NTESS
SAVINGS AND INCOME PLAN

Summary Plan Description

Revised: Effective January 1, 2018
SUMMARY PLAN DESCRIPTION

NTESS SAVINGS AND INCOME PLAN

Introduction

National Technology & Engineering Solutions of Sandia, LLC (NTESS) is pleased to sponsor the NTESS Savings and Income Plan (401(k) Plan), formerly known as the Sandia Corporation Savings and Income Plan, which is designed to help you build financial resources for the future. The 401(k) Plan can be an important part of saving for your retirement.

This Summary Plan Description (SPD) explains how to determine if you are eligible to participate in the 401(k) Plan by saving directly from your wages, if you are eligible to receive employer contributions, when you may make withdrawals from your 401(k) Plan Account, and other important information about the Plan. More detailed information is contained in the official NTESS Savings and Income Plan document, which governs the operation of the 401(k) Plan. In the event there is or appears to be any discrepancy between the terms of the 401(k) Plan document and this SPD, the terms of the 401(k) Plan document control.

NOTE: Capitalized words and terms appearing in this SPD, which are not proper nouns, are defined in Appendix A.

IMPORTANT: The NTESS Savings and Income Plan is maintained at the discretion of NTESS and does not create a contract of employment and does not change the at-will employment relationship between you and NTESS. The NTESS Board of Managers (or its designated representative) reserves the right to change or amend (in writing) any or all provisions of the NTESS Savings and Income Plan and to terminate it (in writing) at any time without prior notice unless required by law.
Summary of 401(k) Plan Changes

This section contains a brief description of the 401(k) Plan changes that have been implemented since the previous SPD which was effective January 1, 2015.

Effective May 1, 2017, the name of the sponsor of the 401(k) Plan was changed to National Technology & Engineering Solutions of Sandia, LLC (NTESS), a wholly-owned subsidiary of Honeywell International Inc., and the 401(k) Plan’s name was changed to NTESS Savings and Income Plan. Prior to May 1, 2017, the name of the sponsor was Sandia Corporation, a wholly-owned subsidiary of Lockheed Martin Corporation, and the 401(k) Plan was named Sandia Corporation Savings and Income Plan.

Effective May 1, 2017, service with a Parent Company and its affiliates prior to that company becoming an Affiliated Company solely to the extent such service was accrued under a different management and operating contract (M&O) of the Parent Company with the Department of Energy (DOE) or National Nuclear Security Administration (NNSA) will be credited as Years of Service for Vesting. For all other purposes, service with the Parent Company and its affiliates prior to being recognized as an Affiliated Company, regardless if accrued under an M&O contract with DOE or NNSA, will not be credited as service for the 401(k) Plan.

Effective May 1, 2017, wages, including bonuses or incentive payments, that are not allowable and reimbursable to NTESS by DOE/NNSA pursuant to the applicable M&O contract, site management contract, or subcontract provisions are not Compensation for 401(k) Plan contribution calculations.

Effective July 1, 2017, for Special Leaves of Absence (SLOAs) that begin or are extended on or after January 1, 2017, an individual on SLOA will be deemed to be working his or her regular schedule during the first three years of such SLOA. For SLOAs beginning on or after July 1, 2017, the individual must remain an Eligible Employee for a period of at least one year following return to NTESS in order to receive service credit for the period during which the individual was on a SLOA.

Effective January 1, 2018, the Company Matching Contribution source of all non-represented Employees and Employees represented by the Atomic Projects and Production Workers, Metal Trades Council, AFL-CIO (MTC), that become Eligible Employees on or after this date shall not be Vested until the participant is credited with three Years of Service. Employees represented by the Office and Professional Employees International Union, Local 251, AFL-CIO (OPEIU), or the Security Police Association, Local 7002 of the International Union of Police Associations AFL-CIO (SPA), or Employees that became Eligible Employees on or before December 31, 2017, are immediately Vested in their Company Matching Contribution source.

Effective January 1, 2018, an Eligible Employee does not include an Employee who does not have a valid Social Security number.

Changes to the 401(k) Plan’s investment options are not detailed in the SPD. You are encouraged to visit the Fidelity Investments® (Fidelity) NetBenefits® website at www.401k.com for information about the investment options. You can also obtain personalized independent investment advice by calling Financial Engines at 1-877-401-5762, by linking to Financial Engines advice through NetBenefits®, or at www.FinancialEngines.com/forSandia.
1. **Who Is Eligible to Participate in the 401(k) Plan?**

   You are eligible to participate in the 401(k) Plan if you are an Eligible Employee (see Question 2), you have attained age 21, and you are a:
   
   - Regular Employee,
   - limited-term Employee, or
   - post-doctoral appointee.

2. **Who Is an Eligible Employee?**

   An Eligible Employee for the 401(k) Plan is an Employee who works for the Company, other than the following:
   
   - a Leased Employee,
   - non-resident alien without any United States (U.S.) source income,
   - individual whose earnings and conditions of employment are governed by the terms of a collective bargaining agreement, unless, and to the extent that, a written agreement between the Company and the relevant union makes such coverage available,
   - an individual who is eligible to participate in another 401(k) plan sponsored by the Company,
   - student intern,
   - faculty sabbatical Employee,
   - recurrent (on call) Employee, or
   - an Employee who does not have a valid Social Security number.

3. **What Circumstances Would End My Eligibility for Contributions to the 401(k) Plan?**

   Your eligibility for contributions to the 401(k) Plan continues until one of the following events occurs:
   
   - You take an unpaid leave of absence (see Question 27), or change to an un-paid position, from your NTESS employment,
   - You terminate employment with NTESS,
   - You take a hardship withdrawal, in which case you are suspended from contributing for 6 months (see Question 26),
• You take a distribution after having been on active military duty for more than 30 days under the provisions of the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act), in which case you are suspended from contributing for 6 months following the date of distribution (see Question 28), or

• Your employee status with NTESS changes to an ineligible category (see Question 2).

4. How Do I Enroll and Elect Contributions To the 401(k) Plan?

As an Eligible Employee, you may request information regarding the 401(k) Plan by calling HR Customer Service at (505) 844-4237, Option 2.

You are automatically enrolled in the Enhanced Program Contributions when you are an Enhanced Program Employee. You may enroll for contributions to the 401(k) Plan directly from your wages at any time by contacting Fidelity at 1-800-240-4015 or on NetBenefits® at www.401k.com.

You may select investment options, from the options available through the 401(k) Plan, by contacting Fidelity. You will receive a Qualified Default Investment Alternative (QDIA) Notice to inform you of how your contributions will be invested if you do not make investment option selections.

You may also designate, through NetBenefits® at www.401k.com, one or more Beneficiaries to receive the Vested balance of your Account upon your death (see Question 31 and 32).

You may make contribution elections, change investment options, or change Beneficiary designations at any time through Fidelity. Fidelity will confirm these changes via email. If you do not want to receive notices, confirmations and statements by email, you may elect to receive information by mail by contacting Fidelity.

5. What Contributions May I Elect to the 401(k) Plan?

You may elect to make contributions to the 401(k) Plan from your Compensation (see Question 9), and you may make rollovers from your benefits in other employers’ qualified retirement plans or from Individual Retirement Accounts (IRAs). When you elect to make contributions, you must specify the total percentage of your Compensation that you wish to contribute, minimum of 2% and maximum of 75%, and the percentage to be contributed on a pretax, Roth or after-tax basis. Contributions may only be processed on Compensation up to the annual compensation limit (see Question 11). All contributions from your Compensation are subject to Social Security and Medicare taxes, so your Social Security benefit will not be negatively affected by making contributions to the 401(k) Plan.

You may elect, change, discontinue or restart your contributions at any time by contacting Fidelity at 1-800-240-4015 or via www.401k.com. Elections and changes will generally be effective by the second pay period following the date you input the change. Fidelity will generally mail or email a confirmation to you within three business days verifying your request. Review the confirmation notice carefully; if it is incorrect (or if you do not receive your confirmation), notify Fidelity immediately. Also, review your next few paycheck details to verify that the change has been implemented.

Contributions you may elect and rollovers you may make are as follows:

(a) Pretax Contributions. You may contribute a portion of your Compensation to the 401(k) Plan, in 1% increments, on a pretax basis, subject to the Internal Revenue Code’s (IRC’s) annual deferral limit (see Question 8). The annual deferral limit is applied to pretax and Roth contributions combined
($18,500 for 2018). Pretax contributions lower your federal and state taxable income which, in turn, may lower your current income tax withholding.

Pretax contributions and investment earnings on these contributions are federal and state taxable income when they are paid out of the 401(k) Plan, or from the qualified retirement plan or IRA into which they are rolled over. The IRC restricts withdrawals from your pretax contributions and accumulated investment earnings while you are employed by NTESS or another Affiliated Company (see Questions 24 and 25).

(b) **Roth Contributions.** You may contribute a portion of your Compensation to the 401(k) Plan, in 1% increments, as Roth contributions. Roth contributions do not lower your federal and state taxable income in the year of contribution. Roth contributions are combined with pretax contributions for the IRC annual deferral limit (see Question 8). Roth contributions are subject to the same distribution restrictions as pretax contributions (see Question 24), but are not available for loans (see Question 23 and Appendix C) or distribution due to financial hardship (see Question 25).

You will not be taxed on distributions of your Roth contributions from the 401(k) Plan. The investment earnings on your Roth contributions will not be taxed when paid out of the 401(k) Plan, or from the qualified retirement plan or IRA into which they are rolled over, if the requirements of a Qualified Distribution are met. A Qualified Distribution generally is a withdrawal of the investment earnings on Roth contributions, Roth rollovers and Roth in-plan conversions (see Question 6) that is paid after:

- The 5-year period which begins on the first day of the year in which you first make a Roth contribution, Roth rollover, or Roth conversion in the 401(k) Plan, and
- The date you reach age 59½, your death or your disability.

(c) **Catch-Up Contributions.** If you are age 50 or older by the end of the calendar year, you are eligible to make pretax and/or Roth contributions in excess of the annual deferral limit up to the annual catch-up limit (see Question 8). The annual catch-up limit for 2018 is $6,000 for a total limit of $24,500 when combined with the 2018 annual deferral limit. You do not need to make a separate catch-up contribution election. If you are catch-up eligible, your pretax and Roth contribution elections will be applied to your Compensation each pay period until the annual deferral limit plus the catch-up limit is reached, the annual compensation limit is reached or the annual additions limit is reached (see Questions 10 and 11).

(d) **After-tax Contributions.** You may contribute a portion of your Compensation to the 401(k) Plan, in 1% increments, on an after-tax basis. After-tax contributions do not lower your federal and state taxable income, but allow you to contribute more than the pretax and Roth annual deferral limit plus, if you are eligible, the catch-up contribution limit. After-tax contributions are limited by the annual additions limit and annual compensation limit (see Questions 10 and 11). After-tax contributions allow you to defer income tax on the associated investment earnings until they are paid out of the 401(k) Plan, or from the qualified retirement plan or IRA into which they are rolled.

In addition to after-tax contribution elections you make, if you reach the annual deferral limit plus catch-up limit if you are eligible on pretax and Roth contributions, those contribution elections will automatically be changed to, or added to, after-tax elections for future pay periods for the remainder of the year until the annual compensation limit or annual additions limit is reached (see Questions 10 and 11). You may elect, at any time, to withdraw all or a portion of your after-tax contribution source. You will not be taxed on the distribution of your after-tax contributions, but the distribution of investment earnings on those contributions are subject to federal and state income tax.
(e) **Rollover Contributions.** The 401(k) Plan accepts rollovers from other qualified retirement plans and certain other retirement vehicles listed below:

- 401(k) plans; including pretax, Roth, and after-tax amounts
- Profit Sharing plans, including Employee Stock Ownership Plans (ESOPs)
- Money Purchase Pension plans
- Defined Benefit (Pension) plans
- 403(b) plans; including pretax, Roth, and after-tax amounts
- Governmental 457(b) plans; pretax amounts only
- IRAs; pretax amounts only from a contributory IRA, pretax and Roth amounts from a rollover or conduit IRA (an IRA funded from a qualified plan rollover)

To roll a distribution into the 401(k) Plan, you must either:

- Transfer the funds within 60 days after you receive payment from the former employers’ qualified retirement plan or IRA, or
- Directly transfer the funds from your former employers’ qualified plan or IRA (distribution payment payable to Fidelity Investments Institutional Operations Company (FIIOC) on behalf of NTESS Savings and Income Plan FBO “your name” mailed to you for submission to Fidelity)

You will be required to certify that the rollover contribution is from a qualified retirement plan, pretax amounts from an IRA, or from a rollover IRA. Contact Fidelity at 1-800-240-4015 or at [www.401k.com](http://www.401k.com) for the certification form and assistance with making the rollover.

6. **May I Convert Balances Within Other Contribution Sources in the 401(k) Plan Into Roth Amounts?**

You may convert Vested amounts from non-Roth sources in your Account, except Money Purchase (see Question 30), into Roth amounts via an in-plan Roth conversion. Federal and state income tax will be payable for the year of conversion on the taxable amounts that are converted. You may want to consult your tax advisor to evaluate the tax implications before deciding on amounts and timing of an in-plan Roth conversion. Contact Fidelity at 1-800-240-4015 or at [www.401k.com](http://www.401k.com) for information on your Vested sources and taxable amounts within those sources.

Amounts that are eligible for you to withdraw and rollover to another qualified retirement plan or IRA will be converted into an in-plan Roth conversion source that is also eligible for you to withdraw or rollover. Amounts that have distribution restrictions, such as pretax contributions, will be converted into in-plan Roth conversion sources that maintain the distribution restrictions. You must call Fidelity to process an in-plan Roth conversion, as this processing is not available via the NetBenefits® website.
7. What Contributions May the Company Make to the 401(k) Plan on My Behalf?

(a) **Company Matching Contributions.** If you are an Eligible Employee (see Question 2), you are immediately eligible to receive Company Matching Contributions. The Company will contribute or “match” 66-2/3 cents for every dollar that you contribute to the 401(k) Plan on a pretax, Roth, or after-tax basis up to the first 6% of your Compensation. Matching contributions are determined each pay period. Therefore, the total annual Company Matching Contribution may be less than 4% of your annual Compensation depending on the amounts you actually contribute each pay period. NTESS does not match your contributions that are above 6% of your Compensation, and does not recalculate matching contributions on an annual basis.

Company Matching Contributions are subject to Vesting requirements (see Question 22). Company Matching Contributions and their associated investment earnings are federal and state taxable income when they are paid out of the 401(k) Plan, or from the qualified retirement plan or IRA into which they are rolled over.

(b) **Enhanced Program Contribution.** If you are an Eligible Employee (see Questions 2 and 3) and are classified as an Enhanced Program Employee, you will automatically receive a service-based Enhanced Program Contribution. The Company will contribute according to the following schedule:

<table>
<thead>
<tr>
<th>Plan Service</th>
<th>Enhanced Program Contribution</th>
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</thead>
<tbody>
<tr>
<td>Less than 15 Years of Plan Service</td>
<td>6% of Compensation each pay period</td>
</tr>
<tr>
<td>15 or more Years of Plan Service</td>
<td>7% of Compensation each pay period</td>
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</tbody>
</table>

Enhanced Program Contributions are subject to Vesting requirements (see Question 22). Enhanced Program Contributions and their associated investment earnings are federal and state taxable income when they are paid out of the 401(k) Plan, or from the qualified retirement plan or IRA into which they are rolled over.

(c) **Qualified Non-Elective Contribution (QNEC).** The Company may make contributions to your Account as part of corrective processing, known as Qualified Non-Elective Contributions (QNECs). These contributions are immediately Vested (see Question 22), are subject to in-service distribution restrictions until you reach age 59½ (see Question 24), are not available for distribution due to financial hardship (see Question 25), and may be included in nondiscrimination testing with pretax and Roth contributions (see Question 12).

8. What Limits Apply to the Amount of Contributions I May Make to the 401(k) Plan?

If you make pretax, Roth or after-tax contributions, you must elect contributions in 1% increments by contribution source with a combined minimum of 2%. Your combined contribution elections cannot exceed 75% of your pay period Compensation (see Question 9). If your net pay after required withholdings for a specific paycheck are not enough to cover the full amount of your contribution elections, partial contributions up to the amount available will be processed.
Section 402(g) of the IRC limits the annual amount of your combined pretax and Roth contributions to the 401(k) Plan and all similar employer sponsored retirement plans. This is known as the annual deferral limit. For 2018, the annual deferral limit on pretax and Roth contributions is $18,500. If you are catch-up eligible, age 50 or older by the end of the year, your annual deferral limit is increased by the annual catch-up limit. For 2018, the catch-up limit is $6,000. Your pretax and Roth contributions will be processed each pay period until the annual deferral limit, plus catch-up if eligible, the annual compensation limit, or the annual additions limit is reached (see Questions 10 and 11). NTESS is only able to calculate the annual deferral limit on contributions you make to the NTESS 401(k) Plan. If you make, or have made, contributions to a similar employer’s plan during the same calendar year, you will need to adjust your contribution elections to avoid exceeding the annual deferral limit.

If you reach the annual deferral limit on your NTESS contributions, but not the annual compensation limit or annual additions limit, your pretax and Roth contribution elections will be automatically changed to, or added to, after-tax contribution elections. After-tax contributions will be processed each pay period until the annual compensation limit or the annual additions limit is reached.

9. **How Is Compensation Defined for 401(k) Plan Contribution Purposes?**

For the 401(k) Plan purposes, your Compensation includes your base salary or wages, plus certain non-base earnings. Non-base earnings include individual performance awards, advancement awards, NTESS awards for excellence, special recognition awards, spot awards, promotion awards, appointment awards, employment sign on awards, other awards and bonuses, and vacation donation pay for those on Military Leave (see Question 28).

Compensation does not include severance pay, shift differentials, overtime or premium pay, worker's compensation payments, royalty awards, the cash value of noncash benefits reported as earnings to the Internal Revenue Service (IRS) for tax purposes (even if such noncash benefit earnings are subject to tax withholding), or amounts paid as reimbursement for employee expenses, including relocation reimbursements, automobile reimbursements, travel allowances, or tax allowances. Compensation does not include wages, including bonuses and incentives, that are not allowable and reimbursable to NTESS by DOE/NNSA pursuant to the applicable M&O contract, site management contract, or subcontract provisions.

10. **What Is the Annual Additions Limit?**

Section 415(d) of the IRC limits the annual amount of your pretax and Roth contributions, excluding catch-up contributions; your after-tax contributions; your Enhanced Program Contributions; and your Company Matching Contributions. These contributions added together cannot exceed $55,000 (for 2018) or 100% of your earnings described in IRC Section 414(c)(3) for the year, whichever is less. On the pay period when you reach the annual additions limit, the Enhanced Program Contribution will be limited first, followed by Company Matching Contributions, and then your elective contributions would be stopped. Contributions will not be permitted on future pay periods in the calendar year, but will automatically restart at your same elected amounts in the next calendar year.

11. **What Is the Limit on the Amount of Compensation That May Be Considered in Calculating My 401(k) Plan Contributions?**

Section 401(a)(17) of the IRC limits the amount of your Compensation that may be recognized for determining contributions to the 401(k) Plan each year. For 2018, the annual compensation limit is $275,000. When your Compensation used for the calculation of your contributions during the year reaches the annual compensation limit, no additional pretax, Roth, catch-up, or after-tax contributions will be
withheld from your paychecks for the remainder of the calendar year, and no additional Company Matching or Enhanced Program Contributions will be made on your behalf. If you are in this salary range, you may want to monitor your contribution elections so that you may maximize your deferral contributions and receive your maximum Company Matching Contribution before your Compensation reaches the annual limit.

<table>
<thead>
<tr>
<th>Contribution Sources</th>
<th>Snapshot</th>
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| Combined Pretax, Roth, and After-Tax Contributions | Combined Minimum: 2% of pay period Compensation with a minimum 1% to each elected contribution source  
Combined Maximum: 75% of pay period Compensation |
| Company Matching Contribution | 66-2/3 cents for every dollar of pretax, Roth, and after-tax contributions up to 6% of each pay period’s Compensation  
Maximum: 4% of Compensation |
| Enhanced Program Contribution | 6% of Compensation each pay period for Enhanced Program Employees with less than 15 years of Plan Service  
7% of Compensation each pay period for Enhanced Program Employees with 15 or more years of Plan Service |

<table>
<thead>
<tr>
<th>Contribution Sources</th>
<th>Limitations</th>
</tr>
</thead>
</table>
| Annual Deferral Limit – IRC Section 402(g) plus Annual Catch-Up Limit | Combined Maximum of Pretax and/or Roth contributions to all employer retirement plans:  
2018 – $18,500 plus $6,000 catch-up for those age 50 or older by the end of the year |
| Annual Addition Limit – IRC Section 401(a)(17) | Combined Maximum of Employee and Company contributions (Matching and Enhanced), excluding catch-up contributions and rollovers:  
2018 – Lesser of $55,000 or 100% of earnings described in IRC Section 415(c)(3) |

12. What Nondiscrimination Tests May Limit My Contributions to the 401(k) Plan?

In addition to the individual limits (see Questions 8, 9 and 11), the 401(k) Plan must comply with two annual tests required to prevent discrimination in favor of Highly Compensated Employees. The first test compares the average rate of combined pretax, Roth, and certain QNEC contributions, excluding catch-up contributions, of the Highly Compensated Employees to the average rate of the same contributions of the non-Highly Compensated Employees. The second test compares the average rate of combined after-tax and Company Matching Contributions of the two employee groups. The Highly Compensated Employees average contribution rates may only exceed the average contribution rates of the non-Highly Compensated Employees by an amount specified in the IRC.
If at any time during the year it is projected that the 401(k) Plan is going to fail one of these tests, the Plan Administrator may place a limit on the respective test’s contribution elections by the Highly Compensated Employees for the remainder of the Plan Year.

If testing fails when it is completed after the close of the Plan Year, the Plan Administrator will apply corrective processing which may include the refund of contributions to some Highly Compensated Employees as required by the IRC.

13. **What Happens if the 401(k) Plan Becomes Top-Heavy?**

If the more than 60% of the assets in a qualified retirement plan at the end of the year are held in the Accounts of certain officers or owners, the plan is top-heavy for the next plan year. For each year that a plan is top-heavy, participants who are employed at the end of the year will receive a minimum employer contribution equal to the lesser of 3% of eligible compensation or the lowest percentage of compensation contributed to the Accounts of those certain officers and owners. Due to the structure of NTESS, it unlikely the 401(k) Plan ever will become top-heavy.

14. **What Is My 401(k) Plan Account?**

When you first make elections for contributions or when the first Enhanced Program Contributions are made for you, Fidelity establishes an Account within the 401(k) Plan in your name and restricted by your identifying information. Your Account reflects contributions and accumulated balances for each source of contribution. Your Account reflects the investment of contributions according to your investment option selection, exchanges you make among investment options, loans or withdrawals you may take, expenses or fees associated with administration and transactions, and net investment gains and/or losses.

15. **How Is My 401(k) Plan Account Invested?**

You may choose the investment options in which to invest your contributions, including Company Matching and Enhanced Program Contributions, from the investment options available within the 401(k) Plan. The 401(k) Plan’s current investment options are listed and described on Fidelity NetBenefits® website at [www.401k.com](http://www.401k.com). If you do not make investment option selections, your contributions will be invested in the QDIA which is also described on NetBenefits® (see Question 16).

You may direct all contributions made to the 401(k) Plan on your behalf to one investment option or to any combination of the available investment options in 1% increments. You may change your investment options for contributions and may move accumulated balances to other investment options at any time by contacting Fidelity (see Question 18).

The value of your Account will increase or decrease depending upon the performance of the investment options in which your contributions and accumulated balances are invested. Dividends and interest earned by the investments are reinvested into the same investment option. The financial markets determine the value of the investment options. The Company cannot and does not make any guarantees about investment option performance.
NOTE: The 401(k) Plan is intended to qualify as a plan described in Section 404(c) of the Employee Retirement Income Security Act of 1974 as amended (ERISA). This means that you are responsible for the investment decisions for your Account within the 401(k) Plan, including the decision to not make other investment elections and allow your Account to be invested in the QDIA (see Question 16) or the decision to utilize the investment advice and professional management services (see Question 17). The 401(k) Plan fiduciaries, including NTESS and the NTESS Investment Committee, are not responsible for any losses incurred as a result of your investment decisions. The NTESS Investment Committee reserves the right to add or terminate investment options and fiduciary advice providers at its discretion.

16. What Happens if I Do Not Make Investment Option Selections?

If you do not select investment options, your contributions (including Company Matching and Enhanced Program Contributions) will be invested in the 401(k) Plan’s QDIA. The QDIA is a target date fund with an asset allocation strategy designed for investors who will be retiring within 5 years of the date of the fund at their attainment of age 65. This investment option selection will apply until you make an affirmative election and indicate how you would like your contributions to be invested. The balance accumulated will remain in the QDIA until/unless you elect to exchange part or all of the balance to other investment options.

17. What Investment Advice Is Available to Me Through the 401(k) Plan?

No employee of the Company is authorized to advise you on which investment options to choose or how to spread your Account balance among the investment options. However, the 401(k) Plan has contracted with Financial Engines LLC (Financial Engines) and Fidelity, both registered investment advisors, to assist you with independent investment advice online and by phone. Additionally, Financial Engines is authorized to provide professional investment management of your Account.

For participants who want advice, but wish to actively manage their Account, the online advice services may be helpful. Log into your Account on NetBenefits® at www.401k.com and choose the “Planning” link or call 1-800-240-4015 to access Fidelity’s investment guidance. Financial Engines may also be reached through www.401k.com or directly at www.FinancialEngines.com/forSandia or 1-877-401-5762. Both services provide professional investment advice, but apply slightly different investment methodologies. Financial Engines is able to take information you provide about your investments outside of the 401(k) Plan and information about your overall financial goals and situation into consideration in the recommendations provided. Both services include a personalized forecast and a step-by-step action plan with specific investment option recommendations. It is up to you to implement the investment option recommendations. NTESS currently pays the fees for the online and phone advice services.

For participants who prefer to partner with a specialist who will actively monitor and adjust their Account’s investment options for them, the 401(k) Plan offers professional management services through Financial Engines. When you enroll in professional management for your Account, Financial Engines will consider the information you provide about your investments outside of the 401(k) Plan and information about your overall financial goals when developing the investment strategy for your Account. Financial Engines will implement that strategy for you, monitor your Account on an ongoing basis, and make adjustments to the investment options for new contributions and rebalance accumulated assets among investment options as needed to keep your Account on track with your investment strategy. Your Account will be charged a quarterly fee for the professional management services which is based upon the balance in your Account. For more information about professional management and the associated fee schedule, visit www.FinancialEngines.com/forSandia or call 1-877-401-5762.
18. May I Change My Investment Option Selection or Exchange Balances Between the Investment Options?

You may change your investment option selection for future contributions at any time. To make a change, contact Fidelity at 1-800-240-4015 or via www.401k.com. Changes will generally be effective for the contributions on the next regular pay date.

You may exchange all or part of your investment option balances (in 1% increments) to other investment options on any business day that the New York Stock Exchange is open. To make an exchange, contact Fidelity at 1-800-240-4015 or via www.401k.com. The exchange will generally be effective the same business day if you call or input the change before 4 p.m. ET or the next business day if you call or input the change after 4 p.m. ET or on a non-business day.

NOTE: While you are enrolled in professional management (see Question 17), Financial Engines will be monitoring and changing your investment option selections and exchanging investment balances on your behalf.

Frequent trading restrictions may apply to some investment options. Review the investment option descriptions and information on Fidelity’s NetBenefits® at www.401k.com for details of any restrictions.

19. Are There Any Expenses Associated with the Investment Options or Transactions?

Yes, the following fees are associated with the 401(k) Plan’s investment options:

(a) Expense Ratios. Every investment option in the 401(k) Plan charges fees called expense ratios. These are management fees and other operating expenses paid to the management company of the investment option. The daily valuations of each option reflect these expenses (i.e., when you see the daily valuation of your investment option, these fees have already been deducted). Expense ratios may change from time to time. For more information on these fees, refer to the prospectus or other information about investment options available on Fidelity’s NetBenefits® at www.401k.com.

(b) Professional Management. If you choose to have Financial Engines manage the investments in your Account (see Question 17), you will be charged a fee based upon the balance in your Account. The fee is calculated and collected from your Account each calendar quarter. For the fee schedule, select the Financial Engines link on www.401k.com, visit www.FinancialEngines.com/forSandia or call 1-877-401-5762.

(c) Other Expenses. You may be charged a fee for certain transactions, such as loan processing and loan payment tracking fees. Transaction fees will be disclosed when you are beginning such a transaction. Additionally, you may be charged for costs associated with administering the 401(k) Plan if those expenses are not fully paid by the Company. When transaction and administrative expenses are deducted from your Account, they will be noted on your quarterly Account statement.
20. How is My Account Valued?

Fidelity values the investment option balances in your Account at the end of each day that the New York Stock Exchange is open for business. You may contact Fidelity 24 hours a day, seven days a week, at 1-800-240-4015 to request the value of your Account. You may also access your Account value online at www.401k.com. The value provided will be as of the close of the financial markets (4 p.m. ET) on the prior business day.

21. When and How Will I Receive Account Statements?

A statement of your Account is available at any time on NetBenefits® www.401k.com. Following each calendar quarter, Fidelity will email you a notice with a link to your quarterly Account statement. If Fidelity does not have a valid email address on record for your Account, or if you have elected to receive notices and statements by mail, Fidelity will mail your Account statement each quarter to the address of record on your Account. You must contact Fidelity at 1-800-240-4015 or www.401k.com to request to receive your Account statements by mail. Notify Fidelity of changes to your email as soon as possible. If you are currently employed by NTESS, you must change your address of record through NTESS’ HR Self-Service. After separation from NTESS, you may change your address of record directly with Fidelity.

You will also receive confirmations of the following Account transactions:

- A change of your future contribution elections,
- A change of investment option selections for future contributions,
- An exchange of balance(s) among investment options,
- A distribution or withdrawal,
- A new loan,
- Any adjustment or correction,
- A Beneficiary designation change, or
- A change of password.

Review all quarterly statements and confirmations as soon as you receive them to compare the information to your records. Report any discrepancy (or missed quarterly statement or confirmation) to Fidelity as soon as possible.

22. When Do I Vest In or “Own” My Account?

Vesting describes the portion of contribution source balances within your Account that are owned by you when you retire or when you leave employment with NTESS and all other Affiliated Companies. Your contributions and rollovers into the 401(k) Plan, and their associated investment earnings, are always 100% Vested. QNECs are also immediately Vested.
For the Company Matching Contributions and associated investment earnings, Employees represented by OPEIU or SPA and Employees that became Eligible Employees on or before December 31, 2017, are immediately Vested. However, effective January 1, 2018, the Company Matching Contributions and associated investment earnings of all non-represented Employees and Employees represented by MTC that become Eligible Employees on or after this date shall become Vested when the they are credited with three Years of Service.

The Enhanced Program Contribution portion of your Account will become Vested after you are credited with three Years of Service.

For Vesting, Years of Service include only Hours of Service after your 18th birthday. Full-time Employees are credited with 45 Hours of Service for each week they are paid for one or more hours. Part-time Employees, or Employees who are employed for no more than three consecutive weeks and for no more than a total of 30 days in a calendar year, are credited with 10 Hours of Service for each day they are paid for one or more hours.

If you terminate from NTESS and all other Affiliated Companies before Vesting in all of your Account sources, the non-Vested sources of your Account will be forfeited at the earlier of when you withdraw all of the Vested balance of your Account or after five consecutive one-year Breaks in Service.

23. **May I Take a Loan From the 401(k) Plan?**

You may borrow against your Account if you are an active Employee with a Vested balance sufficient to meet the minimum loan requirement. Former Employees, or Employees on a leave of absence, are not eligible to take loans from their 401(k) Plan Account, but they may continue to repay any outstanding loans. Loans are administered in accordance with the NTESS Savings and Income Plan Loan Policy (see Appendix C). If a loan is not repaid, the outstanding loan and accrued interest will be reported as either a withdrawal, if you are eligible to take a withdrawal, or as a defaulted loan resulting in current year taxable income and possible tax penalties (see Question 33).

Contact Fidelity at 1-800-240-4015 or go to NetBenefits® at www.401k.com to verify your balance available for a loan and current interest rate. A Fidelity representative will review (or the website will present) various loan terms. You may set up an electronic funds transfer to have your loan proceeds sent directly to your bank account, or you may request a check be mailed to your address of record. You do not have to provide a reason for requesting the loan.

24. **May I Take a Withdrawal From My 401(k) Plan Account While I Am Still Working for the Company?**

Although the 401(k) Plan helps you save for retirement, you may take certain withdrawals during your working years (referred to as in-service withdrawals) subject to the following restrictions:

- Minimum withdrawal is $300
- Maximum number of withdrawals is four during a calendar year
- Military active duty for more than 30 days may provide additional in-service distribution options under the provisions of the HEART Act (see Question 28)
The following contribution sources, including allocable investment earnings, are available for withdrawal at any time (subject to the restrictions listed above):

- After-tax contributions
- Pretax rollovers
- After-tax rollovers
- Vested Company Matching Contributions and related earnings that have been in your Account for two full years
- Roth rollovers
- In-plan Roth conversions that are not subject to restrictions (see Question 6)

Your withdrawal will be processed from the available sources in the order they are listed above. Your investments within the source will be withdrawn pro-rata by investment option balance.

If you are age 59½ or older, you may withdraw all or a portion of the Vested balance in your Account, excluding the Money Purchase source (see Question 30). If you only withdraw a portion of your Account, the withdrawal will be taken from your contribution sources, including investment earnings, in the following order and from investment options within the source pro-rata by option balance:

- After-tax contributions
- Pretax rollovers
- After-tax rollovers
- Vested Company Matching Contributions
- Vested Enhanced Program Contributions
- Pretax contributions
- Pretax employee catch-up contributions (closed to new contributions)
- Roth contributions
- Roth catch-up contributions (closed to new contributions)
- Roth rollovers
- QNECs
- In-plan Roth conversion, not subject to restrictions
- In-plan Roth conversion, subject to restrictions
You may want to consult a tax advisor regarding the tax consequences before you request a withdrawal from the 401(k) Plan. The taxable portion of your withdrawal is usually subject to mandatory federal income tax withholding of 20% and may be subject to required withholding by some states. The actual amount of income tax owed is based upon your tax situation. Withdrawals prior to age 59½ may also be subject to an additional 10% federal tax on early distributions (see Question 33). Generally, these taxes may be avoided if you roll over the withdrawal into an IRA or another qualified retirement plan.

Contact Fidelity at 1-800-240-4015 or go to NetBenefits® at www.401k.com to verify the amount available and request an in-service withdrawal. You may set up an electronic funds transfer to have your distribution sent directly to your bank account, or you may request a check be mailed to your address of record. You do not have to provide a reason for requesting an in-service withdrawal.

25. **May I Withdraw From My Account if I Suffer Financial Hardship?**

In addition to in-service withdrawals (see Question 24), you may withdraw your pretax contributions, excluding investment earnings on those contributions, if you can demonstrate financial hardship as defined in the 401(k) Plan and by the Plan Administrator. Your Roth contributions and accumulated earnings are not available for withdrawal due to hardship.

In general, a financial hardship is a defined event that creates an immediate and heavy financial need that cannot be relieved by all other readily available financial resources (including in-service withdrawals and loans from the 401(k) Plan). All other sources must be exhausted before you may take a hardship withdrawal.

Hardship withdrawals are permitted for the following reasons:

- Uninsured medical expenses for you, your Spouse, or your dependents
- Purchase of your primary residence (not including mortgage payments)
- Post-secondary education expenses for the next 12 months, including tuition, educational fees, and room and board, for you, your Spouse, your children, or your dependents
- Preventing foreclosure on, or eviction from, your primary residence
- Repairs or renovations to your principal residence due to fire, natural disaster, or similar unforeseeable event
- Legal expenses incurred by you or your Spouse
- Purchase or repair of the vehicle that you use or your Spouse uses to commute to and from work, provided that the purchase or repair must be made necessary by an unforeseeable event such as an accident or theft
- Funeral or burial expenses for your parents, Spouse, children, or dependents
26. **What Limitations and Restrictions Apply to Hardship Withdrawals?**

You will be restricted from making contributions to the 401(k) Plan (and, therefore, will not receive Company Matching Contributions) for 6 months following a hardship withdrawal. Multiple suspensions run concurrently. Contact Fidelity to reinstate your contributions following the suspension period.

The following limitations are imposed on hardship withdrawals:

- The amount of the withdrawal may not exceed the amount required to satisfy the need created by the hardship event (including federal, state, or local income taxes and penalties reasonably anticipated to result from the withdrawal).

- Federal and applicable state income tax are owed on the amount of the hardship withdrawal for the year of the distribution, as all hardship withdrawals are from your pre-tax contributions.

- The 10% federal additional tax on early distributions, before age 59½, may apply unless certain conditions are met (see Question 33).

- The withdrawal may not be rolled over into an IRA or qualified retirement plan.

Contact Fidelity at 1-800-240-4015 or go to NetBenefits® at [www.401k.com](http://www.401k.com) to verify the amount available for a hardship withdrawal and request an application form. You may set up an electronic funds transfer to have your distribution sent directly to your bank account, or you may request a check be mailed to your address of record. On the hardship application form, Fidelity will confirm the distribution amount you are requesting, the estimated federal and state tax withholding that will be applied, and the delivery method you have requested for the payment. You must sign the application which certifies the financial hardship and that you have no other reasonable access to funds to resolve the hardship. You must return the application with documentation proving the hardship reason and amount needed. Fidelity, on behalf of the Plan Administrator, will determine whether your request for a hardship withdrawal meets the legal and Plan requirements.

27. **How Does a Leave of Absence Affect My 401(k) Plan Eligibility and Benefits?**

If you take a Company-approved leave of absence, your contributions, Company Matching Contributions, and Enhanced Program Contributions will generally be suspended during the leave. Your Account will continue to experience investment gains or losses based on your investment option choices, and you may exercise all options available to an active participant except taking new loans (see Question 23 and Appendix C).

When you return from your leave, your contribution rate in effect at the time the leave commenced resumes automatically. Your contribution percentage and mix between pretax, Roth and after-tax will be the same as before the leave of absence. There is no make-up of missed contributions for the period of your leave of absence unless you were on a Military Leave of absence (see Question 28).
If you have an outstanding loan when you start your leave (see Appendix C), your loan repayments will automatically be suspended during the leave, but may not be suspended for more than one year (see Question 28 for Military Leave differences). When you return from leave, Fidelity will automatically adjust the bi-weekly payroll deduction payments for the remaining term of the loan to collect for the missed payments plus accrued interest. If you prefer to make loan payments during the time you are on leave, please call Fidelity at 1-800-240-4015 to initiate direct monthly payments.

If the term of your loan ends during your leave of absence, you have the option of immediately paying the remaining loan balance, with accrued interest, or having the outstanding balance be reported as either a withdrawal, if you are eligible, or as a defaulted loan resulting in current year income tax and possible penalties on the taxable portion (see Question 33 and Appendix C).

If you are on leave for more than one year, at the end of the loan suspension period, you may initiate monthly payments directly to Fidelity to pay off the loan by the end of the original term. If you do not initiate loan payments, the outstanding loan balance will be reported as either a withdrawal, if you are eligible, or as a defaulted loan resulting in current year income tax and possible penalties on the taxable portion (see Question 33 and Appendix C).

28. What Happens if I Take a Military Leave?

Qualified military service as defined in IRC Section 414(u) means military duty on a voluntary or involuntary basis in a U.S. uniformed service. Military duty includes: active duty, active duty training, inactive duty training, full time National Guard duty, and examination to determine fitness for such duty. For purposes of the 401(k) Plan, Military Leave means a period of absence from performance of employment service due to qualified military service.

If you have been on military active duty for more than 30 days, regardless of your age and not subject to the 401(k) Plan’s in-service withdrawal restrictions (see Question 24), you may request a distribution of the balance of the Vested sources in your Account under provisions of the HEART Act. If you receive a distribution under the HEART Act, you may not make pretax, Roth or after-tax contributions (and will not receive Company Matching Contributions as a result) for 6 months beginning on the distribution date.

While on Military Leave, you may have any loans suspended for the full period of the leave (see Appendix C). If you prefer to make loan payments during the time you are on Military Leave, please call Fidelity at 1-800-240-4015 to initiate direct monthly payments. When you return from Military Leave, Fidelity will automatically adjust the bi-weekly payroll deduction payments for the remaining term of the loan to collect for the missed payments plus accrued interest at the lesser of 6% or the rate of the loan. If the term of your loan ends during the period of your Military Leave, you will have the option of paying the remaining loan balance, with accrued interest at the lesser of 6% or the rate of the loan, upon your return or having the outstanding loan balance reported as either a withdrawal, if you are eligible, or as a defaulted loan resulting in current year income tax and possible penalties on the taxable portion (see Question 33 and Appendix C).

If you timely return to NTESS employment from Military Leave as provided under the Uniformed Service Employment and Reemployment Rights Act of 1994 (USERRA), you are eligible to contribute “make-up contributions” to the 401(k) Plan for the period of your Military Leave. Make-up contributions are contributions that you make from your current paychecks, but are attributable to a prior period or year. The make-up contributions are subject to the limits on contributions that were in place during the period of Military Leave. You will receive Company Matching Contributions on the make-up contributions. You have a limited period of time after you return from Military Leave to make-up contributions and receive
the associated Company Matching Contributions. To request make-up contributions, please contact NTESS HR Customer Service at 1-505-844-4237, Option 2.

In addition, upon your return as provided under USERRA, you will automatically receive the Enhanced Program Contributions if you are an Enhanced Program Employee for the period of Military Leave. Compensation for purposes of calculating the Enhanced Program Contributions and the Company Matching Contributions on make-up contributions will be determined according to the requirements of USERRA.

If you are not Vested (see Question 22) in the Company Matching and Enhanced Program Contributions when your Military Leave commences, you will be credited with 501 Hours of Service for each year during the Military Leave to avoid forfeiture of your non-Vested sources. A participant who dies while on Military Leave will be credited with Hours of Service as if they had been employed on a full-time basis from the beginning of the Military Leave to the date of death.

29. **When Am I Eligible to Receive a Distribution From the 401(k) Plan Following Retirement or Termination of Employment?**

When you terminate employment, whether due to retirement or other circumstances, with NTESS and all other Affiliated Companies, you are immediately eligible to elect a single lump sum distribution of the Vested balances in your Account. You are also eligible to request partial distributions up to 13 times each Plan Year, in amounts of not less than $500 each distribution. If your Account includes a Money Purchase source, you have additional distribution options and restrictions for that portion of your Account (see Question 30).

Your partial Account withdrawal will be processed from the available Vested balance in each source in the order they are listed below. Your investments within the source will be withdrawn pro-rata by investment option balance.

- After-tax contributions
- Pretax rollovers
- After-tax rollovers
- Vested Company Matching Contributions
- Vested Enhanced Program Contributions
- Pretax contributions
- Pretax employee catch-up contributions (closed to new contributions)
- Roth contributions
- Roth catch-up contributions (closed to new contributions)
- Roth rollovers
- QNECs
• In-plan Roth conversion, not subject to restrictions

• In-plan Roth conversion, subject to restrictions

You may want to consult a tax advisor regarding the tax consequences before you request a withdrawal from the 401(k) Plan. Amounts other than after-tax contributions, after-tax rollovers and Roth Qualified Distributions will be reported as federal and state taxable income. The taxable portion of your withdrawal is usually subject to mandatory federal income tax withholding of 20% and may be subject to required withholding by some states. The actual amount of income tax owed is based upon your tax situation and may also be subject to an additional 10% federal tax on early distributions (see Question 33). Generally, these taxes may be avoided if you roll the withdrawal into an IRA or a qualified retirement plan.

It is recommended that you wait a few weeks following separation from employment prior to requesting a distribution to allow for NTESS to notify Fidelity of your termination date and for the processing of your final paycheck. Contact Fidelity at 1-800-240-4015 or go to NetBenefits® at www.401k.com to request a partial or full distribution of your Account. You may set up an electronic funds transfer to have your distribution sent directly to your bank account, or you may request a check be mailed to your address of record.

The following additional distribution rules apply upon retirement or termination:

• If you have not requested a full distribution and the Vested balance in your Account is $5,000 or less, excluding the balances in rollover sources, a lump sum distribution of your entire Vested Account will be processed automatically. If the Vested balance in your Account is greater than $1,000, but does not exceed $5,000, excluding the balances in rollover sources, the automatic distribution of your entire Vested Account will be rolled over to a Fidelity IRA. If the Vested balance in your Account is $1,000 or less, required income tax withholding will be applied and a check for the net Vested balance will be mailed to your address on record with Fidelity.

• If the Vested balance in your Account at termination is greater than $5,000, excluding balances in rollover sources, and you do not elect a distribution, payment of your Account will automatically be deferred until you make a distribution election or your Required Beginning Date.

• At your Required Beginning Date and during each calendar year thereafter, Fidelity will calculate and process a distribution based upon the IRC minimum required distribution tables for your life expectancy or joint life expectancy with your spouse if your spouse is your named Beneficiary and more than 10 years younger than you. The first distribution is calculated for the year you attain age 70½, but is not required to be paid until April 1st of the next year. The second required distribution is payable during the calendar year following the year you attain age 70½, essentially requiring two distributions within the same calendar year. If you elect a partial distribution by December 1st of any year in which a minimum distribution is required and the amount of the distribution, which is not rolled into a qualified retirement plan or IRA, is more than the calculated required distribution amount, Fidelity will not process a required distribution for that year.
30. Are There Special Distribution Rules on Money Purchase Balances?

If your Account includes a Money Purchase source transferred from a previously Affiliated Company’s Money Purchase plan, you have additional distribution options and restrictions for that portion of your Account. The Money Purchase source is subject to certain qualified joint and survivor annuity rules. Under these rules, if you are married, your Money Purchase source will be distributed in the form of a “joint and survivor annuity” which provides payments over your lifetime and, if your Spouse survives you, continuing payments to your Spouse for the rest of his or her life. You may elect, with your Spouse’s written and notarized consent, to receive your Money Purchase source in the form of a single life annuity or in a lump sum. If you are unmarried, your Money Purchase source will be distributed in the form of a single life annuity unless you elect to receive a lump sum.

If you are married, you may not select a Beneficiary for your Money Purchase balance other than your Spouse or for the distribution of the Money Purchase balance following your death to be paid to your Spouse in any form other than an annuity for their lifetime until the first day of the Plan Year in which you reach age 35 or are no longer employed by NTess and all other Affiliated Companies. Prior to this time, the Plan Administrator will provide you a written explanation of the death benefit for your Spouse and the rules for you and your Spouse to waive this death benefit. Contact NTess HR Customer Service at 1-505-844-4237, option 2, to request a waiver form. Following proper completion of the waiver, your Money Purchase balance will be payable as a lump sum to the Beneficiary(ies) you designate for the rest of your 401(k) Plan Account.

The Money Purchase balance is included to determine the maximum loan amount available, but is not available for processing of loan proceeds (see Appendix C). The Money Purchase source is not available for in-service or hardship distributions (see Questions 24 and 25).

31. What Happens if I Die Before Receiving Distribution of My Vested Account?

If you die after your Required Beginning Date and your Spouse is your sole Beneficiary, your Spouse may elect a single lump sum distribution of the Vested balance in your Account, excluding the Money Purchase source (see Question 30). Otherwise, the annual required distribution calculations and payments will continue to your Spouse. If you have a Beneficiary who is not your Spouse or more than one Beneficiary, which may include your Spouse, your remaining Vested Account will be paid in a single lump sum as soon as practicable to your named Beneficiary(ies).

If you die before your Required Beginning Date and your Spouse is your sole Beneficiary, your Spouse may elect a single lump sum of the Vested balance in your Account or may defer until the calendar year in which you would have attained age 70½ when annual required distributions must begin, excluding the Money Purchase source. If your surviving Spouse dies before distribution is made, distribution will be made to your Spouse’s Beneficiary in a single sum upon request, but must be distributed by the end of the calendar year containing the fifth anniversary of your Spouse’s death. If you have a Beneficiary who is not your Spouse or more than one Beneficiary, the remaining Vested balance in your Account will be paid in a single lump sum when elected by each Beneficiary, but must be distributed by the end of the calendar year containing the fifth anniversary of your death.

Your Spouse may elect a lump sum distribution be paid as a direct rollover to a qualified retirement plan of their employer, to their own IRA, or to an “Inherited” IRA. Your non-Spouse Beneficiary(ies) may elect the lump sum payment as a direct rollover to an “Inherited” IRA. The Beneficiary of your surviving Spouse, may not elect a rollover of the distribution.
32. **How Do I Choose or Change a Beneficiary?**

You may designate one or more Beneficiaries to receive the Vested balance of your Account upon your death. Special rules apply to the Beneficiary designation for the Money Purchase source (see Question 30).

To designate a Beneficiary, go to the “Profile” page on NetBenefits® at www.401k.com. You may also order a paper Beneficiary Designation Form from Fidelity at 1-800-240-4015. Fidelity will send confirmation of any Beneficiary change. Please consider the following when you choose a Beneficiary:

- If you are married and have not designated a Beneficiary, your Spouse (to whom you are married when you die) automatically becomes your Beneficiary.

- If you are married and designate someone other than your Spouse as your primary Beneficiary (including a trust), your Spouse must waive his or her right to your Account and consent to the non-Spouse Beneficiary designation in a written, notarized statement (the Beneficiary Designation Form includes a consent section).

- If you are not married at the time of your death and do not have a designated Beneficiary, the Vested balance of your Account will be paid to your estate upon your death. State law will then apply to the disposition of the 401(k) Plan assets paid to your estate.

- If you designate a minor as a Beneficiary, the Plan Administrator may direct that the distribution be paid to the legal guardian, parent, responsible adult with whom the minor resides, or custodian for the minor.

**NOTE:** A divorce will not automatically void the designation of your former Spouse as your Beneficiary. If you wish to remove a former Spouse whom you designated as your Beneficiary, you must make a new Beneficiary designation.

33. **What Tax Considerations Apply to Withdrawals and Distributions?**

Due to the complexity and frequency of changes in the federal laws that govern benefit distributions, penalties and taxes, the following is only a brief explanation of the IRS regulations as of the date of this SPD. Before Fidelity can process your request for a distribution, you must acknowledge receipt of the Special Tax Notice (IRS 402(f) Notice) on NetBenefits® at www.401k.com, which outlines the tax consequences of taking a distribution in more detail.

**TIP:** You may want to consult a tax advisor regarding the tax consequences before you request a withdrawal from the 401(k) Plan. The taxable portion of your withdrawal is usually subject to mandatory federal income tax withholding of 20% and may be subject to required withholding by some states. The actual amount of income tax you will owe is based upon your tax situation and may also be subject to a 10% additional federal tax on early distributions. Generally, these taxes may be avoided if you roll the withdrawal into an IRA or to another qualified retirement plan.
You do not owe federal or state income taxes on your pretax contributions, Company Matching Contributions, Enhanced Program Contributions, and their associated earnings until they are distributed to you and not rolled over.

You do not owe income taxes on your after-tax or Roth contributions and rollovers when they are paid to you since you paid income taxes on these in the year they were contributed by you. You do not owe income tax on amounts recharacterized as in-plan Roth conversions (see Question 6) as you paid any required income taxes in the year of conversion. The investment earnings on your Roth sources will not be taxed when withdrawn if the requirements of a Qualified Distribution are met or they are rolled over (see Question 5(b)). You will be considered to have withdrawn a proportionate share of investment earnings on partial distributions of after-tax and Roth sources.

Amounts other than after-tax contributions, after-tax rollovers and Roth Qualified Distributions will be reported as federal and state taxable income unless they are rolled over. You will owe income taxes on the investment earnings that are withdrawn from after-tax sources unless they are rolled over. The actual amount of income tax you will owe is based upon your tax situation. If you are under age 59½, you may also be subject to a 10% additional federal tax on early distributions. Refer to the Special Tax Notice (IRS 402(f) Notice) for information on exceptions to the 10% additional tax on early distributions.

20% Withholding on Taxable Distributions

When a distribution that is eligible for rollover is paid directly to you, the 401(k) Plan is required to withhold 20% of the payment and remit it to the IRS for payment of any federal taxes you may owe. You may still rollover all or a part of the 80% of the distribution that you receive by putting it into an IRA or a qualified retirement plan within 60 days of receiving the payment. If you want to rollover 100% of the eligible distribution, you must have other funds to replace the 20% that was withheld.

The following distributions that are available from this 401(k) Plan are not eligible to be rolled over and are exempt from this required withholding rule:

- Minimum required distributions at and after age 70½
- Substantially equal periodic payments made to you on an annual basis for your life or the joint lives of you and your Spouse (only available on Money Purchase, see Question 30)
- Hardship withdrawals

Some states may also require tax withholding on distributions paid to you.

34. May My Account Be Reduced or Assigned?

Amounts held in your Account are subject to increases and decreases in value depending upon the performance of the investment option(s) you select. In addition, professional management fees, transaction fees and administration expenses may be paid from your Account (see Question 19). Certain circumstances, such as limits on contributions or required nondiscrimination testing (see Questions 8 and 12), may require that contributions be returned to you or be forfeited. In certain circumstances, contributions may be returned to the Company if made on the basis of a mistake of fact.
Your 401(k) Plan Account is for your benefit or the benefit of your Beneficiary(ies). Amounts held in your Account may not be attached, garnished, assigned, or used as collateral for a loan outside of this 401(k) Plan. Your Account may not be assigned or pledged to others and is not subject to the claims of creditors, except in the case of a Qualified Domestic Relations Order (QDRO) or an IRS tax levy.

A QDRO is a special order issued by a court in a divorce, child support, or similar proceeding. In this situation, your Spouse, or former Spouse, or someone other than you or your Beneficiary(ies), may be entitled to a portion of your Account based on the court order. You may obtain a written description of the 401(k) Plan’s QDRO procedures at no charge from the QDRO processor:

Alight Solutions
NTESS Qualified Order Team
P.O. Box 1433
Lincolnshire, IL 60069-1433

35. Can the 401(k) Plan Be Changed or Terminated?

The 401(k) Plan may be amended or terminated at any time as required by federal law or as the Company determines in its discretion, subject to legal restrictions.

36. How May I Appeal a Decision About My 401(k) Plan Account?

If you believe an error has been made in determining the value of your 401(k) Plan Account, such as amount of contribution, Vesting percentage of sources, or distribution options, then you (or a duly authorized representative) may submit a written request to the Plan Administrator claiming the benefits to which you believe you are entitled. See the 401(k) Plan’s Claims and Appeal Procedure in Appendix B.

37. Statement of ERISA Rights

As a participant in the 401(k) Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 as amended (ERISA). ERISA provides that you are entitled to:

- Examine, without charge, at the Plan Administrator’s office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts, collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

- Receive a summary of the Plan’s annual financial report. The Plan administrator is required by law to furnish each participant with a copy of this summary annual report.
• Obtain a statement telling you whether you have a right to receive a benefit at normal retirement age (the later of age 65 or the date you are credited with 5 years of service), and what your benefit would be if you stop working now. This statement must be requested in writing, is not required to be provided more than once a year, and must be provided free of charge.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and Beneficiaries. No one, including your employer, your union if applicable, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit under the Plan or exercising your rights under ERISA.

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan Administrator 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 because of reasons beyond the control of the Plan Administrator. 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 concerning the qualified status of a domestic relations order, or there is not decision, you may file suit in federal court. If it should happen that 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 you may file suit in a federal court. The court will decide who should pay court costs and legal fees of the party either bringing or defending the suitor proceeding. 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, for example, if it finds your claim is frivolous.

If you have any questions about this Plan, contact the Plan Administrator. If you have any questions about this statement or about 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, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline for the Employee Benefits Security Administration.

38. Other Important Information

Plan Sponsor

National Technology & Engineering Solutions of Sandia, LLC (NTESS)
Direct inquiries to:

NTESS
Retirement Investment Management Dept.
P.O. Box 5800, MS 1302
Albuquerque, NM 87185-1302
(505) 845-9222

**Plan Administrator**

Employee Benefits Committee of NTES (EBC)

Direct inquiries to:

Employee Benefits Committee
P.O. Box 5800, MS 1022
Albuquerque, NM 87185-1022
(505) 284-1800

**Agent for Service of Legal Process**

Corporation Service Company (CSC)

Direct inquiries to:

Main Office:
Corporation Service Company
2711 Centerville Road, Suite 400
Wilmington, DE  19808

Local Offices:
Corporation Service Company
25 Lincoln Ave., Suite 223
Santa Fe, NM  87501
(505) 989-7500

Corporation Service Company
2730 Gateway Oaks Dr., #100
Sacramento, CA  95833
(916) 641-5100

**Identification Numbers**

Employer Identification Number of NTES:

85-0097942

Plan Identification Number of NTES Savings and Income Plan:

008
Plan Type

Defined contribution plan, IRC Section 401(a), with IRC Section 401(k) feature

Plan Funding Arrangement

All assets of the 401(k) Plan are held in trust.

The Trustee is:

Fidelity Management Trust Company

Plan Year

The period beginning each January 1 and ending December 31
### Appendix A: Definitions

**401(k) Plan**
NTESS Savings and Income Plan, see also Plan

**Account**
All transactions and values are separately tracked for each participant and Beneficiary within the 401(k) Plan. The presentation of separate record-keeping is the individual’s Account. Within each Account, activity for each contribution source are further separately tracked to allow for differences, such as Vesting and distribution restrictions.

**Affiliated Company(ies)**
NTESS and, pursuant to IRC Section 414, any company within the same controlled group of companies or that is a member of an affiliated service group with NTesan. The IRC requires that certain aspects of employment service with Affiliated Companies be aggregated; i.e., treated as if they are a single employer.

**Beneficiary(ies)**
The person(s) or legal entity designated to receive the Vested balance of your Account if you die while a participant in the 401(k) Plan.

**Break(s) in Service**
A Plan Year in which you are credited with 500 or less Hours of Service.

**Compensation**
See Question 9 for the definition of Compensation.

**Company**
National Technology & Engineering Solutions of Sandia, LLC (NTesan) and any successor to all or a major portion of the assets or business of NTesan that, by appropriate action, adopts the 401(k) Plan.

**Company Matching Contribution(s)**
See Question 7(a) for the definition and description of Company Matching Contribution.

**Eligible Employee**
See Question 2 for the definition of Eligible Employee.

**Employee**
A common law employee of the Company and, to the extent required by IRC Section 414(n), any Leased Employee. An Employee does not include (and has not at any time included) an individual during any period he or she is not classified as a common law employee of an Affiliated Company, without regard to whether such an individual is subsequently determined to have been a common law employee of an Affiliated Company during such period.

**Enhanced Program Contribution(s)**
See Question 7(b) for the definition and description of Enhanced Program Contribution.

**Enhanced Program Employee**
An Eligible Employee who first becomes an Employee on or after January 1, 2009 for non-represented Employees, July 1, 2009 for Employees in an OPEIU represented position, and July 1, 2010 for Employees in an MTC or SPA represented position unless converted or transferred under the specific situations described in the Plan document; and an Eligible Employee that was employed prior to the dates herein who separated from the Company and again becomes an Eligible Employee after the specified dates unless returning from certain leaves of absence or personnel assignments as described in the Plan document.

**Highly Compensated Employee**
An Employee who had earnings, as IRC defined for this purpose, from NTesan and other Affiliated Companies during the preceding Plan Year equal to or exceeding the annual amount specified in IRC Section 414(q). For 2018, an Employee who earned $120,000 or more in 2017 is a Highly Compensated Employee.
**Hour(s) of Service**
Each hour for which you are paid or are entitled to payment as an Employee of NTESS or another Affiliated Company for performance of duties and, up to 501 hours for continuous periods in which no duties are performed; e.g., vacation, holiday, illness, layoff, Military Leave, or jury duty.

**Leased Employee**
Any person who pursuant to an agreement between an Affiliated Company and a leasing organization performs services for the Company or another Affiliated Company on a substantially full-time basis for a period of at least one year, and such services are performed under the primary direction or control of the Company or another Affiliated Company.

**Military Leave**
A period of absence from performance of employment service due to qualified military service as defined in IRC Section 414(u).

**Parent Company**
A company which directly or indirectly owns at least 80% of another company is known as the parent company. For NTESS, Parent Company further means the organization(s) that comprise the contractor entity under contract with the Department of Energy (DOE) or National Nuclear Security Administration (NNSA) for the management and operating (M&O) of Sandia National Laboratories, as of May 1, 2017, Honeywell International, Inc.

**Plan**
NTESS Savings and Income Plan, see also 401(k) Plan.

**Plan Administrator**
Employee Benefits Committee of NTESS (EBC)

**Plan Service**
Plan Service, used to allocate Enhanced Program Contributions, means all of an Eligible Employee’s Years of Service with the Company modified as follows:

- **30-Day Leave.** An Employee will be deemed to be working his or her regular schedule during the first 30 days of an unpaid absence or approved leave that extends beyond 30 days if the Employee immediately returns to employment from the absence or leave. For this purpose, only one such 30-Day leave will be credited in a single fiscal year of the Company.

- **Special Leave of Absence.** During the period of an individual’s “Special Leave of Absence Consistent with the Company’s Interest” (SLOA) within the meaning of Company policy, the individual will be deemed to be working his or her regular schedule; provided, however that at the end of such SLOA, the individual again becomes an Eligible Employee; provided, further, that, effective July 1, 2017, with respect to SLOAs that began or were extended beyond three years on or after January 1, 2017, the individual will be deemed to be working his or her regular schedule during the first three years of such SLOA. Effective for SLOAs beginning on or after July 1, 2017, the individual must remain an Eligible Employee for a period of at least one year to receive service credit for the period during which the individual was on such SLOA.

- **Modified Rule of Parity.** If an Employee who has no Vested employer-provided benefits incurs 5 or more consecutive one-year Breaks in Service, the Employee’s pre-break service will be disregarded for all Plan purposes. unless such Employee subsequently is credited with 5 Years of Plan Service as an Eligible Employee.

- **One-Year Hold Out.** If an Employee has a one-year Break in Service, Years of Service as of the one-year Break in Service will not be considered for Plan Service until the Employee completes a Year of Service after reemployment.
Plan Service
(continued)

• **Layoff.** Solely for the purpose of determining whether an individual has incurred a one-year Break in Service, a maximum of 501 Hours of Service will be credited for each Plan Year in which an individual is on a temporary layoff due to a reduction in force; provided, however, that the individual returns to employment within 4 years of the first date of such a layoff. In addition, up to 6 months of unpaid absence because of a temporary layoff due to a reduction in force will be counted as Plan Service if the Employee again becomes an Eligible Employee.

• **Military Service.** Service credit with respect to qualified military service will be provided to the extent required by Code Section 414(u).

• **Approved Corrective Action Time Off.** An individual will be deemed to be working his or her regular schedule during approved corrective action time off without pay due to the suspension, cancellation or revocation of a security clearance; provided, however, that at the end of such time, the individual again becomes an Eligible Employee.

• **Affiliated Company Service.** A participant will earn Plan Service for services performed for an Affiliated Company. Effective May 1, 2017, service with a Parent Company and its affiliates prior to the Parent Company becoming an Affiliated Company will not be credited as Plan Service.

Plan Year
The period beginning each January 1 and ending December 31.

Qualified Default Investment Alternative (QDIA)
The 401(k) Plan’s designated default investment option for deposit of contributions to your Account for which you have not made an investment option selection is a target date fund with an asset allocation strategy designed for investors who will be retiring within 5 years of the date of the fund at their attainment of age 65.

Qualified Distribution
A withdrawal of the investment earnings on Roth contributions, Roth rollovers and Roth in-plan conversions that eliminates the income tax on those investment earnings by being paid after:

• The 5-year period which begins on the first day of the year in which you first make a Roth contribution, Roth rollover, or Roth conversion in the 401(k) Plan, and

• The date you reach age 59 1/2, your death or your disability.

Qualified Non-Elective Contribution (QNEC)
See Question 7(c) for the definition and description of Qualified Non-Elective Contribution.

Required Beginning Date
The date when you must begin withdrawals from your Account, which is April 1st of the calendar year following the later of (i) the calendar year in which the you attain age 70 1/2 or (ii) the calendar year in which you separate from employment with all Affiliated Companies.

Regular Employee
An individual employed directly by NTESS for an unspecified period working a full-time or part-time schedule. Limited-term employees, post-doctoral appointees, recurrent employees, and student interns are not Regular Employees.

Spouse
Spouse shall mean, effective for amounts being withdrawn or available to a Beneficiary on or after September 16, 2013, the person who is recognized as an individual’s Spouse in accordance with the laws of a state, the District of Columbia, a U.S. territory or a foreign jurisdiction where the marriage took place. Spouse does not include a domestic partner or a party to a civil union.
| **Vest(ing)(ed)** | The ownership percentage you have of contribution sources within your Account; i.e., the amount which you may take from the 401(k) Plan during retirement or after separation from NTESS and all other Affiliated Companies. |
| **Year(s) of Service** | A Plan Year(s) during in which you are credited with at least 1,000 Hours of Service. |
Appendix B:
Claims and Appeal Procedure
NTESS Savings and Income Plan

A participant or Beneficiary who has questions or concerns about his or her Plan benefits is encouraged to communicate with the NTESS HR Total Rewards Department regarding those questions or concerns. If the participant or Beneficiary (“Claimant”) is not satisfied with this communication, the Claimant may make a formal claim for benefits in accordance with the procedures outlined below. A Claimant may not make a formal claim more than three hundred sixty-five (365) days after the date the Claimant has knowledge of all material facts that are the subject of the claim.

A formal claim must be filed, in writing, with the Employee Benefits Committee of NTESS (EBC), the Plan Administrator, P.O. Box 5800, MS 1022, Albuquerque, NM 87185-1022. Within 90 days following receipt of the claim, the EBC will give the Claimant either a written notice of its decision or, if special circumstances require an extension of time for review, a notice of a 90-day extension of the review period. A claim or appeal may be filed by an authorized representative on behalf of a Claimant.

If a claim is denied in whole or in part, the EBC will give the Claimant written notification that will include:

(a) The specific reason for the denial;
(b) Specific references to pertinent Plan provisions on which the denial is based;
(c) A description of any additional material or information that needs to be submitted with an explanation of why the material or information is necessary;
(d) An offer to provide the Claimant, on request, free of charge, reasonable access to and copies of all documents, records and other information relevant to the claim (including a statement of policy or guidance concerning a disability claim); and
(e) A description of the Plan’s review procedures and the time limits applicable to the Claimant’s right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

If the Claimant wants to appeal a denied claim, the Claimant must submit an appeal in writing to the Employee Benefits Claims Review Committee (EBCRC), P.O. Box 5800, MS 1022, Albuquerque, NM 87185-1022. The deadline for submitting any such appeal will be 60 days after the Claimant receives written notification of the denial of the claim, as described above. Within 60 days following receipt of the appeal, the EBCRC will give the Claimant either a written notice of its decision or, if special circumstances require an extension of time for review, a notice of a 60-day extension of the review period. The review of the EBCRC will take into account all comments, documents, records, and other information the Claimant submits, without regard to whether that information was submitted or considered in the initial benefit determination. If the appeal is denied, the notification will:

(a) Explain the specific reasons and specific Plan provisions on which the decision is based;
(b) Include a statement describing any voluntary appeal procedures offered by the Plan and the Claimant’s right to obtain information about these procedures;
(c) Include a statement regarding the Claimant’s right to bring a civil action under ERISA 502(a), and

(d) Offer to provide the Claimant, on request, free of charge, reasonable access to and copies of all documents, records and other information relevant to his or her claim for benefits.

The EBCRC has the exclusive, full and final authority to hear and determine appeals of claims denied by the EBC. The decision of the EBCRC will be the final and conclusive administrative review proceeding under the Plan.

A Claimant is required to pursue all administrative and appeals procedures described above as a precondition to challenging the denial of a claim in a lawsuit. Such exhaustion of administrative procedures applies equally to claims for (i) recovery of Plan benefits; (ii) enforcement of rights under the terms of the Plan; and (iii) clarification of rights to future benefits under the terms of the Plan.

**The Claimant may not submit a dispute to a court with respect to a denied claim under this Plan more than three hundred sixty-five (365) days after the date the Plan Administrator renders its final decision upon appeal.**

When determining whether to approve or deny a claim, the Plan Administrator is operating pursuant to its full discretionary authority to administer and interpret the Plan and to determine eligibility for participation and for benefits under the terms of the Plan.
Appendix C:
Loan Policy

NTCESS Savings and Income Plan
Revised Effective 1/1/2018

The Employee Benefits Committee of NTCESS (EBC) as Plan Administrator of the NTCESS Savings and Income Plan (401(k) Plan) adopts the following loan policy under the terms of the 401(k) Plan. A participant may receive a loan only as permitted by this Loan Policy.

Loan Eligibility and Restrictions

You may borrow from the Vested balance in your 401(k) Plan Account if you are an active Employee with Vested balances sufficient to meet the minimum loan requirement. Former Employees and Employees on a leave of absence, including a Military Leave, may not initiate a new loan. New loans are subject to the following conditions:

- Minimum loan amount is $1,000
- Maximum loan amount is the lesser of 50% of your Vested balance or $50,000 minus your highest outstanding loan balance during the preceding 12-month period
- No more than two loans may be outstanding at one time (including any defaulted loans that have been reported as a deemed distribution and are still outstanding)
- Bi-weekly payments necessary to fully amortize the loan over its term may not exceed 25% of your base bi-weekly compensation
- If you have a defaulted loan that has been reported as a deemed distribution and is still outstanding, then no additional loan will be made unless you agree to repay through payroll deductions for the life of the loan
- Your approval of the terms of the loan, as indicated on the loan application and truth-in-lending statement, and your agreement to repay which is acknowledged by your acceptance of the payment of the loan proceeds

Requesting a Loan

Contact Fidelity Investments® (Fidelity) at 1-800-240-4015 or go to Fidelity NetBenefits® at www.401k.com to verify your balance available for a loan and the current loan interest rate. A Fidelity representative will review (or the website will present) various loan terms. You may set up an electronic funds transfer to have your loan proceeds sent directly to your bank account, or you may request a check be mailed to your address of record. You do not have to state a reason for requesting the loan.

Loan Terms and Repayments

- Allowable loan terms are 1 year, 2 years, 3 years, 4 years, or 56 months
- Interest rate for the full term of the loan is determined by the Plan Administrator when the loan is requested. (As of the effective date of this loan policy, the interest rate for new loans is equal to the Reuters prime rate as of the beginning of the calendar month.)
Amount of the loan, plus interest, is amortized over the repayment term in equal bi-weekly payments.

Biweekly repayments, automatically set for payroll deduction, are made after-tax, but do not change the tax basis of the contribution source to which it is repaid.

Loan payoff is allowed at any time with no prepayment penalties.

An initial $35 processing fee will be charged to your Account, and $3.75 will be deducted from your Account for each quarter that the loan is outstanding.

**Allocation of Loan to Account**

Loan proceeds are processed from your Account in the following order by contribution sources, including investment earnings accumulated on those contributions:

- Pretax contributions
- Pretax employee catch-up contributions (closed to new contributions)
- Vested Company Matching Contributions
- Vested Enhanced Program Contributions
- Pretax rollovers
- After-tax rollovers
- After-tax contributions
- QNECs
- Roth rollovers
- In-Plan Roth conversions

Loan proceeds are processed from your investment options on a pro-rated basis to the balance within each source. Roth contribution and Money Purchase sources are included to determine the maximum loan amount available, but are not available for processing the loan proceeds.

Loan repayments will be posted to the sources from which the proceeds were paid according to your most recent investment option elections.

**Prepayment**

You may prepay a loan in full at any time with no prepayment penalties. The amount of loan payoff must be obtained by contacting Fidelity at 1-800-240-4015 or on NetBenefits® at [www.401k.com](http://www.401k.com). Prepayment may be made by mailing a certified check, cashier’s check or money order to:
Payable to:
Fidelity Investments Institutional Operations Company, Inc. (FIIOC)
On behalf of NTMESS Savings and Income Plan
FBO “Name of the Participant”

Mailing Address:
PO Box 770003
Cincinnati, OH 45277-0065

Payoff may be made by Electronic Funds Transfer (EFT) which may be requested on
NetBenefits® at www.401k.com. Electronic payoff must be processed at least 5 days prior to release
for purposes of calculating amount available for a new loan or the number of allowable outstanding
loans.

You may not request to have your entire loan balance repaid from a bi-weekly paycheck
(unless it is the last payment on the payment amortization schedule). Partial loan prepayments are
not allowed.

**Leave of Absence (Other Than Military Leave)**

If you take an approved leave of absence, you may not receive a new loan during your leave. If
you have an outstanding loan when you start your leave, your loan repayments will automatically be
suspended during the leave, but may not be suspended for more than one year. When you return from
leave, Fidelity will automatically adjust the bi-weekly payroll deduction payments for the remaining term
of the loan to collect for the missed payments plus accrued interest. If you prefer to make loan payments
during the time you are on leave, please call Fidelity at 1-800-240-4015.

If the term of your loan ends during your leave of absence, you have the option of immediately
paying the remaining loan balance, with accrued interest, or having the outstanding balance be reported as
either a withdrawal, if you are eligible, or as a defaulted loan resulting in current year income tax and
possible penalties on the taxable portion.

If you are on leave for more than one year, at the end of the loan suspension period, you may
initiate monthly payments directly to Fidelity to pay off the loan by the end of the original term. If you
do not initiate loan payments, the outstanding loan balance will be reported as either a withdrawal, if you
are eligible, or as a defaulted loan resulting in current year income tax and possible penalties on the taxable
portion.

**Military Leave**

While on Military Leave, you may not receive a new loan. If you have an outstanding loan when
you start Military Leave, your loan repayments will automatically be suspended for the full period of your
Military Leave. If you prefer to make loan payments during the time you are on leave, please call Fidelity
at 1-800-240-4015. When you return from Military Leave, Fidelity will automatically adjust the bi-weekly
payroll deduction payments for the remaining term of the loan to collect for the missed payments plus
accrued interest at the lesser of 6% or the rate of the loan.

If the term of your loan ends during the period of your Military Leave, you will have the option
of paying the remaining loan balance, with accrued interest at the lesser of 6% or the rate of the loan, upon
your return or having the outstanding loan balance reported as either a withdrawal, if you are eligible, or
as a defaulted loan resulting in current year income tax and possible penalties on the taxable portion.
Termination of Employment

When you terminate employment with NTESS, whether due to retirement or other circumstances, you generally may continue to repay any outstanding loans. Exceptions to repayment following termination are:

- Loan was initiated while a deemed default loan had an outstanding balance as IRS regulations require such loans to be repaid by payroll deduction only

- Termination is from all Affiliated Companies and the Vested balance in your Account including the outstanding loan balances, but not including rollover sources, is less than $5,000 as this will trigger an automatic lump sum distribution

- If you elect a full distribution of the Vested balance of your Account, loans become immediately due and payable

When the loan is eligible for continued repayment, Fidelity will automatically re-amortize the loan for monthly payments over the remaining term. Fidelity will send coupons and instructions for making the monthly payments. To set up automatic Electronic Fund Transfers (EFT), contact Fidelity at 1-800-240-4015 or go to NetBenefits® at www.401k.com.

You have the option of immediately paying the remaining loan balance. See the Prepayment section for information on processing the loan payoff.

If you elect a full distribution of the Vested balance in your Account, outstanding loan balances, with accrued interest, will be treated as a distribution to you. The taxable amounts of the loan balance will be reported as taxable income for the year of distribution and may be subject to the 10% additional federal tax on early distribution. The required 20% federal tax withholding will be applied to the amount of the loan and collected from the cash amount being distributed. You may still rollover all or a part of the loan distribution by paying the amount into an IRA or a qualified retirement plan by the filing due date (including extensions) for your tax return for the year in which the loan distribution applies.

Similarly, if you do not continue to make timely loan payments, your outstanding loan balance will be treated as a distribution to you, see the Default section for timing. The taxable amounts of the loan balance will be reported as taxable income for the year of distribution and may be subject to the 10% additional federal tax on early distribution. As other cash and property are not being paid at the same time, no tax withholding will be deducted from your remaining Account. You may still rollover all or a part of the loan distribution by paying the amount into an IRA or a qualified retirement plan by the filing due date (including extensions) for your tax return for the year in which the loan distribution applies.

Default

If you do not make a scheduled loan payment in full on the date when such payment is due, the unpaid amount must be paid by the end of the calendar quarter in which the repayment(s) was missed. Repayments during any quarter are first applied to missing repayments. If the missed payment(s) are not repaid by the end of the calendar quarter following, the loan will be defaulted. See the Leave of Absence and Military Leave sections for rules on the suspension of scheduled payments.

If you have separated from employment when your loan is defaulted, the outstanding balance and accrued interest will be reported as a distribution to you. See the Termination of Employment section for more information.
If you are still an active Employee, the source of the outstanding loan balance will be used to determine if it is eligible to be an in-service withdrawal. The portion of the outstanding loan and accrued interest that is eligible for in-service withdrawal will be reported as a distribution to you on the default date. The taxable amount of the distribution will be reported as taxable income in the year of the default, and the taxable amount may also be subject to the 10% federal additional tax on early distributions.

Any amount of the loan balance that may not be treated as a distribution, due to your termination of employment or under the in-service withdrawal rules, will be reported as a deemed distribution. The taxable portion of the deemed distribution will be reported as taxable income in the year of default, and may be subject to the 10% additional federal tax on early distribution. The amount of a deemed distribution is not allowed to be rolled over to an IRA or another qualified plan.

The amount of the deemed distribution will continue to be included as part of your Account balance and will continue to accrue interest. The defaulted loan that is a deemed distribution and still outstanding will be counted toward the maximum number of loans that may be outstanding at one time, will count toward the loan balance used for determining the amount available for a new loan, and will cause any new loan to only be payable from payroll deductions. The amount of the deemed distribution will be offset (removed from your Account balance) as soon as administratively practicable following the earlier of the full distribution of your Account or your separation from employment.