the child for whom the trust is named may appoint by specific reference in his or her Last Will and Testament (admitted to probate). The power herein granted shall in no event be exercised by the child for whom the trust is named in favor of himself/herself, his or her creditors, his or her estate or the creditors of his or her estate. The power shall not be exercisable for the purpose of discharging a legal obligation of the child for whom the trust is named and shall not be exercisable for his or her pecuniary benefit. In exercising the power herein granted, the child for whom the trust is named may appoint outright or in trust, partly outright and partly in trust, and create life or remainder interests including one or more of such interests to the same or different appointees, create new and further powers of appointment, and may impose any condition or restriction upon such appointment, including spendthrift provisions, as may be lawful; provided that the beneficiaries of such appointment must be within the objects of the power granted herein; and further provided that no such exercise of the power herein granted or any new and further power of appointment created pursuant hereto shall cause the term of any trust hereunder or created hereunder to extend beyond the time for termination set out in the Section herein entitled "Rule Against Perpetuities." The Trustee may rely upon an instrument admitted to probate as the Last Will and Testament of the child for whom the trust is named, but if my Trustee has no written notice of the existence of such a Will within a period of twelve (12) months

after his death, it may be presumed that such child died intestate and the Trustee shall be protected in acting in accordance with such presumption, but this protection to my Trustee shall not limit or qualify said power of appointment or the right of any person to pursue the funds affected by the exercise thereof, irrespective of the place of probate or the time of discovery of the Will. To the extent that the child for whom the trust is named shall not exercise the foregoing power of appointment, then upon his death the trust shall continue to be administered as provided herein.

### **Termination of Trust**

1.03. At the date of death of the child for whom the trust is named, the trust shall terminate and the assets and property comprising such trust shall be delivered and distributed to per stirpes to the then-living descendants of the child for whom the trust is named; provided, however, that if the trust is terminated by reason of the death of such child and the child dies leaving living children, the trust shall continue until the youngest of such children reaches the age of twenty-five (25) years, and at that date shall terminate and the trust assets shall be distributed per stirpes to the then-living descendants of the child for whom the trust is named. If at any time prior to the termination of a trust created hereunder all of the beneficiaries of such trust shall die leaving no descendants then surviving, the trust estate of such trust shall be distributed in equal shares to the Trustee of the trust named for my other child. If any such other trust has terminated, the amount which would have been distributed to such trust which has terminated will be distributed to the then-living descendants per stirpes of the child for whom such trust was named.