SUMMARY PLAN DESCRIPTION

OF THE

COMPUCOM SYSTEMS, INC.
401(k) MATCHED SAVINGS PLAN

Effective April 30, 2015

Table of Contents

Introduction

CompuCom Systems, Inc. (the "Plan Sponsor") amended and restated the **CompuCom Systems, Inc. 401(k) Matched Savings Plan** (the "Plan") effective November 15, 2005. This Summary Plan Description ("SPD") describes the principal provisions of the Plan that are in effect as of November 15, 2005. CompuCom Systems, Inc. and the other participating employers are sometimes collectively referred to in this SPD as the "Employer" or "Participating Employer".

The Plan has a savings feature, a matching feature, based on your savings contributions, and a profit sharing feature. The savings feature is a salary reduction arrangement permitted by the IRS that allows you to contribute a portion of your Compensation each month to the Plan before income taxes are taken out. This contribution is described in the SPD as your Before-Tax Contribution. You may also contribute to the Plan after taxes are taken out and this contribution is described in the SPD as your After-Tax Roth Contribution. The Employer will contribute a matching contribution based on a portion of the amount you contribute to the Plan. This contribution is described in the SPD as the Matching Contribution. In addition, the Employer may contribute a discretionary amount from time to time based on your Compensation. This discretionary amount is described in the SPD as the Profit Sharing Contribution. Your contributions plus the contributions the Employer makes for you will grow tax-free in the Trust Fund until your benefits are paid.

The Plan is a written document that describes our retirement program. To find out how the retirement program applies to you and your family, you may read the actual document. You may request a copy from the Plan Administrator during regular business hours. However, to help you understand this program, we have prepared this SPD which condenses the Plan into a series of questions and answers that summarize and explain the major events that affect your retirement benefits as well as your rights under the program.

The SPD is divided into sections. The first section is the **General Information** section. This section provides names, telephone numbers and addresses of people you can contact about the Plan. The last section is the **Glossary** where you will find definitions for some of the terms used in the SPD. The body of the SPD is divided into key provisions that describe how you enroll in the Plan, the contributions you may make to the Plan and be eligible to receive under the Plan, investing your account, vesting in your account and distributions from your account. We encourage you and your spouse to read the SPD carefully. If you have any difficulty understanding any part of this document or if you would like more information, please contact the Plan Administrator.

The SPD is not meant to interpret, extend or change the Plan in any way. In case of a conflict between this summary and the actual provisions of the Plan, the provisions of the Plan will govern your rights and benefits. In the case of any ambiguity, the Plan Administrator's interpretation shall be final.

Este librete contiene un resumen en inglés de las sus derechas y ventajas del plan bajo el plan y confianza bajos del ahorro. Si usted tiene dificultad que entiende cualquier parte de este librete, entre en contacto con a administrador del plan en la dirección indicada en la sección de la información de carácter general del librete durante horas de oficina normales. Usted puede también llamar al administrador del plan. El número de teléfono se proporciona en la sección de la información de carácter general del librete.

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General Information

PLAN SPONSOR:	**CompuCom Systems, Inc.** **8106 Calvin Hall Road** **Fort Mill, SC 29707** **866-432-7947**
PLAN SPONSOR'S TAX ID NUMBER:	**38-2363156**
PLAN NAME:	**CompuCom Systems, Inc. 401(k) Matched Savings Plan**
PLAN ID NUMBER:	**001**
PLAN EFFECTIVE DATE:	**January 1, 1988; Restated November 15, 2005**
PLAN TRUSTEE:	**Fidelity Management Trust Company** **82 Devonshire Street** **Boston, Massachusetts 02109** **(800) 835-5097**
PLANYEAR:	**January 1 to December 31**
PLAN ADMINISTRATOR:	**CompuCom Systems, Inc. Retirement Plan Committee** **8106 Calvin Hall Road** **Fort Mill, SC 29707** **866-432-7947**
TYPE OF PLAN:	**Defined contribution plan; participants choose their own investment selections**
TYPE OF ADMINISTRATION:	**Administration by the Plan Administrator and its agents**
FUNDING MEDIUM:	**Trust Fund**
AGENT FOR SERVICE OF LEGAL PROCESS:	**CompuCom Systems, Inc.** **8106 Calvin Hall Road** **Fort Mill, SC 29707** **866-432-7947** ***Service of process may be made on CompuCom Systems, Inc., as Plan Administrator, or upon the Trustee at the address indicated above.***

Enrollment

Am I eligible to participate in the Plan?
Yes. All Employees are eligible to participate in the Plan once they have satisfied the eligibility conditions, except for the following:

- Direct Temporary Employees;
- Leased Employees;
- Union employees (unless participation in the Plan is provided under a collective bargaining agreement);
- Non-resident aliens with no U.S. source income;
- An Employee employed in a position for which eligibility has not been provided; and
- An individual not classified as an Employee by his or her Employer.

When am I eligible to participate in the Plan?
You are eligible to participate in the Plan solely for the purpose of electing Before-Tax and/or After-Tax Roth Contributions once you complete **1 Hour of Service**.

You are eligible to participate in the Plan for all other purposes, including receiving Matching Contributions.

How do I enroll in the Plan?
Shortly before your **Entry Date**, the Plan Administrator will provide you with enrollment information. The enrollment information include a **SALARY REDUCTION** area where you may elect to contribute a portion of your Compensation to the Plan, a **BENEFICIARY DESIGNATION** section which you may specify the person or persons who are entitled to receive your vested benefits in the event of your death, and the necessary information to establish your Plan investment account with Fidelity Management Trust Company ("Fidelity"), the Plan Trustee.

The Plan includes a 401(k) arrangement under which you may elect to have your Employer contribute a portion of your Compensation to the Plan on a pre-tax or after-tax basis. The amount of Compensation you elect to contribute is your **Before-Tax** and/or **After-tax Roth Contributions**. If you wish to make **Before-Tax** and/or **Roth Contributions** to the Plan each payroll period, then you may enroll in the Plan by completing the enrollment information and submitting your elections on-line at www.401k.com. Your Employer will withhold from your Compensation on a payroll-by-payroll basis the amount you elect on the form. Your contributions will start as soon as administratively feasible following receipt of your enrollment information by the Plan Administrator.

You are not required to make **Before-Tax** and/or **After-Tax Roth Contributions** to the Plan. You automatically enter the Plan once you satisfy the eligibility requirements whether or not you elect to make **Before-Tax** and/or **After-Tax Roth Contributions**. If you don't make **Before-Tax Contributions** and/or **After-Tax Roth Contributions** to the Plan, you will still be eligible to share in any **Profit Sharing Contributions** the Employer makes, assuming you satisfy the service requirements for the Plan Year in which the Employer makes a **Profit Sharing Contribution**.

Instructions for enrolling in the Plan are included on the enrollment site – www.401k.com. However, if you have any questions about completing the enrollment information, you may contact the Plan Administrator.

What if I quit and I am later rehired?
If you were a Participant in the Plan before you terminated employment or you terminated employment after completing the eligibility requirements, you will not automatically enter the Plan on your rehire date. You must complete new enrollment information.

If you are rehired and are immediately eligible to participate in the Plan, then the Plan Administrator will provide you with new enrollment information. Unless you have an existing account balance in the Plan on your rehire date, you will be treated as a new employee for purposes of enrolling in the Plan and establishing an investment account.

Will I receive credit for service with a related company?
The law treats all members of a "Controlled Group" of business organizations meeting certain requirements of the Internal Revenue Code as a single employer for crediting your Hours of Service. In addition, you will receive credit for service with any participating employer, whether or not part of a Controlled Group. To be part of a Controlled Group, there must be 80%

or more common control or ownership. This means that if you go to work for a member of the same Controlled Group as your current Employer or for another Participating Employer, the number of hours you work for one or more of such companies counts for purposes of the Plan. It is important to understand, however, that not all companies in a Controlled Group of businesses must participate in the same qualified plan or in any qualified plan. In addition, not all Participating Employers are part of the same Controlled Group. If you transfer employment to a non-participating company who is a member of a Controlled Group with a Participating Employer, the rule still applies. The Hours of Service you work for participating and/or non-participating companies in a Controlled Group of businesses will count for this Plan. However, for purposes of determining your share of any **Profit Sharing Contribution** your Employer makes, your Compensation will be limited to the Compensation you receive from a Participating Employer.

Will I receive credit for service with a previous company?

If you become an employee of ours because we acquired the assets and business of a company you worked for, the Employer may elect to count your service with your previous company for purposes of eligibility, participation and vesting. If this election is made, you will be informed in writing.

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Contributions

Your Contributions

How much may I contribute to the Plan?
There are limits to the amount of Compensation that you can contribute to the Plan in any Plan Year. The Plan sets limits, and the Internal Revenue Code sets limits.

The Plan permits you to contribute any amount of your Compensation that you wish in even percentages from 1% to 60%, up to the maximum amount set by law. The amount you elect to contribute will be deducted from your paycheck each payroll period. However, the total dollar amount that you contribute for any Plan Year cannot exceed the maximum amount of your Compensation for that Plan Year permitted by law. The before-tax amount you contribute and any earnings will not be subject to income tax until it is distributed to you from the Plan. However, it will be subject to Social Security taxes.

The Internal Revenue Code limits your **Before-Tax** and/or **After-Tax Roth Contributions** to a fixed dollar amount for each calendar year as follows:

Annual Contributions	
Calendar Year	**Dollar Limit**
2015	$18,000
2016	$18,000
2017	$18,000
2018	$18,500

If your **Before-Tax** and/or **After-Tax Roth Contributions** for a particular calendar year exceed the "Dollar Limit" in effect for that calendar year, the Plan will refund to you the excess amount plus its share of any earnings, unless you are eligible to make the **Catch-up Contributions** described below. If you participate in another 401(k) plan or in a similar arrangement, your total **Before-Tax** and/or **After-Tax Roth Contributions** to all the plans may not exceed the Dollar Limit for that calendar year. It is your responsibility to notify us if this limit has been exceeded in which case we will provide you with further information on correcting the excess amount.

What are Catch-up Contributions?
Congress recognizes that many individuals cannot afford to make significant contributions to retirement plans in the early years of their careers because it is not economically feasible to do so. This is especially true for those who spend extended time away from the workforce for education or family needs, such as raising children. Additionally, retirement plans that include pre-tax and after-tax contributions are subject to plan and regulatory limits that reduce the amount of **Before-Tax** and/or **After-Tax Roth Contributions** some Participants could afford to make. In response to these issues, the Dollar Limit on **Before-Tax** and/or **After-Tax Roth Contributions**, described in the previous section, has been increased for individuals **age 50 or older** in order to give them a chance to "catch-up" on missed opportunities to contribute to plans in earlier years. **Catch-up Contributions** are **Before-Tax** and/or **After-Tax Roth Contributions** up to the "Catch-up Limit" that exceed the Dollar Limit or other contribution limits under the Plan or under applicable law. The maximum annual **Catch-up Contribution** is being phased in. The current Catch-up Limit and future limits are:

Annual Contributions for Participants Age 50 and Older			
Calendar Year	**Dollar Limit**	**Catch-up Limit**	**Total Pre-Tax Contributions**
2015	$18,000	$6,000	$24,000
2016	$18,000	$6,000	$24,000
2017	$18,000	$6,000	$24,000
2018	$18,500	$6,000	$24,500

Will the Plan accept my Catch-up Contributions?
Yes, if you are eligible to make **Catch-up Contributions**. The Plan will begin accepting your **Catch-up Contributions** during the calendar year in which you attain **age 50** and otherwise maximize your **Before-Tax** and/or **After-tax Roth Contributions** and every year thereafter, as you elect. You may choose not

to make **Catch-up Contributions** or to postpone starting **Catch-up Contributions** to any calendar year after you attain **age 50**. You will not lose your right to make **Catch-up Contributions** if you choose to postpone making **Catch-up Contributions** until a later date. However, you will not be able to make up in subsequent Plan Years any **Catch-up Contribution** you could have made during a prior Plan Year in which you were eligible but chose not to make a **Catch-up Contribution**. The Plan will automatically designate as **Catch-up Contributions** those contributions that exceed an applicable limit set by the Plan or by regulations that apply to you.

How do I change or stop my Before-Tax and/or After-Tax Roth Contributions?

You may increase or decrease the amount deducted from your Compensation by filing a revised **SALARY REDUCTION AGREEMENT** with the Plan Administrator. The Plan permits you to change your **Before-Tax** and/or **After-Tax Roth Contributions** at any time. Your revised contribution election will take effect as soon as administratively feasible following receipt of your instruction by the Plan Administrator.

Will the Plan accept after-tax contributions?

Yes. This Plan does accept Roth and Catch-Up after tax contributions from Participants.

Will the Plan accept Rollover Contributions?

Yes. If you have participated in another qualified pension, profit sharing or savings/thrift plan sponsored by a former employer, you can protect the tax-deferred status of your distribution by transferring the money from your account in your former employer's plan to our Plan as a **Rollover Contribution**. (Note that any after-tax monies in your previous qualified plan or individual retirement account may not be contributed as a **Rollover Contribution**.) The Trustee will accept your **Rollover Contribution** even if you are not yet eligible to participate in our Plan. Your **Rollover Contribution** will be deposited in your Rollover Account as soon as administratively feasible after the contribution is received by the Trustee. The value of your account will be reported to you periodically along with your other accounts in the Plan. You may invest your Rollover Account as you would any other account you have in the Plan.

If I am a returning veteran, may I make up contributions that I missed while I was in the military?

Yes, if your period of service in the military is covered under the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA"). Some former Participants who terminated employment with us to join the military or were called back to active duty have protected rights under USERRA when they return to work for us. The law permits these Participants to make up the **Before-Tax** and/or **After-Tax Roth Contributions** that they were not able to make during their periods of active duty. If you are a returning veteran, you should contact the Plan Administrator for an explanation of your rights under USERRA.

Employer Contributions

Will the Employer match my 401(k) Salary Reduction Contributions?

Yes. The Employer will match your **Before-Tax** and/or **After-Tax Roth Contributions**. The Plan will **match 50%** of your **Before-Tax** and/or **After-Tax Roth Contributions** each pay period up to **3%** of your Compensation paid per pay period. **Before-Tax** and/or **After-Tax Roth Contributions over the first 3% of Compensation are not matched**. If you elect both **Before-Tax** and **After-Tax Roth Contributions**, the Employer will only match 3% of *combined* contributions.

Are there any conditions I must satisfy before I am eligible to share in the Matching Contribution?

Yes. In order to be eligible to share in the **Matching Contribution** you must satisfy all eligibility requirements under the Plan and be employed by a Participating Employer when the **Matching Contribution** is being made.

Will the Employer make any other contributions to the Plan?

Yes. The Employer may choose to make or be required to make one or more of the following types of contributions in a Plan Year:

- **Profit Sharing Contributions**

From time to time, we may contribute a **Profit Sharing Contribution** to the Plan on behalf of all eligible Participants. This contribution is completely discretionary. The amount of the contribution, if any is made, will be determined by each Participating Employer, and one Participating Employer's decision to make a **Profit Sharing Contribution** does not obligate other Participating Employers to make such a contribution. A **Profit Sharing Contribution** is allocated based on a percentage of your Compensation for the Plan Year. Unless a Participating Employer affirmatively elects to make a **Profit Sharing Contribution** for a Plan Year, no such contribution will be made.

- **QMACs and QNECs**

In some Plan Years, because of low participation or other factors, the Plan may not satisfy other tests required by the IRS in order to remain a qualified plan. We may choose to satisfy these tests by making one or two special contributions to the Plan on behalf of some eligible Participants. These contributions are: (1) Qualified Matching Contributions ("QMAC) and (2) Qualified Non-Elective Contributions ("QNEC"). Because these tests can be satisfied under other methods, we may choose not to make a QMAC and/or a QNEC during these years. If a QMAC or a QNEC is made for a Plan Year on your behalf, the contribution will be credited to your Before-Tax Account.

- **Top Heavy Contributions**

The Employer may be required to make a minimum **Top Heavy Contribution** to the Plan on your behalf in certain Plan Years when the Plan is determined to be Top Heavy, based on a mathematical test that compares the account balances of certain owners and officers of the Employer to the account balances of all the Participants in the Plan. If the Employer is required to make a Top Heavy Contribution to the Plan on your behalf, then it will be part of or made instead of any **Profit Sharing Contribution** made for the Plan Year. The Plan is tested each year to determine if it is a Top Heavy Plan and whether a **Top Heavy Contribution** to the Plan is required. The amount of the **Top Heavy Contribution** is set by law and is equal to a percentage of your Annual Compensation for the Plan Year. The maximum percentage is 3% but the law permits a lesser amount if the Plan meets certain requirements. For Plan Years beginning on and after January 1, 2002, any **Matching Contribution** that the Employer makes to the Plan on your behalf will count towards the Employer's minimum Top Heavy Contribution requirement.

- **USERRA Contributions for Returning Veterans**

If any of our Participants are returning veterans who choose to contribute make-up contributions to the Plan for years in which they were in the military, then we will make **Profit Sharing Contributions** to the Plan on their behalf as required by law.

Are there any conditions I must satisfy before I am eligible to share in the Profit Sharing Contribution?

Yes. In order to be eligible to share in the **Profit Sharing Contribution** you must satisfy all eligibility requirements under the Plan and be employed by a Participating Employer on the last day of the Plan Year for which the **Profit Sharing Contribution** is being made. You will also be eligible to share in the **Profit Sharing Contribution** for a Plan Year if you retire on or after reaching age 65, become Disabled, or die prior to the last day of that Plan Year.

How is my share of the Profit Sharing Contribution calculated?

If a **Profit Sharing Contribution** is made to the Plan for a Plan Year and you are eligible to share in the contribution, then the amount you receive will be proportionately based on your share of the total Compensation paid during that Plan Year to all Participants.

EXAMPLE

Let's assume your Compensation for the Plan Year is $30,000 and the total Compensation paid for a Plan Year was equal to $300,000. If we elect to contribute 3% of the total Compensation paid for that Plan Year, our contribution to the Plan would be $9,000. Your share would be $900 [($30,000/$300,000) X $9,000].

What happens to the contributions made to the Plan?

You have Individual Accounts in the Plan. As explained above, your Individual Accounts consist of sub-accounts that hold the different types of contributions made to the Plan. The sub-accounts that make up your Individual Accounts are described in the **Glossary**.

The Trustee will credit your **Before-Tax** and/or **After-Tax Roth Contributions** to your Account as soon as administratively feasible after the end of the [month/payroll period] in which you make a **Before-Tax** and/or **After-Tax Roth Contribution**. The **Matching Contributions** will be credited to your Matching Account as soon as administratively feasible after the close of the calendar quarter for which the contributions were made. Your share of **Profit Sharing Contributions**, if made, will be credited to your Profit Sharing Account as soon as administratively feasible after the close of the Plan Year for which the contribution is made.

The actual number of dollars in your Individual Accounts will be reported to you periodically showing the progress of the Plan.

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Investments

May I direct the investment of my Individual Accounts?
Yes. The Plan permits you to invest your Individual Accounts in Investment Funds [sponsored by Fidelity] and selected for investment by the Plan Committee. **This Plan is designed to comply with Section 404(c) of the Employee Retirement Income Security Act of 1974 ("ERISA") and related Department of Labor regulations. This means that when you choose your investments, you are responsible for the results of your investment choices. Whenever you direct the Trustee to invest your account in a particular investment, the Trustee is relieved of any and all responsibility concerning the advisability of that investment.**

If you fail to direct the Trustee to invest all the money in your Individual Accounts in one or more Investment Funds, then the Plan Committee will direct the Trustee to invest the uninvested portion of your Individual Accounts in a default Investment Fund that the Plan Committee selects from time to time. You are free at any time to reinvest amounts invested in the default Investment Fund in any other Investment Fund of your choosing.

You may obtain information about the funds available for our Plan, change your investments or monitor the daily value of your investments by visiting the Fidelity website – ***www.401k.com*** - or by calling the **Customer Center** toll-free telephone number – ***1-800-835-5097***.

What if I want to change my investments?
You have immediate access to your Individual Accounts through the Fidelity website or the Customer Center toll-free telephone number. You may change your investment mix at any time for future contributions or for existing balances by calling the toll free telephone number or accessing your account through the Fidelity website.

How is the value of my Individual Accounts determined?
Fidelity adjusts the value of your Individual Accounts ***daily*** by crediting each account with its prorata share of gains or losses generated by your investments.

Will I receive a statement of my Individual Accounts?
Yes. Fidelity mails quarterly account statements to the participating participants for your records. You can also choose to have these available to you on-line at www.401k.com. The statement will reflect all contributions, distributions and gains or losses allocated to your Individual Accounts for that quarter.

How are Plan expenses paid?
Plan expenses are covered first by Participant Forfeitures and then by your Employer.

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Vesting

How much of my account balance will I be entitled to receive if I terminate employment before my Normal Retirement Date?
You are 100% vested in your Before-Tax and After-Tax Account (including any Catch-Up Contributions) and your Rollover Account.

The amounts contributed to your Matching and Profit Sharing Accounts (collectively, your **"Employer Contribution Accounts"**) are subject to a Vesting Schedule. You earn a percentage of these accounts each year when you complete a Year of Vesting Service. The number of Years of Vesting Service you complete by the time you terminate employment with us or one of our companies determines your vested percentage and the amount payable to you from these accounts. The following Vesting Schedule will be used to determine your vested percentage:

Years of Vesting Service	Percentage Payable
Less than 1 Year	0%
At least 1 but less than 2 Years	0%
At least 2 but less than 3 Years	50%
3 Years or more	100%

Those Participants who retire, become Disabled or die while still employed by us or one of our companies automatically become **100%** vested in their accounts. In addition, (i) Participants whose accounts under the **ENTEX 401(k) Plan** were merged into the Plan and (ii) any employee of **ClientLink, Inc.** and **ClientLink Acquisition, Inc.** that was transferred to **E-Certify Corp.** as a part of a merger agreement dated April 13, 1999 will be **100%** vested in their accounts.

If you leave before you are **100%** vested in your **Employer Contribution Accounts**, the amount you are not entitled to receive will generally be forfeited. The Plan Committee will allocate Participant Forfeitures first to pay administrative expenses of the Plan and then to reduce Employer Contributions for the Plan Year following the Plan Year in which the Forfeiture occurs. However, if you never made a **Before-Tax** or **After-Tax Contributions** to the Plan and you are **0%** vested in your **Employer Contribution Accounts** when you terminate employment, then the Plan will treat you as having received a cash-out distribution of $0 and immediately forfeit your account. This is called a deemed cash-out. Normally, the Forfeiture under a deemed cash-out occurs on the date you terminate employment. If you return to employment before you incur five (5) consecutive Breaks in Service, the Plan will restore the amount you forfeited under the deemed cash-out to your Individual Accounts.

How are Years of Vesting Service calculated?
A Year of Vesting Service is 365 days of service that includes all time periods, commencing with your date of hire. Fractional periods of a year are expressed in terms of days. If your service is interrupted by absence from work that is not authorized by the Employer, then the amount of service for which you will receive credit depends on how long you are absent. If you are absent from work for less than 365 days, you will receive credit for the period of absence. However, if you are absent from work for at least 365 days, a Break in Service will occur. This means that for purposes of Vesting, you will not receive credit for the period of time you are away.

How is a Break in Service determined?
A Break in Service is based on 1-year (365 days) periods. A Break in Service is any 365-day period during which you are not employed by the Employer. You will receive credit for all periods of service beginning with your first hour of service with the Employer. The computation period for determining if you have incurred a Break in Service begins on the date you retire, quit, are discharged or die, or if earlier, the 1 year (365 days) anniversary of the date on which you were first absent from work.

Special rules prevent a Break in Service from occurring for authorized absences such as maternity or paternity leave or qualified military service. Authorized maternity and paternity leave includes leave on account of pregnancy, birth or adoption of your child. You will not incur a Beak in Service during the 365-day period following the date you last performed 1 hour of service with the Employer if your absence is due to authorized absences.

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How do Years of Vesting Service and Breaks in Service affect my vested percentage?
Generally, you will be credited with all Years of Vesting Service you complete with us or one of our affiliated companies. However, you may not receive credit for some or all of your service under the following circumstances:

- If you terminate employment and do not return to work until after **1 year** has passed, then you will receive credit for full years of service (full 365 days) prior to your last termination date. This will affect your seniority date for vesting purposes.

- If you are **0%** vested in your Individual Accounts, terminate employment and are later rehired after at least **a one year Break in Service**, Service before the **Break in Service** will not be taken into account in determining your vested percentage in contributions that accrue after the **Break in Service** if the number of consecutive Breaks in Service equals your total Years of Service before the **Break in Service.**

The nonvested portion of your **Employer Contribution Accounts** will be forfeited on the date on which you receive a cashout distribution.

If I am rehired, will the Plan restore the amount forfeited from my Individual Accounts when I received my previous distribution?
If you terminate employment with us, receive a total distribution of your Vested Account Balance and later return to work with us, then you may repay to the Plan the full amount of your previous distribution. If you repay the entire amount that was distributed to you before the 5th anniversary of the date you received the money, the Plan will deposit in your account the amount that was forfeited when you were paid. **You are not required to make this payment. However, if you choose not to repay the money you received, then the Forfeiture will not be restored to your Individual Accounts.**

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Retirement, Death & Disability

When may I retire?
You may retire when you reach your **Normal Retirement Date**. Your **Normal Retirement Date** is the date you attain age 65 years.

May I continue to participate in the Plan if I work past my Normal Retirement Date?
Yes. The Plan does not force you to stop participating when you reach your **Normal Retirement Date**. You will become **100%** vested in your Individual Accounts on your **Normal Retirement Date** and will continue to be an eligible Participant under the Plan with all the rights you had prior to attaining your **Normal Retirement Date**. You may continue to direct the investment of your Individual Accounts and, provided that you satisfy the requirements, share in any contributions we make to the Plan.

What happens to my Individual Accounts if I become Disabled?
You will become **100%** vested in and entitled to receive all of the balance in your Individual Accounts if you become **Disabled** before you retire or terminate employment with us. The value of your Individual Accounts will be determined as of the business day immediately preceding the date your vested benefits are distributed to you from the Plan.

The Plan will consider you **Disabled** if you incur a sickness or injury that satisfies the definition of total and permanent disability under the Social Security Act. The Plan Committee will establish procedures for establishing the existence of a disability.

What happens to my Individual Accounts if I die?
If you die while you are still employed by us or one of our companies or after you retire or become Disabled, all of your Individual Accounts will become **100%** vested and your Beneficiary or Beneficiaries will be entitled to all of the balance in your accounts. If you terminate employment for reasons other than retirement or becoming Disabled and you subsequently die before the earlier of: (i) the date you receive a distribution of your vested benefits; or (ii) the date you incur five (5) consecutive Breaks in Service, all of your Individual Accounts will become **100%** vested and your Beneficiary or Beneficiaries will be entitled to all of your remaining account balance.

When you enroll in the Plan, you will be asked to name a Beneficiary to receive your benefits if you should die. Your Beneficiary can be your spouse, child, brother, sister, parent or anyone else you choose. If you are married, you must have your spouse's consent if you want to designate someone other than your spouse as your Beneficiary. This consent must be in writing and witnessed by a Plan representative or a notary public. To be effective, this consent must comply with specific requirements. Fill out the consent form provided by the Plan Administrator completely and accurately. The Plan Administrator cannot provide you with legal advice on the effect of executing the form or guarantee that the form will be valid as executed. Accordingly, you are cautioned to seek the advice of tax counsel regarding the execution of a consent by your spouse to allow you to select the form of your benefit or the beneficiary of your accounts.

You may change your Beneficiary choice as often as you wish (with the required spousal consent if you are married). If you do not designate a Beneficiary, your spouse, or, if none, your children will be your Beneficiary. If you do not have a spouse or children, your parents will be your beneficiary, if living, and if not, your estate will be your beneficiary. To ensure that your vested benefits are paid to the individual you want to receive them, you must be sure to complete a **DESIGNATION OF BENEFICIARY** form and file it with the Plan Administrator.

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In-Service Withdrawals

May I withdraw money from my Individual Accounts before I terminate employment?

The primary purpose of the Plan is retirement savings. However, if you satisfy certain conditions, you may have a limited right to withdraw from all or a portion of your Individual Accounts prior to termination of employment. The following accounts are available for In-Service Withdrawals:

- You may receive an In-Service distribution of all or any portion of your Rollover Account at any time.
- All accounts are available for In-Service Withdrawals when you attain **age 59½** and are **100%** vested in your Individual Accounts.
- You may receive a distribution from your Before-Tax Account prior to age 59½ if you incur a financial Hardship.

If you are entitled to a withdrawal, you must file a written (or electronic, if permitted) withdrawal request with the Plan Administrator. You may be required to obtain your spouse's consent to any withdrawal you make from the Plan, and in the case of a Hardship withdrawal, you must have the Plan Committee's approval. The Plan Committee may require you to provide documentation that will prove you satisfy the conditions for a Hardship withdrawal from the Plan.

What are the requirements for a Hardship withdrawal?

If you incur a financial Hardship, you may withdraw amounts from your Before-Tax Account prior to attainment of age 59½ to satisfy your financial need. The amount you may withdraw is limited to the amounts deposited in your account *minus* accumulated earnings. Hardship withdrawals are limited to the following events:

- You have unreimbursed medical expenses caused by the illness or death of someone in your immediate family. (Immediate family includes you, your spouse and children.)
- You buy a home (not a second home) for yourself.
- You need money to pay tuition and related educational fees for college for you or your immediate family defined above. (This does not include primary or secondary schools.).
- You need money to prevent eviction from or foreclosure on the mortgage of your home (does not apply to a second home).
- You need money to pay for funeral or burial expenses upon the death of your spouse, children, parents, or other dependent.
- You need money to pay for certain qualifying repairs to your home (not a second home).

To qualify for a withdrawal you must abide by these rules:

- You must have used up all financial resources available to you under all plans maintained by the Employer, including your ability to borrow from the Plan.
- The amount of the withdrawal must be limited to the amount you need to meet the specific hardship you face.
- The hardship level medical expense must not be covered by an insurance program.

The Plan Committee must approve the withdrawal and insure that it agrees with the Plan guidelines.

If you make a Hardship withdrawal, the Plan requires that you must not make **Before-Tax** and/or **After-Tax Roth Contributions** for **6 months** from the date of distribution.

In addition to the income tax you will owe on your withdrawal, the government imposes a 10% penalty tax unless:

- You are age 59½ or older.
- Your ex-spouse (or other payee) becomes entitled to part of the money under a QDRO.
- The withdrawal is for deductible, hardship level medical expenses not reimbursed by any insurance program.

- You are at least 55 years old and you retire.

- You die or become disabled.

You will continue to be an eligible Participant in the Plan even though you have made a Hardship withdrawal. You will be eligible to share in any contributions we may contribute to the Plan. You may not repay a Hardship withdrawal from the Plan.

The total costs when you make a hardship withdrawal from the Plan include:

- Lost future earnings on withdrawn amounts;

- Current income tax; and

- The 10% penalty tax (unless an exception applies).

A wiser choice may be to borrow the money you need. Other sources of money, such as banks or credit unions, may be a less costly source than your account.

May I borrow from the Plan?
Yes. You may apply for a loan from the Plan provided that you have obtained your spouse's consent to the loan. The following are conditions for loan approval:

Interest Rate

You must pay reasonable interest at the rate set by the Committee.

Collateral

You must secure each loan with an irrevocable pledge and assignment of your Individual Accounts and/or other security the Plan Committee accepts as adequate.

Purpose and Number

You may request a loan for any purpose. You may only have one loan outstanding from the Plan at a time.

Maximum Loan Amount

Your loan will be limited to the lesser of:

- ½ of your Vested Account Balance; or

- $50,000, reduced by the highest outstanding balance of the sum of all your loans from the Plan during the 1 year period ending on the day before the loan is funded.

Repayment Period

You must agree to repay the loan within 5 years, unless your loan qualifies as a "home loan". A "home loan" is a loan used to acquire your principal residence (not a "second" or vacation home). A home loan may be repaid over a 10-year period. If you fail to repay your loan within the terms of the loan agreement, the amount remaining payable shall be treated as a distribution from the Plan and will be taxable income to you.

Default

Any loan to you will be considered in default:

- If any scheduled payment is more than 90 days overdue;

- If you have made a false representation to the Plan that would affect your ability to repay the loan;

- If any collateral used to secure the loan is lost, stolen, damaged, destroyed, sold or encumbered, or is the subject of a levy, seizure or attachment; or

- If you die, become insolvent, have a business failure, or a receiver is appointed for any part of your property, or you assign your property for the benefit of creditors, or you file for bankruptcy protection or your creditors start bankruptcy proceedings against you.

If the loan remains in default, the Plan Committee may foreclose on collateral you offered to secure the loan or offset the outstanding balance of the loan with funds from your Vested Account Balance. The IRS considers the defaulted portion of the loan as a taxable distribution to you in the year in which the default occurred. In addition to the income tax on the defaulted portion of the loan, you may also have to pay a 10% penalty tax on the early distribution (before age 59½).

If you terminate employment for any reason, all outstanding loans will become due and payable in full. You will have 90 days after you terminate employment to repay the outstanding balance of any loans before your loans are declared in default. You may, however, elect within this 90-day period to continue repaying your loan after the termination of your employment in a manner that is approved by the Plan Committee.

The Plan Committee will administer your loan as one of your directed investments. This means your account will receive all the principal and interest payments on the note. However, your account will be charged with expenses directly related to the loan application, investigation of your credit, maintenance and collection of the note.

Are there any additional In-Service Withdrawal options?

Yes. Prior money purchase plan assets which were merged into the Plan from the **Northern NEF, Inc. Retirement Savings Plan** are available for in-service withdrawal upon the reaching of normal retirement age under the **Northern NEF, Inc. Retirement Savings Plan**, which is the later of age 59 ½ or the completion of 5 years of service.

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Distributions

How will my benefit be paid?
If you have a vested Account Balance of greater than **$200** and your funds are eligible for rollover, payment from the Plan can be taken in two ways. You can have all or any portion of your payment either:

- Paid to your IRA, another qualified plan or a 403(b) or governmental 457 plan in a Direct Rollover; or

- Paid to you.

If you elect to rollover your vested benefits to your IRA or another employer's plan, the Trustee will issue a check directly to the trustee or custodian of the plan or IRA. This is considered a Direct Rollover. A Direct Rollover is not taxable to you until you later receive a distribution from the IRA or qualified plan. If you elect a Direct Rollover, your election form must include identifying information about the IRA or qualified plan. Prior to the election, you should contact the financial institution that sponsors the IRA or the plan administrator of the employer's plan to determine the procedure for making a Direct Rollover to that IRA or plan and to determine whether the IRA or plan will accept your Direct Rollover.

If your Vested Account Balance is more than **$1,000** and you do not elect a Direct Rollover, your benefit will be distributed to you in one lump sum payment.

What forms of payment are available under the Plan?
Distributions from the Plan will be made in a single lump-sum cash payment.

Effective November 15, 2005, installment payments may no longer be requested. Installment payments that have already commenced as of that date, however, will continue to be made.

If you are a former participant in the **Northern NEF, Inc. Retirement Savings Plan** with a Vested Account Balance that exceeds $5,000 (determined without considering the value of your Rollover Account) and includes amounts merged into the Plan from the Northern NEF, Inc. Retirement Savings Plan, the normal form of payment under the Plan is a Qualified Joint and Survivor Annuity. A Qualified Joint and Survivor Annuity means you would receive an annuity for your life and, on your death, your surviving spouse would receive an annuity for his or her life in an amount equal to 50% of your life annuity. For example, if, under the joint and survivor annuity, a Participant was receiving (or would have received) a monthly pension of $400 at the time of his or her death, the surviving spouse would receive a monthly pension of $200 upon the Participant's death for the remainder of his or her life. If you are not married at the time benefit payments commence, the joint and survivor annuity simply is a life annuity, meaning you receive an annuity for your life and payments end on your death.

To provide the joint and survivor annuity, the Trustee would use your Vested Account Balance to purchase that type of annuity contract from an insurance company. The exact monthly annuity payable to you would depend on the amount of your Vested Account Balance and the insurance company's annuity rates at the time of the purchase.

Not later than thirty (30) days prior to your earliest distribution date, the Plan Committee will provide you a written notice explaining the joint and survivor annuity, your waiver rights and the spousal consent requirements. The Plan Committee will provide you an appropriate form to elect to receive your benefits in the form of a joint and survivor annuity, or to elect not to receive your benefits in that form. The form the Plan Committee will provide you will explain the economic effect of taking your benefits in the form of a joint and survivor annuity. The Plan must make any distribution in the form of the joint and survivor annuity if your Vested Account Balance exceeds $5,000, unless you properly elect a different form of payment. If you are married, your spouse must consent in writing to any election not to take a joint and survivor annuity form of payment.

If you do not wish to receive your Vested Account Balance in the form of a Qualified Joint and Survivor Annuity, you may elect any optional form of payment permitted by the Plan provided that you have obtained your spouse's consent to the waiver of the annuity.

If your Vested Account Balance is $5,000 or less (determined without considering the value of your Rollover Account), the Qualified Joint and Survivor Annuity will not apply and you may elect either a Direct Rollover or a lump sum payment.

When will my benefit be paid?
As soon as possible after your termination of employment, we notify Fidelity of your termination date. Distribution information will be provided to you at the time you are entitled to receive payment. The Plan pays benefits as soon as administratively feasible after you terminate employment.

If your Vested Account Balance is $1,000 or less (including the value of any Rollover Contribution), the Plan permits us to "cash out" (pay out all of) your benefit immediately when you terminate employment unless you complete and return signed distribution forms electing a Direct Rollover. If your Vested Account Balance exceeds $1,000, we cannot pay your vested benefits to you without your written consent. This means that if you do not complete and return the distribution forms Fidelity sends you, they cannot pay you until they receive the signed forms.

The value of your Individual Accounts will be determined as of the valuation date immediately preceding the date your vested benefits are distributed.

The benefit payment rules reflect the current Plan provisions. If we amend the Plan to change how or when benefits will be paid, you may have a right to receive your payment under the terms of the Plan before it was amended. If an eliminated payment option continues to apply to you, the information you receive at the time you first are eligible for distribution from the Plan will include an explanation of that option.

How long may I postpone distribution of my vested benefits?
By law the Plan must start payments to you no later than 60 days after the close of the Plan Year in which the last of the following events occurs:

- Your 65th birthday
- The 10th Anniversary of the date on which you became a Participant in the Plan
- The date on which your employment ends

However, you may elect to postpone your distribution to a later date but not later than the following mandatory distribution dates:

- If you own at least 5% of the Employer's stock, you must commence distribution of your vested benefits no later than April 1 of the calendar year following the calendar year in which you attain age 70½, even if you have not terminated employment with us or one of our companies.

- If you do not own at least 5% of the Employer's stock, the Plan requires you to begin receiving distributions of your vested account balance on April 1 of the calendar year following the later of:

    - The calendar year in which you attain age 70½, or
    - The calendar year in which you terminate employment before attaining age 70½.

This required distribution date overrides any contrary distribution date described in this SPD.

What about taxes?
Under existing law the contributions and gains credited to your Individual Accounts are not taxable as income until you receive them as distributions. If your Vested Account Balance is **$200** or more, then prior to distribution of your Individual Accounts, you will receive a notice explaining the tax consequences of the options available to you and a form on which you may elect the time of payment and form of your distribution, e.g. direct rollover or lump sum payment.

- If you elect to have the distribution paid to you, federal income tax will automatically be withheld from your distribution at the rate of 20% of the taxable portion of the distribution.

- If you elect to have your distribution transferred directly to the trustee or custodian of another employer's plan or to an IRA, the 20% withholding will not apply. Rollover will result in no tax being due until you begin withdrawing funds from the IRA or other qualified plan.

- If you elect to handle the rollover yourself, the 20% withholding will apply and the rollover of the distribution must be made within a strict time frame (normally, within 60 days after you receive distribution).

Under certain circumstances all or a portion of a distribution may not qualify for this rollover treatment. A more detailed explanation of these options is contained in the **Special Tax Notice Regarding Plan Payments** at the end of this SPD. We will provide you a more detailed explanation of these options when you are eligible to receive a distribution from the Plan. You should, however, consult qualified tax counsel before making a choice.

What could cause a delay, reduction or denial of my benefits?

The following circumstances could cause a delay, reduction or denial of your benefits:

- You do not return to work from any authorized leave of absence or after service in the U.S. Armed Forces within the time period in which your reemployment rights are guaranteed by law and a Break in Service results. If a Break in Service occurs, you will be entitled to your vested interest in your Account as determined by the vesting schedule described in this summary.
- The fair market value of your Trust account investments declines.
- You terminate employment before completing enough hours to receive any vesting credit or allocations, even if you are rehired in another Plan Year.
- You move and do not leave a forwarding address.
- You die after you terminate employment and your Beneficiary neglects to notify the Committee.

May I sell, transfer, assign or pledge my benefits?

No. The Plan is designed to provide benefits exclusively for you and your Beneficiaries. Therefore, you cannot sell, transfer, assign, give away, pledge as collateral for a loan, or otherwise encumber your interest in any way. There is an exception, however, to this general rule for QDROs and certain fraud cases.

What is a QDRO?

We may be required by law to recognize court ordered child support or alimony payments. We must honor a qualified domestic relations order ("QDRO"). A QDRO is a decree or order issued by a court that obligates you to pay child support or alimony, or otherwise allocates a portion of your assets in the Plan to your spouse, former spouse, child or other dependent. If Fidelity receives a QDRO, all or a portion of your benefits may be used to satisfy the obligation. Fidelity will determine the validity of any domestic relations order received. You may obtain a copy of the procedures used to make QDRO determinations from Fidelity, at no charge.

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Claims

How do I claim my benefits?
The Plan has a specific procedure you must follow whenever a dispute arises regarding your benefits. This procedure applies to ***all*** disputes. This means that if you disagree with the computation of your Years of Vesting Service, your Entry Date, the amount of the benefit reflected on your quarterly statement, the date your vested benefits are to be paid or any other determination the Plan has made, you must follow this procedure before your claim will be reviewed by the Plan Committee.

Claims Procedure

- Mail or deliver your claim to the Plan Committee.

- Your claim will be reviewed by the Plan Committee, and you will be notified of its action no later than **90** days after receipt of your claim. If an extension of time is required to process your claim, this time period may be extended an additional **90** days. In all cases, you will be notified of an extension and the reasons for the extension.

- If your claim is denied, our written notice of denial to you will include the specific reasons for the denial, references to the provisions of the Plan supporting the denial, a description of any additional information necessary for the claim to be granted, a description of the Plan's claims review procedures, and a statement regarding your legal rights to challenge a denial of your claim following appeal.

- If you still feel you have a claim, you may file an appeal with the Plan Committee in writing within **60** days of receiving the notice of denial. You may submit documents, records, and other information related to your appeal. Upon request, you may review information relevant to the benefit claim or we will provide you with copies of information relevant to the benefit claim without charge.

- Final determination on your claim will be made no later than **60** days after our receipt of your written request for an appeal. If additional time is required for processing your appeal, this time period may be extended an additional **60** days. In all cases, you will be notified of an extension and the reasons for the extension.

- If your appeal is denied, our written notice of denial to you will include the specific reasons for the denial, reference to the provisions of the Plan supporting the denial, and a statement regarding your legal rights to challenge the denial of your claim. Upon request, you may review information relevant to the benefit claim or we will provide you with copies of information relevant to the benefit claim without charge.

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Plan Amendments, Termination

What happens if the Plan is amended?
We may amend the Plan at any time. However, no modifications of the Plan can be made that will permit any of the funds previously contributed to the Trust Fund to be used for any purpose other than for the benefit of the Employees and Participants under the Plan. No part of the funds in the Trust may be diverted for any purpose other than for the exclusive benefit of the Participants and their Beneficiaries.

What happens if the Plan is changed, suspended or terminated?
We fully expect to continue the Plan indefinitely. However, since future changes and conditions cannot be foreseen, we necessarily reserve the right to change, suspend or discontinue the Plan at any time. But no future changes can take away from any Employee any of the benefits that have been paid for up to that time.

Our Board of Directors or the Plan Committee may decide to suspend contributions or terminate the Plan. If the Plan is discontinued or terminated, your Individual Accounts will immediately become 100% vested. Your vested account will be distributed to you as soon as administratively feasible after the affairs of the Plan have been wrapped up and the Plan's termination has been approved by the IRS. This Plan is NOT insured by the Pension Benefit Guaranty Corporation or any other insurer, as termination insurance is not required for this Plan.

Our successful operation is necessary to make contributions from year to year so that the amount in the Trust Fund grows rapidly. The loyal and efficient service of each employee is the most important contribution to the Plan and the best guarantee that it will be continued.

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Your Rights

What are my rights under the law?
As a Participant in our Plan, you have certain rights and protections under the Employee Retirement Income Security Act of 1974 ("ERISA"). ERISA entitles you to the following:

Receive Information about Your Plan and Benefits. You are entitled to:

- Examine without charge in our office and at other locations we may specify, all Plan documents, including but not limited to insurance contracts, copies of documents filed with the U.S. Department of Labor and detailed annual reports and Plan descriptions.

- Obtain copies of all Plan documents, copies of documents governing the operation of the Plan, and copies of the latest annual report and updated Summary Plan Description, upon your written request to us. The law permits us to charge you a reasonable amount for these copies.

- Receive a summary of the Plan's annual financial report and a copy of the Summary Annual Report.

- Obtain a statement telling you whether or not you have a right to receive a benefit at normal retirement age (age 65), and if you do, what those benefits would be if you stopped working now. The statement also must tell you what your benefits will be if you continue to work in the future. You must request this statement in writing. The law does not require us to give you this statement more than once a year. We will furnish the statement free of charge.

Prudent Actions by Plan Fiduciaries. ERISA also imposes duties on the people who are responsible for the operation of the Plan. These people are referred to as fiduciaries. They have a duty to operate the Plan prudently and in the best interests of the Plan Participants and beneficiaries. Fiduciaries who violate the law may be removed and required to make good any losses they have caused the Plan. Your Employer, the Trustee, and the Plan Committee are all fiduciaries of this Plan. No one may fire you or otherwise discriminate against you in any way to prevent you from obtaining a Plan benefit or exercising your rights.

Enforce Your Rights. If your claim for a retirement benefit is denied in whole or in part, you have a right to know why the claim was denied, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. You have the right to have the Plan fiduciaries review and reconsider your claim.

Under ERISA, there are steps you may take to enforce your rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within **30** days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent due to matters beyond our control. We are subject to a fine if we don't timely comply with your request. Your request must be in writing.

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in federal court. If the Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or file suit in federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees when it finds your claim is frivolous or for such other reasons as the court may determine.

Assistance with Your Questions. We are proud of our open lines of communication with employees. The Plan Committee is available to explain anything you would like to know about the Plan or your rights under the law.

If you have any other questions about this statement or your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S.

Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

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Glossary

Allocate means to set apart a portion of a dollar amount for a Participant's Individual Accounts.

Before-Tax Contributions means the amount that a Participant elects to reduce his or her Compensation pursuant to a Salary Reduction Agreement with the Employer.

Beneficiary means any person designated by a Participant to receive benefits on the Participant's death.

Committee means the 401(k) Plan Committee appointed by the Plan Sponsor to help administer the Plan.

Compensation means wages considered for purposes of income tax withholding, not exceeding the annual compensation limit ($200,000, as indexed in accordance with Department of Treasury regulations) and excluding compensation received prior to your Entry Date. For purposes of the Plan, Compensation includes your elective deferral contributions, but does not include expense reimbursements, fringe benefits, moving expenses, deferred compensation, welfare benefits, severance or transition pay, executive bonuses, and other special categories of pay designated by the Plan Sponsor as excluded.

Direct Temporary Employee means any individual employed by the Employer on a temporary basis for a period not to exceed the shorter of (1) the completion of 1,000 Hours of Service or (2) the completion of six month of continuous service. Direct Temporary Employees are not eligible to participate in the Plan.

Employee means any individual employed by the Employer.

Employer means the Plan Sponsor and any affiliate that has adopted the Plan.

Entry Date means the first day on which an Employee satisfies all eligibility criteria for participation in the Plan.

Forfeiture means that portion of an Employer Contribution Account that a Participant loses because he or she leaves the service of the Employer before becoming entitled to 100% of the Account.

Hour of Service means each hour for which an Employee or Participant is paid or entitled to be paid, either directly or indirectly. An Employee or Participant who is compensated on a basis other than an hourly rate is credited with a number of Hours of Service based on formulas provided by Department of Labor regulations.

Income means money earned or lost through investments of the Trust Fund.

Individual Accounts means the accounts or records maintained by the Committee or its agent showing the value of the Participant's interest in the Trust Fund. The types of Individual Accounts maintained by the Plan are:

Employer Contribution Accounts
▪ Matching Account
▪ Employer Non-Elective Account (referred to in the SPD as "Profit Sharing Account")

Participant Contribution Accounts
▪ Rollover Account
▪ After-Tax Account
▪ Before-Tax Account

Matching Contribution means an amount contributed to the Plan by the Employer on behalf of all eligible participants who deferred a portion of their Compensation under a Salary Reduction Agreement.

Participant means an Employee who has met the eligibility requirements and is enrolled in the Plan.

Plan means the CompuCom Systems, Inc. 401(k) Matched Savings Plan, which is explained in this summary.

Plan Sponsor means **CompuCom Systems, Inc.**

Profit Sharing Contribution means a discretionary contribution to the Plan that the Employer makes from time to time on behalf of all eligible Participants. Profit Sharing Contributions may also be described as "Employer Non-Elective Contributions".

Roth Contributions means the after-tax amount that a Participant elects to reduce his or her Compensation pursuant to a Salary Reduction Agreement with the Employer.

Trust Fund means the total assets created and established by Employer Contributions and Participant Contributions.

Trustee means **Fidelity Management Trust Company**, which serves as a nondiscretionary or directed trustee under the terms of the Plan.

Valuation Date means any business day the New York Stock Exchange is open.

Vest means to be entitled to a benefit.

Vested Account Balance means that portion of a Participant's Individual Accounts in which the Participant is 100% vested.

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Special Tax Notice Regarding Plan Payments

This Special Tax Notice Applies to Distributions from Section 401(a) Plans, Section 403(a) Annuity Plans, Section 403(b) Tax Sheltered Annuities and Section 457 Governmental Plans

This notice contains important information you will need before you decide how to receive Plan benefits. It explains when and how you can continue to defer federal income tax on your retirement savings when you receive a distribution.

This notice is provided to you because all or part of the payment that you will soon receive from one or more plans in which you participate may be eligible for rollover by you or your Plan Administrator to a traditional IRA or an eligible employer plan. A rollover is a payment by you or the Plan Administrator of all or part of your benefit to another plan or IRA that allows you to continue to postpone taxation of that benefit until it is paid to you. Your payment(s) cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA). An "eligible employer plan" includes a plan qualified under section 401(a) of the Internal Revenue Code, including a 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; a section 403(a) annuity plan; a section 403(b) tax-sheltered annuity; and an eligible section 457(b) plan maintained by a governmental employer (governmental 457 plan).

Although the information in this notice generally applies to most plan distributions, some distinctive rules relate to distributions from governmental 457 plans. For more information on unique rules applicable to these plans, see the section "Additional Information for Governmental 457 Plans." This notice does not address distributions from 457(b) plans maintained by tax-exempt employers or 457(f) plans because distributions from such plans are not eligible for rollover.

An eligible employer plan is not legally required to accept a rollover. Before you decide to roll over your payment to another employer plan, you should find out whether the plan accepts rollovers and, if so, the types of distributions it accepts as a rollover. You should also find out about any documents that are required to be completed before the receiving plan will accept a rollover. Even if a plan accepts rollovers, it might not accept rollovers of certain types of distributions, such as after-tax amounts. If this is the case, and your distribution includes after-tax amounts, you may wish instead to roll your distribution over to a traditional IRA or split your rollover amount between the employer plan in which you will participate and a traditional IRA. If an employer plan accepts your rollover, the plan may restrict subsequent distributions of the rollover amount or may require your spouse's consent for any subsequent distribution. A subsequent distribution from the plan that accepts your rollover may also be subject to different tax treatment than distributions from this Plan. Check with the administrator of the plan that is to receive your rollover prior to making the rollover.

If you have additional questions after reading this notice, you can contact your Plan Administrator.

1. General Summary

There are two ways you may be able to receive a Plan payment that is eligible for rollover:

(1) Certain payments can be made directly to a traditional IRA that you establish or to an eligible employer plan that will accept it and hold it for your benefit ("DIRECT ROLLOVER"); or

(2) The payment can be PAID TO YOU.

If you choose a DIRECT ROLLOVER:

- Your payment will not be taxed in the current year and no income tax will be withheld.

- You choose whether your payment will be made directly to your traditional IRA or to an eligible employer plan that accepts your rollover. Your payment cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account because these are not traditional IRAs.

- The taxable portion of your payment will be taxed later when you take it out of the traditional IRA or the eligible employer plan. Depending on the type of plan, the later distribution may be subject to different tax treatment than it would be if you received a taxable distribution from this Plan.

If you choose to have a Plan payment that is eligible for rollover PAID TO YOU:

- You will receive only 80% of the taxable amount of the payment, because the Plan Administrator is required to withhold 20% of that amount and send it to the IRS as income tax withholding to be credited against your taxes.

- The taxable amount of your payment will be taxed in the current year unless you roll it over. Under limited circumstances, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59½, you may have to pay an additional 10% tax.

- You can roll over all or part of the payment by paying it to your traditional IRA or to an eligible employer plan that accepts your rollover within 60 days after you receive the payment. The amount rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.

- If you want to roll over 100% of the payment to a traditional IRA or an eligible employer plan, you must find other money to replace the 20% of the taxable portion that was withheld. If you roll over only the 80% that you received, you will be taxed on the 20% that was withheld and that is not rolled over.

<u>Your Right To Waive the 30-Day Notice Period</u>

Generally, neither a direct rollover nor a payment can be made from the plan until at least 30 days after your receipt of this notice. Thus, after receiving this notice, you have at least 30 days to consider whether or not to have your withdrawal directly rolled over. If you do not wish to wait until this 30-day notice period ends before your election is processed, you may waive the notice period by making an affirmative election indicating whether or not you wish to make a DIRECT ROLLOVER. Your withdrawal will then be processed in accordance with your election as soon as practical after the Plan Administrator receives it.

2. Payments That Can and Cannot Be Rolled Over

Payments from the Plan may be "eligible rollover distributions." This means that they can be rolled over to a traditional IRA or to an eligible employer plan that accepts rollovers. Payments from a plan cannot be rolled over to a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account. Your Plan Administrator should be able to tell you what portion of your payment is an eligible rollover distribution.

<u>After-tax Contributions</u>

If you made after-tax contributions to the Plan, these contributions may be rolled into either a traditional IRA or to certain employer plans that accept rollovers of the after-tax contributions. The following rules apply:

a. Rollover into a Traditional IRA. You can roll over your after-tax contributions to a traditional IRA either directly or indirectly. Your plan administrator should be able to tell you how much of your payment is the taxable portion and how much is the after-tax portion.

If you roll over after-tax contributions to a traditional IRA, it is your responsibility to keep track of, and report to the Service on the applicable forms, the amount of these after-tax contributions. This will enable the nontaxable amount of any future distributions from the traditional IRA to be determined.

Once you roll over your after-tax contributions to a traditional IRA, those amounts CANNOT later be rolled over to an employer plan.

b. Rollover into an Employer Plan. You can roll over after-tax contributions from an employer plan that is qualified under Code section 401(a) or a section 403(a) annuity plan to another such plan using a DIRECT ROLLOVER if the other plan provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. You can also roll over after-tax contributions from a section 403(b) tax-sheltered annuity to another section 403(b) tax-sheltered annuity using a DIRECT ROLLOVER if the other tax-sheltered annuity provides separate accounting for amounts rolled over, including separate accounting for the after-tax employee contributions and earnings on those contributions. You CANNOT roll over after-tax contributions to a governmental 457 plan. If you want to roll over your after-tax contributions to an employer plan that accepts these rollovers, you cannot have the after-tax contributions paid to you first. You must instruct the Plan Administrator of this Plan to make a DIRECT

ROLLOVER on your behalf. Also, you cannot first roll over after-tax contributions to a traditional IRA and then roll over that amount into an employer plan.

The following types of payments cannot be rolled over:

Payments Spread over Long Periods. You cannot roll over a payment if it is part of a series of equal (or almost equal) payments that are made at least once a year and that will last for:

- Your lifetime (or a period measured by your life expectancy), or

- Your lifetime and your beneficiary's lifetime (or a period measured by your joint life expectancies), or

- A period of 10 years or more.

Required Minimum Payments. Beginning when you reach age 70 1/2 or retire, whichever is later, a certain portion of your payment cannot be rolled over because it is a “required minimum payment” that must be paid to you. Special rules apply if you own more than 5% of your employer.

Hardship Distributions. A hardship distribution cannot be rolled over.

ESOP Dividends. Cash dividends paid to you on employer stock held in an employee stock ownership plan cannot be rolled over.

Corrective Distributions. A distribution that is made to correct a failed nondiscrimination test or because legal limits on certain contributions were exceeded cannot be rolled over.

Loans Treated as Distributions. The amount of a plan loan that becomes a taxable deemed distribution because of a default cannot be rolled over. However, a loan-offset amount is eligible for rollover, as discussed in Number 4 below. Ask the Plan Administrator of this Plan if distribution of your loan qualifies for rollover treatment.

The Plan Administrator of this Plan should be able to tell you if your payment includes amounts, which cannot be rolled over.

3. Direct Rollover

A DIRECT ROLLOVER is a direct payment of the amount of your Plan benefits to a traditional IRA or an eligible employer plan that will accept it. You can choose a DIRECT ROLLOVER of all or any portion of your payment that is an eligible rollover distribution, as described in Number 2 above. You are not taxed on any taxable portion of your payment for which you choose a DIRECT ROLLOVER until you later take it out of the traditional IRA or eligible employer plan. In addition, no income tax withholding is required for any taxable portion of your Plan benefits for which you choose a DIRECT ROLLOVER. This Plan might not let you choose a DIRECT ROLLOVER if your distributions for the year are less than $200.

Direct Rollover to a Traditional IRA

You can open a traditional IRA to receive the DIRECT ROLLOVER. If you choose to have your payment made directly to a traditional IRA, contact an IRA sponsor (usually a financial institution) to find out how to have your payment made in a DIRECT ROLLOVER to a traditional IRA at that institution. If you are unsure of how to invest your money, you can temporarily establish a traditional IRA to receive the payment. However, in choosing a traditional IRA, you may wish to make sure that the traditional IRA you choose will allow you to move all or a part of your payment to another traditional IRA at a later date, without penalties or other limitations. See IRS Publication 590, Individual Retirement Arrangements, for more information on traditional IRAs (including limits on how often you can roll over between IRAs).

Direct Rollover to a Plan

If you are employed by a new employer that has an eligible employer plan, and you want a DIRECT ROLLOVER to that plan, ask the plan administrator of that plan whether it will accept your rollover. An eligible employer plan is not legally required to accept a rollover. Even if your new employer's plan does not accept a rollover, you can choose a DIRECT ROLLOVER to a traditional IRA. If the employer plan accepts your rollover, the plan may provide restrictions on the circumstances under which you may later receive a distribution of the rollover amount or may require spousal consent to any subsequent distribution. Check with the plan administrator of that plan before making your decision.

Direct Rollover of a Series of Payments

If you receive a payment that can be rolled over to a traditional IRA or an eligible employer plan that will accept it, and it is paid in a series of payments for less than 10 years, your choice to make or not make a DIRECT ROLLOVER for a payment will apply to all later payments in the series until you change your election. You are free to change your election for any later payment in the series.

Change in Tax Treatment Resulting from a Direct Rollover

(see "Additional Information for Governmental 457 Plans" for applicable rules)

The tax treatment of any payment from the eligible employer plan or traditional IRA receiving your DIRECT ROLLOVER might be different than if you received your benefit in a taxable distribution directly from the Plan. For example, if you were born before January 1, 1936, you might be entitled to ten-year averaging or capital gain treatment, as explained below. However, if you have your benefit rolled over to a section 403(b) tax-sheltered annuity, a governmental 457 plan, or a traditional IRA in a DIRECT ROLLOVER, your benefit will no longer be eligible for that special treatment. See the sections below entitled "Additional 10% Tax if You Are under Age 59½" and "Special Tax Treatment if You Were Born before January 1, 1936."

4. Payment Paid to You

If your payment can be rolled over (see Number 2 above) and the payment is made to you in cash, it is subject to 20% federal income tax withholding on the taxable portion (state tax withholding may also apply). The payment is taxed in the year you receive it unless, within 60 days, you roll it over to a traditional IRA or an eligible employer plan that accepts rollovers. If you do not roll it over, special tax rules may apply.

Income Tax Withholding

Mandatory Withholding. If any portion of your payment can be rolled over under Number 2 above, and you do not elect to make a DIRECT ROLLOVER, the Plan is required by law to withhold 20% of the taxable amount. This amount is sent to the IRS as federal income tax withholding. For example, if you can roll over a taxable payment of $10,000, only $8,000 will be paid to you because the Plan must withhold $2,000 as income tax. However, when you prepare your income tax return for the year, unless you make a rollover within 60 days (see "Sixty-Day Rollover Option" below), you must report the full $10,000 as a taxable payment from the Plan. You must report the $2,000 as tax withheld, and it will be credited against any income tax you owe for the year. There will be no income tax withholding if your payments for the year are less than $200.

Voluntary Withholding. If any portion of your payment is taxable but cannot be rolled over under Number 2 above, the mandatory withholding rules described above do not apply. In this case, you may elect not to have withholding apply to that portion. If you do nothing, an amount will be taken out of this portion of your payment for federal income tax withholding. To elect out of withholding, ask the Plan Administrator for the election form and related information.

Sixty-Day Rollover Option. If you receive a payment that can be rolled over under Number 2 above, you can still decide to roll over all or part of it to a traditional IRA or to an eligible employer plan that accepts rollovers. If you decide to roll over, you must contribute the amount of the payment you received to a traditional IRA or eligible employer plan within 60 days after you receive the payment. The portion of your payment that is rolled over will not be taxed until you take it out of the traditional IRA or the eligible employer plan.

You can roll over up to 100% of your payment that can be rolled over under Number 2 above, including an amount equal to the 20% of the taxable portion that was withheld. If you choose to roll over 100%, you must find other money within the 60-day period to contribute to the traditional IRA or the eligible employer plan, to replace the 20% that was withheld. On the other hand, if you roll over only the 80% of the taxable portion that you received, you will be taxed on the 20% that was withheld.

Example: The taxable portion of your payment that can be rolled over under Number 2 above is $10,000, and you choose to have it paid to you. You will receive $8,000, and $2,000 will be sent to the IRS as income tax withholding. Within 60 days after receiving the $8,000, you may roll over the entire $10,000 to a traditional IRA or an eligible employer plan. To do this, you roll over the $8,000 you received from the Plan, and you will have to find

$2,000 from other sources (your savings, a loan, etc.). In this case, the entire $10,000 is not taxed until you take it out of the traditional IRA or an eligible employer plan. If you roll over the entire $10,000, when you file your income tax return you may get a refund of part or all of the $2,000 withheld.

If, on the other hand, you roll over only $8,000, the $2,000 you did not roll over is taxed in the year it was withheld. When you file your income tax return, you may get a refund of part of the $2,000 withheld. (However, any refund is likely to be larger if you roll over the entire $10,000.)

Additional 10% Tax If You Are under Age 59½ (see "Additional Information for Governmental 457 Plans" for applicable rules). If you receive a payment before you reach age 59½ and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax generally does not apply to (1) payments that are paid after you separate from service with your employer during or after the year you reach age 55, (2) payments that are paid because you retire due to disability, (3) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (4) dividends paid with respect to stock by an employee stock ownership plan (ESOP) as described in Code section 404(k), (5) payments that are paid directly to the government to satisfy a federal tax levy, (6) payments that are paid to an alternate payee under a qualified domestic relations order (or state domestic relations order generally applicable to governmental or church plans), or (7) payments that do not exceed the amount of your deductible medical expenses. See IRS Form 5329 for more information on the additional 10% tax.

The additional 10% tax will not apply to distributions from a governmental 457 plan, except to the extent the distribution is attributable to an amount you rolled over to that plan (adjusted for investment returns) from another type of eligible employer plan or IRA. Any amount rolled over from a governmental 457 plan to another type of eligible employer plan or to a traditional IRA will become subject to the additional 10% tax if it is distributed to you before you reach age 59½, unless one of the exceptions applies.

Special Tax Treatment If You Were Born before January 1, 1936 (not applicable to Governmental 457 Plans). If you receive a payment from a plan qualified under section 401(a) or a section 403(a) annuity plan that can be rolled over under Number 2 and you do not roll it over to a traditional IRA or an eligible employer plan, the payment will be taxed in the year you receive it. However, if the payment qualifies as a "lump sum distribution," it may be eligible for special tax treatment. (See also "Employer Stock or Securities," below.) A lump sum distribution is a payment, within one year, of your entire balance under the Plan (and certain other similar plans of the employer) that is payable to you after you have reached age 59½ or because you have separated from service with your employer (or, in the case of a self-employed individual, after you have reached age 59½ or have become disabled). For a payment to be treated as a lump sum distribution, you must have been a participant in the plan for at least five years before the year in which you received the distribution. The special tax treatment for lump sum distributions that may be available to you is described below.

- Ten-Year Averaging. If you receive a lump sum distribution and you were born before January 1, 1936, you can make a one-time election to figure the tax on the payment by using "10-year averaging" (using 1986 tax rates). Ten-year averaging often reduces the tax you owe.

- Capital Gain Treatment. If you receive a lump sum distribution and you were born before January 1, 1936, and you were a participant in the Plan before 1974, you may elect to have the part of your payment that is attributable to your pre- 1974 participation in the Plan taxed as long-term capital gain at a rate of 20%.

There are other limits on the special tax treatment for lump sum distributions. For example, you can generally elect this special tax treatment only once in your lifetime, and the election applies to all lump sum distributions that you receive in that same year. You may not elect this special tax treatment if you rolled amounts into this Plan from a 403(b) tax-sheltered annuity contract, governmental 457 plan, or from an IRA not originally attributable to a qualified employer plan. If you have previously rolled over a distribution from this Plan (or certain other similar plans of the employer), you cannot use this special averaging treatment for later payments from the Plan. If you roll over your payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, you will not be able to use special tax treatment for later payments from that IRA, plan, or annuity. Also, if you roll over only a portion of your payment to a traditional IRA, governmental 457 plan, or 403(b) tax-sheltered annuity, this special tax treatment is not available for the rest of the payment. See IRS Form 4972 for additional information on lump sum distributions and how you elect the special tax treatment.

● Employer Stock or Securities. There is a special rule for a payment from the Plan that includes employer stock (or other employer securities). To use this special rule, 1) the payment must qualify as a lump sum distribution, as described above, except that you do not need five years of plan participation, or 2) the employer stock included in the payment must be attributable to "after- tax" employee contributions, if any. Under this special rule, you may have the option of not paying tax on the "net unrealized appreciation" of the stock until you sell the stock. Net unrealized appreciation generally is the increase in the value of the employer stock while it was held by the Plan. For example, if employer stock was contributed to your Plan account when the stock was worth $1,000 but the stock was worth $1,200 when you received it, you would not have to pay tax on the $200 increase in value until you later sold the stock.

You may instead elect not to have the special rule apply to the net unrealized appreciation. In this case, your net unrealized appreciation will be taxed in the year you receive the stock, unless you roll over the stock. The stock can be rolled over to a traditional IRA or another eligible employer plan, either in a direct rollover or a rollover that you make yourself. Generally, you will no longer be able to use the special rule for net unrealized appreciation if you roll the stock over to a traditional IRA or another eligible employer plan.

If you receive only employer stock in a payment that can be rolled over, no amount will be withheld from the payment. If you receive cash or property other than employer stock, as well as employer stock, in a payment that can be rolled over, the 20% withholding amount will be based on the entire taxable amount paid to you (including the value of the employer stock determined by excluding the net unrealized appreciation). However, the amount withheld will be limited to the cash or property (excluding employer stock) paid to you.

If you receive employer stock in a payment that qualifies as a lump sum distribution, the special tax treatment for lump sum distributions described above (such as 10-year averaging) also may apply. See IRS Form 4972 for additional information on these rules.

5. Repayment of Plan Loans

If your employment ends and you have an outstanding loan from your Plan, your employer may reduce (or "offset") your balance in the Plan by the amount of the loan you have not repaid. The amount of your loan offset is treated as a distribution to you at the time of the offset and will be taxed unless you roll over an amount equal to the amount of your loan offset to another qualified employer plan or a traditional IRA within 60 days of the date of the offset. If the amount of your loan offset is the only amount you receive or are treated as having received, no amount will be withheld from it. If you receive other payments of cash or property from the Plan, the 20% withholding amount will be based on the entire amount paid to you, including the amount of the loan offset. The amount withheld will be limited to the amount of other cash or property paid to you (other than any employer securities). The amount of a defaulted plan loan that is a taxable deemed distribution cannot be rolled over.

6. Surviving Spouses, Alternate Payees, and Other Beneficiaries

In general, the rules summarized above that apply to payments to employees also apply to payments to surviving spouses of employees and to spouses or former spouses who are "alternate payees." You are an alternate payee if your interest in the Plan results from a "qualified domestic relations order" (or a state domestic relations order applicable to certain governmental or church plans), which is an order issued by a court, usually in connection with a divorce or legal separation.

If you are a surviving spouse or an alternate payee, you may choose to have a payment that can be rolled over, as described in Number 2 above, paid in a DIRECT ROLLOVER to a traditional IRA or to an eligible employer plan or paid to you. If you have the payment paid to you, you can keep it or roll it over yourself to a traditional IRA or to an eligible employer plan. Thus, you have the same choices as the employee.

If you are a beneficiary other than a surviving spouse or an alternate payee, you cannot choose a direct rollover, and you cannot roll over the payment yourself.

If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in Number 4 above, even if you are younger than age 59½.

All Plans Except Governmental 457 Plans. If you are a surviving spouse, an alternate payee, or another beneficiary, you may be able to use the special tax treatment for lump sum distributions and the special rule for payments that include employer stock, as described in Number 4 above. If you receive a payment because of the employee's death, you may be able to treat the payment as a lump sum distribution if the employee met the appropriate age requirements, whether or not the employee had 5 years of participation in the Plan.

Governmental 457 Plans. If you are a surviving spouse, an alternate payee, or another beneficiary, your payment is generally not subject to the additional 10% tax described in Number 4 above, even if you are younger than age 59½.

7. Additional Information for Governmental 457 Plans

<u>Unforeseeable Emergency Distributions</u>

A distribution on account of an unforeseeable emergency cannot be rolled over. An unforeseeable emergency is limited to a severe financial hardship resulting from a sudden and unexpected illness or accident or a loss of property due to casualty or similar extraordinary and unforeseeable circumstances. Such events must result from circumstances beyond your control. For example, an unforeseeable emergency must cause a hardship that cannot be relieved through reimbursement or compensation by insurance, liquidation of assets (unless such liquidation would cause a severe financial hardship), or a cessation of all contributions to the 457 plan. Payment of college expenses or purchase of a home does not qualify as an unforeseeable emergency.

<u>Distributions of Excess Contributions</u>

A distribution that is made because legal limits on certain contributions were exceeded cannot be rolled over.

<u>Direct Rollover</u>

Change in Tax Treatment Resulting from a DIRECT ROLLOVER. The tax treatment of any payment from the eligible employer plan or traditional IRA receiving your DIRECT ROLLOVER might be different than if you received your benefit in a taxable distribution directly from the governmental 457 plan. See the "Additional 10% Tax May Apply to Certain Distributions."

Additional 10% Tax May Apply to Certain Distributions. Distributions from the governmental 457(b) plan are generally not subject to the additional 10% tax that applies to pre-age-59½ distributions from other types of plans. However, any distribution from such plan that is attributable to an amount you rolled over to the Plan (adjusted for investment returns) from another type of eligible employer plan or IRA amount is subject to the additional 10% tax if it is distributed to you before you reach age 59½, unless an exception applies.

Exceptions to the additional 10% tax generally include (1) payments that are paid as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary's lives or life expectancies), (2) payments that are paid from an eligible employer plan after you separate from service with your employer during or after the year you reach age 55, (3) payments that are paid because you retire due to disability, (4) payments that are paid directly to the government to satisfy a federal tax levy, (5) payments that are paid to an alternate payee under a qualified domestic relations order, or (6) payments that do not exceed the amount of your deductible medical expenses. These exceptions may be different for distributions from a traditional IRA. See IRS Form 5329 for more information on the additional 10% tax.

The additional 10% tax does not apply to distributions from the Plan or any other governmental 457 plan, except to the extent the distribution is attributable to an amount you rolled over to the governmental 457 plan (adjusted for investment returns) from another type of eligible employer plan or IRA.

In addition, any amount rolled over from the Plan to another type of eligible employer plan or to a traditional IRA will be subject to the additional 10% tax if it is distributed to you before you reach age 59½, unless an exception applies.

8. State or Local Income Tax

Please note that state or local income tax is withheld only for those states where such withholding is mandatory. If you reside in a state that has a state income tax, and the state does not have a mandatory withholding rule, you will be responsible for any state income taxes due on the taxable portion of your distribution. You should also be aware that some states have not yet changed their laws to take into account the expanded rollover rules that became effective January 1, 2002. In certain cases, a rollover now permitted under federal law may be subject to taxation under state law. However, once the rollover is taxed under state law, the state would not tax this amount again when later you receive it as a distribution.

9. How to Obtain Additional Information

The rules described above are complex and contain many conditions and exceptions that are not included in this notice. Therefore, you may want to consult with the Plan Administrator or a professional tax advisor before you take a payment of your benefits from your Plan. Also, you can find more specific information on the tax treatment of payments from qualified employer plans in IRS Publication 575, Pension and Annuity Income, and IRS Publication 590, Individual Retirement Arrangements. These publications are available from your local IRS office, on the IRS's Internet Web Site at www.irs.gov, or by calling 1-800-TAX-FORMS.

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