

**Sargent & Lundy LLC**

**SAVINGS INVESTMENT PLAN  
SUMMARY PLAN DESCRIPTION**

Revised January 2012

## SUMMARY PLAN DESCRIPTION

Today's savings can be the key to a comfortable and secure future, and can grow quickly. The Sargent & Lundy LLC Savings Investment Plan (SIP) was created to help you save to meet your goals for retirement or other future financial needs. Through the plan, you may participate in tax-sheltered investment funds.

The Savings Investment Plan is a long-term savings plan providing you with a number of advantages:

- Pre-tax 401(k) and after-tax Roth 401(k) contributions
- SIP after-tax contributions
- employer matching contributions
- employer non-matching contributions
- wide range of investment options
- convenient payroll deductions
- a loan option; and
- the chance to defer paying tax on the earnings in your accounts

You are encouraged to read this booklet (called a "Summary Plan Description") carefully, as it is intended to be an outline of the Savings Investment Plan. If there is any discrepancy between this booklet and the actual plan, the plan document will control. A copy of this document is available at [www.sargentlundy.com/sip](http://www.sargentlundy.com/sip). You are encouraged to contact the SIP Administrator if you have any questions that are not answered here. The plan is administered by the SIP Committee, which consists of 3 or more employees appointed by Sargent & Lundy LLC. The SIP Committee may delegate all or a portion of its powers, rights, and responsibilities for plan administration to one or more persons. Any references in this booklet to the SIP Committee includes the SIP Committee's delegates. The SIP Committee has delegated day-to-day plan administration duties to the SIP Administrator, as described below.

The SIP Committee has the final and complete authority to interpret the plan, address questions regarding the plan and make final benefit determinations under the plan.

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## GENERAL INFORMATION

### *Who can participate in the plan?*

Any full-time, part-time or temporary employee of Sargent & Lundy LLC (or of an affiliate of Sargent & Lundy LLC that has adopted the plan, together referred to as "adopting employers") can enroll at any time to make contributions to the plan, with the exception of nonresident aliens who receive no U.S.-source income. Sargent & Lundy's Employee Relations Procedures describe full-time, part-time and temporary employee status. At the time of employee orientation new employees receive an information packet regarding the plan, which includes enrollment information. There is no open enrollment period and you may enroll in the plan at any time.

Each eligible employee newly hired by an adopting employer will be automatically enrolled in the plan approximately 60 days after his or her hire date at a pre-tax contribution rate of 6% if he or she has not previously made an election to participate in the plan or if he or she has not previously made an affirmative election to not participate in the plan. In addition, any full-time or part-time eligible employee who is rehired by an employer and who (i) does not have any prior full-time or part-time service, (ii) has never been a participant in the plan, and (iii) has not previously made an election to participate in the plan, shall be subject to automatic enrollment. Thus, rehires who have had prior full-time or part-time service, or who have previously participated in the Plan are not subject to automatic enrollment. Temporary employees are also not subject to automatic enrollment.

In addition, each participant (excluding temporary employees) who has not opted out of the automatic pre-tax contributions described in the preceding paragraph, but who has elected a contribution rate (in any combination of pre-tax, Roth, and after-tax contributions) that totals lower than 6% (including 0%) will have his or her contribution rate increased by 1% each April until the aggregate rate of pre-tax, Roth and after-tax contributions totals 6% of the participant's compensation. Each affected participant will be given a notice explaining his or her right to opt out of the automatic annual increase thirty days prior to the effective date of such increase.

The automatic increase will apply to a participant's contribution rate as follows: (i) first, to the participant's pre-tax contribution rate; (ii) second, if the participant has opted out of pre-tax contributions, to the participant's Roth 401(k) contribution rate; and (iii) third, if the participant has opted out of pre-tax contributions and Roth 401(k) contributions, to the participant's after-tax contribution rate. Notwithstanding the foregoing, the pre-tax, Roth 401(k) or after-tax contribution rate of any participant hired or rehired after December 31 of the previous year will not be subject to an automatic increase for that particular year.

Eligible employees (as defined below) who contribute through payroll deductions receive matching contributions on their deductions of 50% of the first 6% of base compensation contributed (see the section entitled "How are the employer match and employer non-matching contributions calculated?" for a description of "base compensation"). They also receive employer non-matching contributions equal to 3% of their pay, for a total possible employer contribution of 6%. Eligible employees who choose not to contribute to the plan also may receive the 3% employer non-matching contribution by registering with the SIP Administrator. The percentage of employer non-matching contributions and employer matching contributions will be re-evaluated every 6 months and announced in June and December for the subsequent 6-month period.

To receive employer matching or non-matching contributions, "eligible employees" are all full-time and part-time employees. The employer matching and non-matching contributions are available immediately upon starting employment. Temporary employees (including work groups #279, #287 and #289) may make pre-tax, after-tax, and after-tax Roth contributions to the plan, but are not eligible to receive employer matching and non-matching contributions.

***How do I enroll in the plan?***

All new and rehired employees should receive an information packet upon starting work at Sargent & Lundy. Or you can obtain this packet from the SIP Administrator (312-269-2130). The packet also contains Fidelity Investments' retirement benefits telephone number (1-800-835-5095) and online website ([www.401k.com](http://www.401k.com)).

***How do I reach Fidelity Investments and the SIP Administrator?***

Fidelity Investments: Information about your account is available by:

- Calling the Fidelity Investments Retirement Benefits Line at 1-800-835-5095
- If you are outside the United States call 1-877-833-900 (AT&T Direct) or call (collect) 1-508-787-9902
- Using FidelityNetBenefits® at [www.401k.com](http://www.401k.com)

SIP Administration: You can contact the SIP Administrators by:

- Calling Kathy Davis (312-269-2130)
- Using the following email address: [kathleen.a.davis@sargentlundy.com](mailto:kathleen.a.davis@sargentlundy.com)
- Using the SIP Internet website at [www.sargentlundy.com/sip](http://www.sargentlundy.com/sip)

***Can I roll over funds from my former employer or an IRA?***

Yes. The Savings Investment Plan accepts rollovers from the following:

- Distributions from any type of tax-qualified defined contribution plan, defined benefit plan, or annuity contract (i.e., 401(a), 403(a), 401(k), 403(b), 457(b), etc.) with another employer, including after-tax contributions.
- Distributions of funds from an IRA (traditional IRA excluding Roth IRAs), as long as the funds in the IRA consist only of amounts that were rolled over from another employer's plan. Due to IRS restrictions, after-tax contributions that were made to another employer's plan and then rolled over into an IRA cannot subsequently be accepted as a rollover into the SIP.

***Are there forms to be filled out?***

Yes and no. The SIP Office does not require any forms to request the funds from your prior plan or financial institution. Simply request that a check be payable to "FIIOC". The check can then be mailed to your home or sent to the SIP Office. If it is mailed to the office, please request that the check or envelope include the following:

FIIOC  
FBO (participant name)  
c/o Sargent & Lundy SIP  
55 East Monroe Street  
Chicago, IL 60603-5780

There is a form for you to complete indicating how the rollover money is to be invested. You can request this form by calling the SIP Office.

***What are the advantages of the plan?***

The Savings Investment Plan allows you to save for your future on a pre-tax basis, after-tax basis or both. The automatic payroll deductions may also provide an extra incentive for saving.

Some additional advantages are:

- Employer matching contributions on payroll deductions for eligible full-time and part-time employees who contribute to the plan
- Employer non-matching contributions for eligible full-time and part-time employees who maintain an account balance, in addition to the employer matching contribution for payroll deductions
- Convenient payroll deductions
- Choice of over 300 mutual funds, plus a brokerage account option
- Generally higher interest yield on the Vanguard Target Retirement Fund than available elsewhere to individual investors in similar investments
- Deferral of taxes on taxable income (pre-tax 401(k) deferrals and all earnings under the plan) until funds are distributed upon withdrawal, retirement or termination of employment
- No age restriction or minimum length of service requirement to make payroll contributions
- Opportunity to borrow against your account, with all payments of principal and interest credited back to your account
- Opportunity to receive monthly or quarterly distributions from your account after retirement

***What is the difference between pre-tax and after-tax contributions?***

***Pre-tax 401(k) contributions:***

Pre-tax 401(k) contributions are deposited into your account before you receive your salary. The Internal Revenue Service considers this to be income you have authorized the company to defer for you until you accept the money as income in the future. This means that your 401(k) contribution is not considered as current taxable income by the IRS, and federal and state (in most instances) taxes are not withheld. When you receive your W-2 form at the end of the year your 401(k) contribution will not be included as taxable income, allowing you to report less wages for that year. (Although not considered part of your taxable income, 401(k) contributions are subject to FICA taxes when contributed.) In return for the tax savings, the IRS restricts withdrawals of your pre-tax contributions from the plan while you are employed by Sargent & Lundy LLC (unless you are over age 59-1/2 or have a financial

hardship). At the time of distribution, either for a withdrawal or termination, information will be provided in accordance with current IRS regulations regarding the taxation of the distribution, which may include a 10% penalty tax.

***After-tax Roth 401(k) contributions:***

Roth 401(k) contributions are made on an after-tax basis. Therefore, Roth 401(k) contributions will not reduce your taxable income, but they will also not be taxed when they are withdrawn. In addition, the earnings you accumulate on Roth 401(k) contributions will not be subject to federal income taxes at withdrawal, provided you (1) have had your Roth 401(k) contributions account for at least five years and are at least age 59-1/2 (or distribution occurs due to death or disability (as defined by the IRS)), or (2) you directly roll over your Roth 401(k) contributions to a Roth Individual Retirement Account (IRA). At the time of distribution information will be provided in accordance with current IRS regulations. Similar to pre-tax 401(k) contributions, the IRS restricts withdrawals of Roth 401(k) contributions from the plan while you are employed by Sargent & Lundy LLC unless you are over age 59-1/2 or have a financial hardship.

***SIP after-tax contributions:***

SIP after-tax contributions are considered as income when state and federal taxes are calculated and withheld, and are included in your total wages for the year as reported on your W-2 form. Although there is no tax advantage to making the actual contributions, all earnings on these contributions accumulate on a tax-deferred basis. Therefore, these funds may be withdrawn for any reason and only the earnings become taxable to you (although you may be able to roll over the earnings into an IRA or other qualified plan). Unlike Roth 401(k) contributions, the earnings on these SIP after-tax contributions will be taxable when they are distributed to you, and a 10% penalty tax may apply.

***Can I use my account as collateral for a loan through a bank, or assign my account to someone else?***

No, you may not assign, pledge or encumber your account in any way. In addition, the funds are not subject to attachment or garnishment, nor can they be applied to any debt or liability you may have incurred, except that your account may become subject to a Qualified Domestic Relations Order (QDRO). A QDRO has the effect of assigning part or all of your account to a spouse, former spouse, child or other dependent. If the SIP Administrator receives written notice that a QDRO is pending, no withdrawals, loans or other distributions will be made from your account until a final settlement is made. You or your beneficiary can obtain, without charge, copies of the plan's procedures governing QDRO determinations and a sample QDRO by contacting the SIP Administrator. Please see the SIP Administrator for more information.

## CONTRIBUTIONS

***How much can I contribute?***

You may contribute through payroll deduction up to 65% of your adjusted base compensation as pre-tax 401(k) or after-tax Roth 401(k). The minimum is 1% of your adjusted base compensation. Or you may contribute up to 45% of your adjusted base compensation on an after-tax basis. The minimum is 1% of your adjusted base compensation. Your total contribution may be allocated between pre-tax 401(k), after-tax Roth 401(k) and after-tax SIP deductions and cannot exceed a total of 100% of your adjusted base compensation. The 401(k)/Roth 401(k) maximum for 2012 is \$17,000, and may be adjusted each year as determined by the IRS.

Employees who are age 50 and over, or who will reach age 50 by December 31, are eligible to make an additional pre-tax or Roth "catch-up" contribution each year from adjusted base compensation. The "catch-up" maximum for 2012 is \$5,500, and may be adjusted each year as determined by the IRS. This contribution (up to a maximum of 35%) is **elected as a separate deduction percentage** and, when combined with the pre-tax 401(k), Roth 401(k) and SIP after-tax deduction, cannot exceed a total of 100% of your adjusted base compensation.

***What is "adjusted compensation"?***

For purposes of making pre-tax, after-tax Roth 401(k) contributions, and SIP after-tax contributions, "adjusted base compensation" includes the total compensation you receive in a plan year for services rendered as an employee of Sargent & Lundy LLC or any affiliate that has adopted the plan. Such compensation includes pre-tax 401(k) deductions made under this plan and any elective deferrals made on your behalf under a flexible benefits plan or qualified transportation fringe program, and includes the cost of employer-provided group-term life insurance in excess of \$50,000.

Adjusted base compensation includes the following:

- Wages (including comp time taken and compensatory time payoff)
- Salary
- Overtime
- Vacation taken
- Vacation payoff and unused vacation pay
- Holiday pay
- Salary law pay
- Illness taken
- Extended illness taken
- Miscellaneous personal time taken

Adjusted base compensation **does not** include any other non-cash compensation (other than employer-provided group-term life insurance in excess of \$50,000), or additional income such as bonuses, separation pay, reimbursements and allowances (including housing, relocation, furniture, and clothing allowances), premiums (including Sunday, second and third shift, foreign mobility and holiday premiums), tax equalization, field salary or wage adjustment, taxable travel, taxable per diem, special duty pay, tuition reimbursement, any compensation paid to you before you become a participant in this plan, and any compensation paid to you while you are performing qualified military service or while you are permanently and totally disabled. Compensation in excess of \$250,000 for 2012 (as annually adjusted by the IRS) is also excluded.

***Can I make additional contributions to the plan?***

You may be eligible to make a SIP after-tax lump sum contribution to the plan at year-end. Total contributions for the calendar year (including employer matching contributions, employer non-matching contributions, pre-tax 401(k) contributions, Roth 401(k) contributions and SIP after-tax contributions) cannot exceed 100% of your Sargent & Lundy wages or \$50,000 for 2012 (as adjusted by the IRS), whichever is less. Age 50 pre-tax and Roth catch-up contributions are not included in this total. Total compensation for these purposes includes bonuses received from Sargent & Lundy for that plan year. This lump sum contribution is deposited into your SIP after-tax account and is available for withdrawal without requiring a hardship. For further information contact the SIP Administrator.

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## **EMPLOYER MATCHING AND NON-MATCHING CONTRIBUTIONS**

***Employer Non-Matching Contributions:***

All eligible employees with an account balance receive an employer non-matching contribution to the plan equal to 3% of their base compensation (see below), calculated on a paycheck-by-paycheck basis.

***Employer Matching Contributions:***

Eligible employees who make payroll deductions (pre-tax 401(k), SIP after-tax or after-tax Roth 401(k) contributions) also receive a 50% employer match on the first 6% of their base compensation contributed to the plan through payroll deductions. The match is calculated on a paycheck-by-paycheck basis.

The percentage of employer non-matching contributions and employer matching contributions will be re-evaluated every 6 months and announced in June and December for the subsequent 6-month period.

***Who is eligible for the employer matching and non-matching contributions?***

Eligible employees are those who:

- are considered to be full-time or part-time
- are not "Temporary Employees" described in the Sargent & Lundy Employee Relations Procedure covering such employees (including work groups #279, #287 & #289).

***How are the employer match and employer non-matching contributions calculated?***

The employer match and employer non-matching contributions are calculated on base compensation. Base compensation is the same as adjusted base compensation (used for making regular pre-tax and after-tax participant contributions to the plan), but excluding overtime, vacation payoff, compensatory time payoff and unused vacation pay. The employer match and employer non-matching contributions apply to all types of payroll deduction: SIP after-tax, pre-tax 401(k), Roth 401(k), pre-tax and Roth "catch-up" (for eligible employees).

***Are there any special provisions I need to be aware of?***

Yes. In order to receive an employer matching contribution, you must be an eligible employee enrolled in the plan and making payroll contributions. In order to receive an employer non-matching contribution, you must be an eligible employee.

### **Vesting Schedule**

The employer matching and non-matching contributions are vested at 100% for those eligible employees hired before July 1, 2005. Eligible employees with less than one year of service as of July 1, 2005 will become 100% vested upon completing one year of eligible service or upon termination of employment due to normal, late or disability retirement, or due to death. 100% vesting means that 100% of the employer matching and non-matching contributions will be included when calculating the amount available for a new loan, financial emergency withdrawal or distribution upon termination of employment. Pre-tax 401(k), Roth 401(k), SIP after-tax, pre-tax and Roth "catch-up" contributions are 100% vested at all times. Notwithstanding the foregoing, if you die while performing qualified military service, you will become 100% vested in your employer matching and non-matching contributions.

### **Investment of Employer Matching Contribution**

Fidelity allows only one investment election at a time (see below), so the employer match will be invested in the same manner as all other deductions (pre-tax 401(k), Roth 401(k), SIP after-tax, pre-tax and Roth "catch-up" and loan payments) from each paycheck. However, the investment of funds already in your matching contribution account can be changed at any time by "exchanging" money from one investment fund to another, electing that specific source only.

### **Investment of Employer Non-Matching Contribution**

For employees who have elected an investment option through Fidelity, the employer non-matching contribution is invested according to the investment funds selected. If no investment election is made by the employee, the employer non-matching contribution is invested in the age-appropriate Vanguard Target Retirement Fund. See information below regarding the plan's Qualified Default Investment Alternative. However, the investment of the employer non-matching contribution can be changed at any time by "exchanging" money from one investment fund to another, electing that specific source only.

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## HOW FUNDS ARE INVESTED

### Administration of the Trust

A trust was established on July 1, 1984, as the funding vehicle for the plan. All investments held by the plan are assets of the trust. Trustee fees and certain other costs incurred in connection with the administration of the plan are paid from the trust fund. The plan's current trustee, Fidelity Investments Investment Management Company, is responsible for the custody and distribution of the assets of the plan.

### Investment Options

#### *How will my money be invested?*

You may invest in any of the plan's available mutual funds and/or the self-directed brokerage option available through Fidelity Investments' BrokerageLink.

The SIP Committee is the plan fiduciary responsible for providing you with information regarding the investment funds, so that you can make an informed decision regarding your investment options. As with most mutual funds, you do not have voting or tender rights on individual company stocks held in the fund portfolios. More information on these funds is available from the SIP Administrator and the SIP Internet website at [www.sargentlundy.com/sip](http://www.sargentlundy.com/sip).

After considering the various types of investments available, you may invest your payroll deductions in any of the funds in increments of 1%. The investment election you make applies to your contributions (pre-tax and after-tax), loan payments (if applicable), the employer matching contribution and the employer non-matching contribution.

### Qualified Default Investment Alternative

All contributions to the plan, both yours and Sargent & Lundy's, and any earnings on those contributions, are invested for additional growth potential. Note that only vested account balances may be invested into the brokerage account option. You have the right to direct the investment of your plan account balances. If you do not (or did not previously) make a specific investment election, then all of your Plan account balances will be invested in the Vanguard Target Retirement Fund that corresponds most closely to the year in which you reach age 65. This is known as the plan's "Qualified Default Investment Alternative." More information on this fund is available from the SIP Administrator and the SIP Internet website at [www.sargentlundy.com/sip](http://www.sargentlundy.com/sip). You may transfer all or any portion of your plan account balance from the Qualified Default Investment Alternative to any other investment alternative available under the plan by contacting Fidelity Investments at 1-800-835-5095 or by visiting FidelityNetBenefits® at [www.401k.com](http://www.401k.com). You may also change the way future contributions are allocated among the investment funds and reallocate the investment of your current balance (past contributions and related earnings) by transferring your money among the funds. The plan's investment funds include a broad range of investment alternatives, intended to allow you to achieve a diversified portfolio.

The transfer of all or a portion of your plan account balance from the Qualified Default Investment Alternative to another investment alternative will not be subject to any restrictions, fees or expenses, including surrender charges, liquidation or exchange fees, and redemption fees. However, your investment in the Qualified Default Investment Alternative will remain subject to certain fees and expenses that are charged on an ongoing basis for the operation of the fund itself, such as investment management fees.

The SIP Committee is the plan fiduciary responsible for complying with your investment instructions. The Committee is authorized to take any actions or establish policies to deter or terminate any participant's ability to exchange or transfer any portion of his or her account balance into or out of any investment fund if the Committee deems that any activity has occurred that constitutes, in the discretion of the Committee, "market timing", "late trading", "time zone arbitrage", or any other practice that is abusive, excessive or to the detriment of other plan participants. The Committee may impose a fee or otherwise restrict your investment elections if you make excessive investment elections during a plan year or engage in abusive trading practices. The trading rules apply only to fund transfers and fund exchanges. They do not include loans, new contributions, distributions, or hardship withdrawals. New contributions into the plan do not require you to wait a specified number of calendar days before transferring or reallocating money. Redemption fees will not be charged on loans but may apply to distributions or withdrawals.

Separate from general administration fees are plan asset fees, which vary by plan fund. These fees are deducted from any gain or loss incurred in the fund, and reduce your overall return. These fees are associated with the cost of investing and administering assets in a mutual fund or collective investment fund and are expressed as a percentage of total assets. You can obtain specific fund fee information by reviewing each fund's prospectus, by calling the Fidelity Investments Retirement Benefits Line at 1-800-835-5095, by logging on to FidelityNetBenefits® at [www.401k.com](http://www.401k.com), or by accessing the SIP Internet website at [www.sargentlundy.com/sip](http://www.sargentlundy.com/sip)...

The plan is intended to comply with Section 404(c) of the Employee Retirement Income Security Act of 1974 (ERISA) and related Department of Labor Regulations. By complying with these rules, plan fiduciaries may be relieved of liability for any losses directly resulting from investment decision made by you (for example, liability for losses in any investment option you elect). You may request certain financial information about the available investment funds, such as a list of the assets held in each fund, information on the annual operating expenses of the investment funds, copies of prospectuses and other financial reports provided to the plan, information on the value of shares or units held in each fund, and past and current performance of each fund. To obtain such information, please contact Fidelity Investments or access the SIP Internet website at [www.sargentlundy.com/sip](http://www.sargentlundy.com/sip). You are strongly encouraged to review this information carefully and to monitor your investments. In selecting investment funds, you need to decide what level of risk you are willing to accept for the return that you expect to earn. Finding your personal level of risk preference is critical. Only you can determine what's right for your personal needs. Neither Sargent & Lundy, the SIP Committee, the trustee, nor any U.S. government institution or agency in any way guarantees your accounts against loss.

## CHANGING CONTRIBUTIONS AND INVESTMENT OPTIONS

### *How can I change the percentage of my payroll deductions?*

You may increase, decrease or suspend your payroll contributions at any time by contacting Fidelity Investments Retirement Benefits Line at 1-800-835-5095. Depending on the date of your change request, it may not become effective immediately. Please contact the SIP Administrator for information regarding the timing of payroll-related changes.

### *How can I change my investment options?*

You may change the investment of your payroll deductions and existing funds in your account at any time by contacting Fidelity Investments. Changing the investment of future contributions and existing funds are separate transactions, which means that reallocating existing funds does not automatically change the investment of your payroll deductions. The investment change you request may be delayed for one or more days if trading in a particular investment fund is restricted because of unusual circumstances, such as insufficient liquidity to process transactions, major market disruptions, etc.

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## EARNINGS

### *How are the earnings on my account calculated?*

With the exception of the Vanguard Target Retirement Fund (see below), the mutual fund assets in your account are valued each day based on the fund's Net Asset Value (NAV) as of 4:00 ET. Most exchanges must be initiated by that time to reflect that day's closing price. However, the Fidelity Select Portfolios are priced hourly. Please contact Fidelity regarding exchanges that involve this type of investment.

Assets in the BrokerageLink account, whether you have invested in mutual funds or individual stocks, are valued each day as of 4:00 ET.

Earnings in the Vanguard Target Retirement Fund are accrued daily but only posted at the end of each month. However, any activity requested during the month (exchanges, withdrawals, loans, etc) will include earnings as of that date.

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## SUSPENSION AND WITHDRAWALS

### *Can I suspend my deductions for a period of time?*

Yes, you can suspend deductions for any pay period and reinstate for any subsequent pay period. Although the employer non-matching contribution would continue for each pay period, there would be no employer matching contribution for any paycheck without a payroll deduction.

### *What happens if I need to withdraw money without terminating my account?*

Withdrawals may be made from your account according to the guidelines below. For information on the sequence of withdrawals, by source, please contact the Plan Administrator. If you are not a current employee of Sargent & Lundy LLC, please see page 10.

**Pre-1987 After-Tax SIP Contributions:** This is the amount contributed on an after-tax basis, on or before December 31, 1986. This amount includes contributions (*not earnings*) previously considered as SIP Basic and/or SIP Voluntary, and may be withdrawn tax free for any reason.

**Post-1986 After-Tax SIP Account (Contributions and Earnings):** These are any SIP after-tax contributions, previously considered as SIP Basic and/or SIP Voluntary, made after January 1, 1987 and the earnings thereon. These funds may be withdrawn for any reason. However, you will also be required to withdraw a portion of the earnings, calculated on a pro-rata basis of the contributions and earnings. The amount of earnings can either be rolled into an IRA or directly rolled into another qualified plan, or considered as income for that tax year.

**Pre-1987 After-Tax SIP Account (Earnings):** These earnings may be withdrawn for any reason and either rolled into an IRA or other qualified plan, or considered as income for that tax year.

**Rollover and Roth 401(k) Rollover Account:** These funds may be withdrawn for any reason. For non-Roth rollover funds, the funds can be either rolled into an IRA (Roth or non-Roth) or other qualified plan, or considered as income for that tax year. For Roth 401(k) rollover funds, the funds can be rolled into a Roth IRA or directly rolled into another Roth elective deferral account under a qualified plan (if certain IRS transfer requirements are met). If not rolled over, the Roth funds can be paid to you and the amounts that represent earnings will be considered as income for that tax year (unless the withdrawal is "qualified," as described below under "What tax withholding will apply to my withdrawals?").

**Employer Matching Contribution/Employer Non-Matching Contribution:** If you are a current employee of Sargent & Lundy LLC, these funds may be withdrawn for any reason if are age 59-1/2, or if you have participated in the plan for 60 months and you have taken all available withdrawals from your after-tax and rollover accounts. If you have been in the plan for less than 60 months you may withdraw the vested portion of these funds only if you are age 59-1/2 or for an approved hardship. The amount withdrawn becomes taxable income for that tax year unless rolled over. However, hardship withdrawals cannot be rolled over.

**Roth 401(k) and/or 401(k) Contribution and Catch-up Contributions:** If you are a current employee of Sargent & Lundy LLC and under age 59-1/2, these funds may only be withdrawn for (i) specific IRS-approved hardship reasons or (ii) if you are on qualified military leave for at least 30 days. **Hardships:** If you make a withdrawal for an IRS-approved hardship reason, earnings credited to your 401(k) and/or Roth after-tax contributions account after December 31, 1988 will not be available for withdrawal until after your employment has terminated (although such earnings will be considered when calculating the maximum amount available for a loan). You cannot withdraw your Roth 401(k) or pre-tax 401(k) funds on account of hardship until you have taken all available withdrawals from your SIP after-tax, rollover and vested employer contribution accounts. Hardship withdrawals cannot be rolled

over. *Military Leave:* If you elect to receive a distribution of these funds while you are on qualified military leave for at least 30 days, your right to make Roth 401(k) Contributions, 401(k) Contributions, and after-tax contributions will be suspended for a six-month period after the distribution.

**Age 59-1/2 Withdrawal:** If you are a current employee of Sargent & Lundy LLC and you are age 59-1/2 or older, you may withdraw all of your vested funds at any time. However, if not rolled over, the amount of your withdrawal will be considered as income for that tax year (except for any SIP or Roth 401(k) after-tax contributions included in the withdrawal, and except for withdrawal of "qualified" earnings on Roth 401(k) after-tax contributions, as described below).

***What tax withholding will apply to my withdrawals?***

**SIP After-Tax Contributions:** Any portion of your withdrawal that consists of SIP after-tax contributions you made to the plan will not be subject to taxes or withholding when you withdraw the funds. Unless rolled over, earnings withdrawn from your SIP after-tax contributions account are subject to mandatory 20% federal income tax withholding, which will be deducted from your withdrawal. A separate 10% penalty tax will also apply to your withdrawal if you are under age 59-1/2, but that penalty tax will not be withheld from your payment -- you are responsible for paying that penalty tax.

**Roth 401(k) Contributions and Roth Rollover Contributions:** Taxation and withholding for withdrawals of Roth 401(k) contributions depends upon whether the distribution is qualified. A "qualified" Roth distribution, which is not subject to federal income tax, is a distribution made after you reach age 59-1/2, die or become disabled, and in all events after you have satisfied a five-year participation requirement. The five-year participation period begins on the first day of the calendar year in which you first made Roth 401(k) Contributions to the plan and ends upon the completion of five consecutive calendar years. (However, if you make a direct rollover of Roth 401(k) Contributions from another employer's plan to this plan, the five-year participation period is counted from the earlier of the date that you first made Roth 401(k) Contributions to the other plan or this plan.) The five-year participation period is a one-time requirement, not a rolling requirement that applies separately to each year's Roth 401(k) Contributions. To determine whether your withdrawal of Roth funds is qualified, please contact the SIP Administrator. If your withdrawal is not "qualified," then the portion of your withdrawal that constitutes your Roth 401(k) contributions will not be taxable to you, but the earnings portion will be taxable and subject to mandatory 20% federal income tax withholding (or, if withdrawn due to financial hardship, 10% withholding, unless you elect no withholding), which will be deducted from your withdrawal. A separate 10% penalty tax will also apply to your withdrawal if you are under age 59-1/2, but that penalty tax will not be withheld from your payment -- you are responsible for paying that penalty tax.

**Pre-Tax 401(k) Contributions, Non-Roth Rollover Contributions, Employer Matching and Non-Matching Contributions:** Mandatory 20% federal income tax withholding will be deducted from your withdrawal, unless your withdrawal is based on financial hardship or unless you are receiving periodic installments (see page 11). If you withdraw funds of any type based on hardship, 10% federal income tax withholding will apply, unless you elect no withholding. A separate 10% penalty tax will also apply to your withdrawal if you are employed by Sargent & Lundy and under age 59-1/2, but that penalty tax will not be withheld from your payment -- you are responsible for paying that penalty tax.

*The rules on the taxation of payments from this plan are complex and contain a variety of exceptions and special provisions. The explanations throughout this SPD regarding taxation and withholding do not include all of the exceptions and special provisions. You should contact your own tax adviser to discuss the tax consequences of your payments and the techniques you may employ to defer or minimize the taxes.*

***What are the plan's penalties for withdrawal?***

The general penalties for each type of withdrawal are listed below:

**Pre-1987 After-Tax SIP Account Contributions:**

- None

**Post-1986 After-Tax SIP Account (Contributions and Earnings):**

- Earnings withdrawn will be considered as taxable income and may be subject to an additional tax if not rolled into an IRA or other qualified plan

**Pre-1987 After-Tax SIP Account (Earnings):**

- Amount withdrawn will be considered as taxable income and may be subject to an additional tax if not rolled into an IRA or other qualified plan

**Rollover Account (Roth and Non-Roth):**

- Amount withdrawn may be considered as taxable income (depending on whether amount consists of pre-tax, after-tax, Roth 401(k) and/or qualified Roth 401(k) funds) and may be subject to an additional tax if not rolled into an IRA or other qualified plan

**Employer Matching Contribution/Employer Non-Matching Contribution:**

- Amount withdrawn will be considered as taxable income and may be subject to an additional tax if not rolled into an IRA or other qualified plan (in the case of withdrawals for reasons other than hardship). Employer matching and non-matching contributions withdrawn for hardship reasons cannot be rolled over.

**401(k) /Roth 401(k) Contributions:**

- You cannot contribute to the plan for 6 months (if younger than age 59-1/2)
- Amount withdrawn may be considered as taxable income (depending on whether amount consists of pre-tax, Roth 401(k) and/or qualified Roth 401(k) funds) and may be subject to an additional tax. Pre-tax and Roth 401(k) contributions withdrawn for hardship reasons cannot be rolled over.

*What are the hardship reasons allowed for withdrawals?*

**Employer Match and Employer Non-Matching Contribution Accounts:** Employer contributions in your account for less than 60 months may be withdrawn on account of hardship only for the following reasons:

- Medical care expenses (not reimbursed by insurance) for yourself, your spouse or non-spouse beneficiary, or dependent (relative) for whom you are responsible for at least ½ of his/her support
- Purchase of your principal residence (excluding mortgage payments)
- To prevent foreclosure on your principal residence or eviction from your home or apartment
- Post-secondary tuition and related educational fees, for the next 12 months, for yourself, your spouse or non-spouse beneficiary, children or other dependent (relative) for whom you are responsible for at least ½ of his/her support
- Burial or funeral expenses for your deceased parent, spouse or non-spouse beneficiary, child(ren) or eligible dependent
- To meet expenses for the repair of damage to your principal residence that would qualify as deductible casualty expenses
- Any other financial hardship specified by the Internal Revenue Service in regulations

**401(k)/Roth 401(k) Account and Catch-up:** You may withdraw from your pre-tax 401(k) account for the following reasons (in accordance with Internal Revenue Service rules):

- Medical care expenses (not reimbursed by insurance) for yourself, your spouse, or dependent (relative) for whom you are responsible for at least ½ of his/her support
- Purchase of your principal residence (excluding mortgage payments)
- To prevent foreclosure on your principal residence or eviction from your home or apartment
- Post-secondary tuition and related educational fees, for the next 12 months, for yourself, your spouse, children or other dependent (relative) for whom you are responsible for at least ½ of his/her support
- Burial or funeral expenses for your deceased parent, spouse, child(ren) or eligible dependent
- To meet expenses for the repair of damage to your principal residence that would qualify as deductible casualty expenses
- Any other financial hardship specified by the Internal Revenue Service in regulations

When withdrawing for any of the above reasons, documentation will be required to support your request according to rules established by the SIP Committee. The amount of withdrawal cannot exceed the amount required to meet such immediate financial need, which may include the amount required to pay any applicable taxes.

*What is the procedure for a withdrawal?*

To withdraw non-401(k) or non-Roth 401(k) funds, or if you are at least age 59-1/2, contact Fidelity Investments to request a distribution. A withdrawal form will be mailed to your home, by Fidelity, within 3-5 business days (the form can also be faxed to you). If the form correctly reflects your withdrawal request, you should sign and date the form. This form should then be mailed (or faxed) to the SIP Administrator. As soon as the withdrawal request is approved, Fidelity Investments will process the distribution within 3-5 business days. If your withdrawal does not include a rollover distribution request, the funds may be sent directly to your bank account if already set-up through Fidelity.

If you are a current employee of Sargent & Lundy LLC, the following procedures apply for a hardship withdrawal from your 401(k) or Roth 401(k) account:

- Although not required to exhaust all assets outside of the plan before withdrawing, you must provide documentation to support the amount of your request. The distribution cannot exceed the amount supported by this documentation, plus 20% to cover taxes that may apply.
- You must first withdraw all non-401(k) and Roth 401(k) funds from your account.
- Next, you must obtain two loans from your 401(k)/Roth 401(k) account if you do not already have an outstanding loan, or a second loan if you have one outstanding loan, for at least the minimum amount (\$1,000). Or, if a first or a second loan would in themselves be too great a financial hardship, you must sign a statement to that effect.
- After all of the above conditions have been met, a hardship withdrawal may be requested.

If you are not a current employee of Sargent & Lundy LLC, or are at least 59-1/2 years of age, the above hardship requirements do not apply.

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## **ROTH CONVERSIONS**

*Can I convert my non-Roth plan account balances to Roth accounts?*

Yes. Beginning December 10, 2010, the plan offers the option to convert certain non-Roth balances in the plan to a Roth conversion account within the plan. This is known as an "in-plan Roth conversion." All plan participants, including active and former employees, as well as surviving spouse beneficiaries and alternate payees who are the spouse or former spouse of a participant, are eligible to elect an in-plan Roth conversion, if such individuals have plan accounts available for conversion. Under IRS rules, only certain plan accounts are eligible for an in-plan Roth conversion. For example, as described below, if you are an active employee, you cannot convert your pre-tax 401(k) contributions and related earnings if you are under age 59½. However, other plan accounts may be eligible for conversion, such as employer contributions and their related earnings.

*What are the tax consequences of a an in-plan Roth conversion?*

If you elect an in-plan Roth conversion in 2011 or later, you must pay federal and state taxes in the year of conversion at ordinary income tax rates on any taxable balances you convert to Roth. (Special tax rules applied for conversions made in 2010.) However, in the future, you will not be taxed on distributions from your Roth account if you meet certain requirements.

Federal and state income taxes are not withheld from the amount you elect to convert to Roth. In other words, you cannot use assets from the conversion to pay the taxes. Therefore, you will need to have money available from sources outside the plan to pay your taxes when due. You may also need to change your tax withholding elections or make estimated tax payments to avoid an underpayment penalty.

***What plan accounts are available for in-plan Roth conversion?***

If you are age 59-½ or you no longer work for Sargent & Lundy, you may convert your vested employer contributions, after-tax contributions, pre-tax contributions, and rollover contributions.

If you are not age 59-½, but you have been a participant in the plan for at least sixty calendar months, you may convert your vested employer contributions, after-tax contributions, and rollover contributions.

If you are not 59-½, and you have not been a participant in the plan for at least sixty calendar months, you may convert your after-tax contributions and rollover contributions.

However, outstanding loan balances are not available for conversion.

There is no processing fee for conversions. There is no minimum amount required for an in-plan Roth conversion and no limit on the amount of in-plan Roth conversions that you may make.

***Is an in-plan Roth conversion the right choice for me?***

Converting to a Roth account may not be a good choice for everyone. The rules are complex. If you are considering an in-plan Roth conversion, please contact the SIP Administrator at 312-269-2130 for more detailed information regarding the Roth conversion option. You are strongly encouraged to consult with a financial planner and/or tax advisor to discuss your individual circumstances before electing a Roth conversion. Requests for Roth conversions must be made through the SIP Administrator.

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## **LOAN PROVISIONS**

***Can I borrow money from my account?***

Yes, you may request a loan based on the following guidelines:

- You may borrow the lesser of (1) one-half of your total account balance, or (2) \$50,000. If a previous loan has been repaid during the preceding 12 months, the highest outstanding balance during that time must be subtracted from the \$50,000 to determine the amount available for a new loan.
- Your interest rate is the prime rate as reported by Thompson Reuters on the first business day of the calendar year quarter in which your loan is approved. That interest rate is then fixed for the term of the loan.
- You select the loan repayment period of 12, 24, 36, 48 or 60 months, to begin approximately 45 days after the loan is approved.
- The funds you receive as a loan are not taxable income to you, provided that repayments are made on schedule. If your loan is defaulted due to failure to make the scheduled payments, the remaining unpaid balance will be reported as income to you for that tax year.
- If you are on a leave of absence due to qualified military service, your loan repayments may be suspended for the entire length of the military leave (or term of the loan, if shorter). Contact the SIP Administrator for more details or if you think this could apply to you.
- "Temporary" employees (including work groups #279, #287 or #289) and participants who are not employed by Sargent & Lundy LLC will make one payment each month, due no later than the 10th of each month. You may set up automatic debits (ACH) through Fidelity to debit your checking or savings account on the 15th of each month. Or you may use coupons and send a cashier's or certified check to Fidelity each month.
- You may have one or two loans outstanding at any time.
- Partial prepayment of principal is not permitted, but the entire unpaid balance of a loan and any outstanding interest thereon may be prepaid at any time.
- No hardship reason is required for the loan.
- All payments of principal and interest are credited to your account
- Upon termination of employment, you may continue to make payments each month. You may set up automatic debits (ACH) through Fidelity to debit your checking or savings account on the 15th of each month. Or you may use coupons and send a cashier's or certified check to Fidelity each month

Further information regarding the loan provisions is available from the SIP Administrator.

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## **ACCOUNT STATEMENTS**

***How will I know what's in my account?***

Approximately 3 weeks after the end of each quarter, Fidelity Investments will mail a statement of your account activity to your home. This statement is also available online through Fidelity's NetBenefits ([www.401k.com](http://www.401k.com)). If you have invested money through the Fidelity BrokerageLink option, a separate monthly statement will detail the investments within your brokerage account.

You can also check your account balance by calling Fidelity Investments directly or viewing your account online through their Internet website.

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## TERMINATION OF EMPLOYMENT AND RETIREMENT

Although your normal retirement date occurs on attaining age 65, or at any age due to disability, you are eligible to receive all of the amounts credited to your account under the plan regardless of when your employment terminates.

### *What options will be available to me upon termination or retirement?*

Regardless of the reason your employment ends, the following options are available:

- Remain in the plan and defer final distribution until a future date. Distributions must commence no later than the year in which you reach age 70-1/2.
- Remain in the plan and elect distribution of your account in installments (as described below).
- Remain in the plan and elect a partial distribution of any portion of your account (see Suspensions and Withdrawals).
- Close your account at any time.

### *How will the benefits in my account be paid to me?*

Your account may be paid to you in one of the following options:

- As an immediate lump sum distribution. For non-Roth 401(k) amounts, you can roll over the distribution into a Roth or non-Roth IRA or another employer's qualified plan, or you can take a cash distribution as income for that year. For Roth 401(k) funds, the funds can be rolled into a Roth IRA or directly rolled into another qualified plan that accepts Roth rollovers. If not rolled over, the Roth funds can be paid to you and the amounts that represent earnings will be considered as income for that taxable year (unless the withdrawal is "qualified," as described in the section entitled "What tax withholding will apply to my withdrawals?")
- As a lump sum distribution deferred until a date you elect, no later than April 1 of the year in which you reach age 70-1/2.\*
- In monthly or quarterly installments of either a specific dollar amount or for a specific period of time, commencing at any time after your employment terminates prior to your age 70-1/2.\*
- In annual (December 1) payments representing your Minimum Required Distribution (see Periodic Payment Program described below).

\*Pursuant to the Worker, Retiree, and Employer Recovery Act of 2008, you had the option of suspending distributions for the 2009 calendar year. For more information on this suspension, please contact the SIP Administrator.

### *If I choose to remain in the plan, what happens to my account?*

By remaining in the plan, you retain the same options as all other participants with two exceptions: you will not receive any additional employer non-matching or matching contributions, and you cannot contribute to the plan within 30 days after you receive your final S&L paycheck. However, at any time in the future you could add to your account with a rollover of money from another qualified retirement plan or Individual Retirement Arrangement (IRA).

### *What if I decide to close the account?*

After Fidelity has been notified that your employment has terminated and a final paycheck has been issued, you may call Fidelity at any time to close the account. At that time, you will have four options:

1. Make a direct transfer (also called a "direct rollover") of the funds into a Non-Roth Rollover IRA (not a personal IRA) or other qualified retirement plan. This will defer any tax liability until a future date.
2. Take a cash distribution, as additional income to you. Fidelity is required to withhold 20% of the taxable amount (if greater than \$200) as federal tax withholding. A 10% additional tax may also be due at the time you file your federal tax return if you are not age 59-1/2 (or age 55 in some cases, subject to special rules). Any SIP after-tax contributions or Roth 401(k) contributions will be returned to you tax-free, as taxes were paid at the time the money was deducted from your paycheck or deposited as a lump sum contribution. You can roll over the SIP after-tax contributions and earnings to a traditional IRA, or you can roll over the Roth 401(k) contributions and earnings to a Roth IRA, but you cannot roll over the SIP after-tax contributions or earnings, or Roth 401(k) contributions to another employer's qualified plan once you receive your account balance in a lump sum (if you want to move your SIP after-tax funds or Roth 401(k) contributions to another employer's qualified plan, you must use a direct transfer, also called a "direct rollover," as described above).
3. You may make a direct transfer (or "direct rollover") of the funds into a Roth Rollover IRA. Your taxable funds will be taken as income in the year of the rollover unless you rolled over in 2010, in which case your taxable funds will be included in income in equal amounts in 2011 and 2012. A 10% additional tax may be due at the time you file your federal income tax return if you are not yet age 59-1/2 (or age 55 in some cases, subject to special rules.)
4. Any combination of (1), (2) or (3) above.

***What if I have an outstanding loan balance at the time of my termination?***

If you choose to remain in the plan and continue making loan payments, you can either set up an automatic debit from your checking or savings account, or send your payment to Fidelity each month (see Loan Provisions). However, if you fail to make regular payments the loan will be defaulted and the remaining principal will be reported as additional income for that tax year.

Or, you could pay off the remaining principal in full.

If you choose to close your account without first paying off the loan, the remaining principal will be treated as a default that is taxable to you and the taxable amount will be reported to the IRS as additional income for that tax year.

***If I defer distributions until age 70-1/2, can I still make a withdrawal or request a loan?***

Yes. You can apply for a loan or request an in-service withdrawal following the same rules and procedures that apply to all participants. You can also change the investments within your account at any time.

***How does the Periodic Payment Program work?***

The program was designed to provide income to you after you terminate employment when you reach age 55 or older, in order to supplement your retirement income from Social Security, employer-sponsored retirement plans and other investments. The basic provisions of the program are:

- Your first payment may be deferred until the year in which you reach age 70-1/2 or you may elect to defer your first payment to April 1 of the year after you reach 70-1/2 but you will receive another annual payment at the end of that same year.
- You may elect monthly or quarterly installments paid over a specific length of time or a specific dollar amount. Or you may elect a Minimum Required Distribution (MRD) based on IRS tables, paid in December of each year. If you are age 70-1/2 or older, your payments over the year must always total at least the amount of your annual MRD.
- Your account continues to share in earnings based upon your investment election.
- Each installment based on a specific length of time will be a pro-rata combination of taxable and non-taxable funds (if any). Installments of a specific dollar amount and MRDs will be paid from non-taxable Pre-87 SIP contributions (if any) first, then from the remaining funds on a pro-rata basis from both non-taxable (if any) and taxable funds.
- You will continue to receive quarterly statements and pertinent information regarding the plan.

If you plan to retire in the near future, you should contact the SIP Administrator a few months in advance for more detailed information regarding the options available to you.

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## **DEATH**

***How will the benefits in my account be paid upon my death?***

In the event of your death before age 70-1/2, the amount due your designated beneficiary will be paid according to your most recent election on file with the SIP Administrator.

Payment to your spouse (if applicable) may be as follows upon receipt of a death certificate:

- In any option available under the plan, as elected by your spouse
- As a lump sum distribution deferred until an age specified by you (not later than April 1 of the year you would have reached age 70-1/2)
- Immediate lump sum distribution
- In monthly or quarterly installments over a period not to exceed the life expectancy of your spouse (see Periodic Payment Program above).

Surviving spouses (and alternate payees under a QDRO) may have their payment paid to them, or may roll over payments (other than installments over a period longer than 10 years) to a traditional IRA or another employer's plan.

Payment to a designated beneficiary who is not your spouse may be paid as taxable distributions or rollover to IRA/qualified plan (see below) as follows:

- As a lump sum distribution, paid upon receipt of a death certificate for the participant
- In annual installments (each January) over a 5-year period
- In monthly or quarterly installments over a period not to exceed 5 years (see Periodic Payment Program above).

If you are a beneficiary other than a surviving spouse or alternate payee, you may roll over a payment to a traditional IRA or have the benefit paid to you. You may not rollover the payment to yourself or to an eligible employer plan. The IRA accepting the transfer must be treated as an inherited/beneficiary IRA, under which benefits must be distributed in accordance with the applicable required minimum distribution rules. You may not rollover the benefits again from the IRA to combine it with another IRA or eligible employer plan. Benefits that are rolled over are not taxable to the non-spouse beneficiary until they are distributed from the IRA. No rollover is available if payments are being made to a participant's estate, and special rules apply to payments to a trust.

At the time of your death, your beneficiary will be contacted regarding the distribution of your account. Payment generally will be made according to the election you had previously made on your Beneficiary Designation Form. Therefore, it is of great importance that your beneficiary designation be current and on file with the SIP Administrator. If no valid beneficiary is on file, your account balance must be distributed within 5 years of the date of your death, according to plan procedures.

## DISABILITY

### *What happens if I become disabled?*

Disabled means total and permanent inability to continue employment with Sargent & Lundy for either physical or mental reasons. In the event that this happens, you will become fully vested in all of your plan accounts, and you will be eligible for the same options as available upon termination of employment or retirement. Determination of disability will be made by the SIP Committee.

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## BENEFICIARY DESIGNATION

### *Must I name a beneficiary?*

In order for the funds in your account to be paid out upon your death according to your wishes, a Beneficiary Designation Form must be completed and on file with the SIP Administrator. The "Form of Payment" section of the beneficiary form must be completed, indicating the method by which your beneficiary will be paid upon your death. If this section is not completed, payment will be made in accordance with plan provisions in effect at the time of your death.

When making this decision, the following information should be considered:

Under the terms of the Retirement Equity Act of 1984, a married (separated is considered as married) participant must designate his/her spouse as sole primary beneficiary. If you wish to designate less than 100% of your account to your spouse, his/her notarized signature consenting to your election must be on file with the SIP Administrator. If you fail to make an election for any reason and are married, be aware that your entire account will be payable to your spouse at the time of your death.

### *Can I add my spouse's name to my account?*

Since the Savings Investment Plan is sponsored by Sargent & Lundy LLC, the account is in your name only. Therefore, it is not the same as a joint savings account and your spouse cannot withdraw funds from the account. In the case of severe illness or disability, withdrawal requests by legal representatives or relatives will be considered by the Plan Committee.

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## FUTURE OF THE PLAN

Although Sargent & Lundy LLC expects the plan to be permanent, business conditions can change and, therefore, it has reserved the right to amend or terminate the plan at any time in the future. Should the plan be terminated, your account balance will be distributed to you in accordance with ERISA.

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## PARTICIPATION RIGHTS AND PROTECTION

### *Claims Procedures*

If you or your beneficiary makes a request for benefits and your request is denied, you may make a written claim with the SIP Administrator for benefits under the plan. Routine requests for information regarding your benefits under the plan and other similar inquiries will not be considered benefit "claims" that require processing under ERISA. If you wish to make a claim for plan benefits in accordance with your rights under ERISA, you must do so in writing to the SIP Administrator.

If your claim for plan benefits is denied for any reason, the SIP Administrator will provide written notification of the denial within 90 days after receiving your claim (or within 180 days if special circumstances require an extension of time and you are notified of the extension). The SIP Administrator's notification of denial will set forth the specific reason(s) for the denial, with reference to the plan provisions on which the denial is based. It will also include a description of any additional information or material necessary to perfect the claim, an explanation of why such information or material is necessary, and describe the procedure for requesting a review of the denial. If the claim for benefits is partially or wholly denied, you or your beneficiary will be entitled to review pertinent plan documents upon request and free of charge.

If you wish, you (or your duly authorized representative) may file a written appeal with the SIP Administrator within 60 days after the date of the denial. The SIP Administrator will furnish you with a written notice of its decision as to the review of your appeal. The SIP Administrator will furnish this notice to you or your beneficiary within 60 days after receiving your request for review (or within 120 days if special circumstances require an extension of time and you are notified of the extension). Benefit claims requiring a finding of disability shall be determined in accordance with Section 503 of ERISA. You may not initiate any action at law or in equity to recover under the plan until you have exhausted the claims and appeals procedures described above. After exhaustion of the plan's claim procedures, as described above, any further legal action taken against the plan or its fiduciaries must be filed in a court of law no later than 90 days after the SIP Administrator's final decision regarding the claim. Benefits under the plan will be paid only if the SIP Administrator determines in its discretion that you or your beneficiary is entitled to them. The SIP Administrator's decision will be final and binding on all parties.

### *Special Claims Procedures for Disability Retirement*

Our determinations regarding disability retirement will be made in the same manner as other applications for benefits except that the SIP Administrator will respond within 45 days after receiving your application. The 45-day period may be extended for two (2) additional periods of up to 30 days each by

notifying you in the same manner described above. Any notice of an extension will specifically explain the standards for making disability determinations, the unresolved issues preventing a decision in your case, and the additional information needed to resolve these issues. You will have 45 days in which to provide the additional information. You may appeal an adverse determination of disability retirement in a manner similar to appeals on other claims, except that you will have 180 days following your receipt of the notice of denial in which to give the SIP Administrator written notice of your appeal. The SIP Administrator will consult with a health care professional with appropriate training in the medical field involved to advise us in any medical judgment and we will identify all medical and vocational experts that advised us in our determination. These medical professionals will be different from and independent of any professionals we consulted at the time of your initial application. The SIP Administrator will respond to your appeal in the same manner as other appeals are responded to except that you will be advised of the decision within 45 days instead of 60 days.

All decisions and communications to participants and beneficiaries (or other claimants) regarding a claim for benefits, denials of claims or claims appeals under the plan shall be held strictly confidential by the participant, his or her beneficiaries (or other claimants), and by Sargent & Lundy, the SIP Committee, the SIP Administrator, and their agents.

A misstatement or other mistake of fact shall be corrected when it becomes known, and the SIP Administrator shall make such adjustment as he or she considers equitable and practicable. For example, if a participant or beneficiary receives a payment from the plan that is greater than the payment that should have been made, or if a person receives an erroneous payment from the plan, the SIP Administrator has the right to recover the excess amount or erroneous payment from the participant, including earnings thereon. In certain circumstances, the SIP Administrator may deduct the amount of the excess or erroneous payment from the participant's or beneficiary's plan account.

#### *What rights do I have under the plan?*

#### **ERISA Rights Statement:**

As a participant in the Savings Investment Plan, you have certain rights and protection under the Employee Retirement Income Security Act of 1974 (ERISA).

### **Receive Information About Your Plan and Benefits**

**ERISA provides that all plan participants shall be entitled to:**

- Examine, without charge, at Sargent & Lundy's offices, all plan documents, 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 Employee Benefits Security Administration.
- Obtain copies of all plan documents, and copies of the latest annual report (Form 5500 Series) and updated summary plan description, upon written request to the SIP Administrator (a reasonable charge will be made for these copies)
- Receive a summary of the plan's annual financial report. The SIP Administrator is required by law to furnish you with a copy of this summary annual report.
- Obtain once a year a statement telling you whether you have a right to receive a benefit at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stopped working under the plan now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to earn a benefit. You must request this statement in writing, but it will be provided free of charge.

#### **Prudent Action by Plan Fiduciaries**

In addition to creating rights for plan participants, ERISA imposes duties upon the persons who are responsible for the operation of the plan. The persons 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 Sargent & Lundy or any other person, may fire you or otherwise discriminate against you in any way that might prevent you from obtaining a benefit or exercising your rights under ERISA.

#### **Enforce Your Rights**

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 materials from the SIP 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 SIP Administrator to provide the materials and pay you up to \$110 per day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the SIP Administrator..
- If you have a claim for benefits that is denied or ignored in whole or part, you may file suit in a state or Federal court.
- In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court.
- If it should happen that the plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

## Assistance With Your Questions

If you have any questions about the plan, you should contact the SIP Administrator. If you have any questions about this statements or about your rights under ERISA you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

### ***Is my account guaranteed by the PBGC?***

Since the Pension Benefit Guarantee Corporation does not extend coverage to defined contribution plans, such as the Savings Investment Plan, your account is not covered by this government agency. Only defined benefit plans are insured by the government.

### ***Plan Administration***

This booklet describes, in non-technical language, the main provisions of the plan in effect on January 1, 2005. The official plan document, which governs the operation of the plan, is kept on file with the SIP Administrator and is available at [www.sargentlundy.com/sip](http://www.sargentlundy.com/sip). Plan benefits are paid only if provided for in the official plan document. If there is any variance between this booklet and the plan document, the plan document will govern. No benefits shall be paid based on the terms of this booklet unless such benefits are provided for under the terms of the plan document.

No employee, officer, director, or agent of Sargent & Lundy LLC or any affiliated employer has the authority to alter, vary, or modify the terms of the plan, except by means of authorized written amendments to the plan. No verbal or written representations contrary to the terms of the plan and its written amendments shall be binding on Sargent & Lundy LLC, any affiliated employer, or the plan.

### ***Effective Date of the Plan***

The original effective date of the plan was January 1, 1981. The plan most recently was restated effective January 1, 1985, and it has been amended from time to time since then.

Participation in the plan does not constitute an employment contract and does not give you the right to be retained in the employment of Sargent & Lundy LLC or any affiliated employer. Nor does it give you a right to a claim to any benefit to which you are not entitled under the terms of the plan. Nothing in this booklet says or implies that participation in the plan is a guarantee of continued employment, nor is it a guarantee that contribution and benefit levels will remain unchanged in future years.

### ***Top-Heavy Provisions and Maximum Contributions***

This plan is subject to federal laws and regulations. One law requires that the plan be tested periodically to see if the account balances of certain owners and executives of Sargent & Lundy LLC represent more than 60% of the total benefits provided by the plan. If so, the plan is considered to be "top heavy". While this plan is not currently top heavy and is not expected to become so, certain special rules will apply if it ever becomes top heavy.

## ADDITIONAL INFORMATION

*Name of Plan:* Sargent & Lundy LLC Savings Investment Plan

*Type of Plan:* Profit-sharing with 401(k) salary reduction feature and 401(m) match, ERISA 404(c) Plan

*Name of Trust:* Sargent & Lundy LLC Savings Investment Trust

*Employer:* Sargent & Lundy LLC, 55 East Monroe Street, Chicago, IL 60603

*Employer Identification Number:* 36-1729848

*Plan Identification Number:* 003

*Plan Year:* January 1 - December 31

*Plan Funding:* Employee and Employer Contributions

*Plan Administrator:* Sargent & Lundy LLC Savings Investment Plan Committee  
55 East Monroe Street  
Chicago, IL 60603  
(Telephone 312-269-2130)

*Agent for Service of Legal Process:* Sargent & Lundy LLC  
55 East Monroe Street  
Chicago, IL 60603  
Attention: K. A. Davis  
(Telephone 312-269-2130)

*Plan Trustee:* Fidelity Investments  
100 Magellan Way  
Covington, KY 41015

*For further information, contact:* Kathleen A. Davis  
SIP Administrator  
(312) 269-2130