APPENDIX E

SAVINGS PLAN AGREEMENT

BETWEEN
SOUTHERN CALIFORNIA GAS COMPANY
AND
UTILITY WORKERS UNION OF AMERICA, AFL-CIO
INTERNATIONAL CHEMICAL WORKERS UNION COUNCIL,
UFCW, AFL-CIO

MARCH 1, 2012

SAVINGS PLAN AGREEMENT

This Agreement, made and entered into at Los Angeles, California, as of this first day of March **2012** by and between Southern California Gas Company, a California corporation, with its principal place of business at 555 West Fifth Street, in said City and State, party of the first part, hereinafter referred to as the "Company" and the Utility Workers Union of America, AFL-CIO, and International Chemical Workers Union Council, UFCW, AFL-CIO, parties of the second part, hereinafter referred to as the "Union".

WITNESSETH:
That it is the intent and purpose of the parties hereto to incorporate herein the provisions of the Company's Retirement Savings Plan, hereinafter referred to as the "Savings Plan," and that this Agreement, arrived at through the process of collective bargaining in the manner provided by law, represents the determination of all issues pertaining directly or indirectly to the subject of retirement savings benefits for employees covered by this Agreement and sets forth herein the agreement relating to such benefits to be observed between the parties hereto and that said parties to this Agreement, acting through their respective duly authorized representatives, promise and agree as follows:

Article I - Scope

The provisions of this Agreement shall apply to all employees who are covered by that certain Agreement between the parties hereto dated March 1**, 2012**, covering rates of pay, hours of work, and conditions of employment, or by said Agreement as it may be subsequently modified, or by any superseding agreement.

Article II – Retirement Savings Plan

The provisions of the "Retirement Savings Plan, Amended and Restated as of January 1, 2008, which is included herein as Exhibit A and made a part hereof by reference, shall be applicable during the term of this Agreement without revision, except as provided under Article III herein, to all employees who are covered by this Agreement.

Article III - Modification

Should the Department of Labor or the Internal Revenue Service of the United States, or any other agency, board, commission, or bureau having jurisdiction over such matters, disapprove or require any changes in the provisions of this Agreement, or should any law require such changes, the parties hereto agree **that the Company will make any and all necessary** modifications **to the Retirement Savings Plan to ensure compliance with federal law and regulations**. The Company retains the right to modify the Plans for retirees and for employees to whom this Agreement does not apply under Article I herein.

Article IV – Term

This Agreement shall be effective from March 1, **2012** to and including September 30, **2015**.

EXHIBIT A

AMENDMENT AND RESTATEMENT

OF THE

SOUTHERN CALIFORNIA GAS COMPANY
RETIREMENT SAVINGS PLAN

(Effective as of January 1, 2008)

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AMENDMENT AND RESTATEMENT
OF THE
SOUTHERN CALIFORNIA GAS COMPANY
RETIREMENT SAVINGS PLAN

(Effective as of January 1, 2008)

The Southern California Gas Company Retirement Savings Plan (the "Plan") provides employees of Southern California Gas Company (the "Company") and certain of its subsidiaries with retirement benefits to supplement benefits provided under the Southern California Gas Company Pension Plan. Under the Plan, employees may make regular savings investments through payroll deduction. The Employer (as defined below) will also make contributions to the Plan.

The Plan shall constitute: (i) a stock bonus plan under Section 401 of the Internal Revenue Code of 1986, as amended (the "Code"), (ii) a qualified cash or deferred arrangement under Section 401(k) of the Code, (iii) an individual account plan under Section 407(d)(3) of ERISA (as defined below), and (iv) with respect to the portion of the Plan consisting of the Employee Stock Accounts (as defined below), a plan that satisfies the requirements of an employee stock ownership plan, as defined in Section 4975(e)(7) of the Code, and which is designed to invest primarily in employer securities. The Plan, together with the Sempra Energy Employee Stock Ownership Plan (as amended from time to time, the "ESOP"), which is a plan intended to constitute an employee stock ownership plan, as defined in Section 4975(e)(7) of the Code, and which is designed to invest primarily in employer securities, constitute two qualified plans under the Code that are integrated and work in conjunction with each other. The Participants in the Plan may make Pre-Tax Contributions (as defined below) and After-Tax Contributions (as defined below) to the Plan. The Employer shall make Matching Contributions (as defined below) to the Plan and to the ESOP in respect of the Pre-Tax Contributions and After-Tax Contributions made by Participants under the Plan. Also, the Employer may make Employer Incentive Contributions (as defined below) to the Plan.

Employer Matching Contributions are made by the Employer directly to the Plan and credited to a Participant's Employer Contributions Account. In addition, Employer Matching Contributions are made by the Employer to the ESOP and such Employer Matching Contributions are used by the ESOP to repay a loan that is exempt under Section 4975(d)(3) of the Code, and shares of Stock (as defined below) are allocated to each Participant's account under the ESOP as such exempt loan is repaid. Shares of Stock allocated to a Participant's account under the ESOP are then transferred in a transfer of assets and liabilities, in accordance with Section 414(l) of the Code, to such Participant's Employer Contributions Account. The shares of Stock transferred to a Participant's Employer Contributions Account comprise part of the Plan, which is a stock bonus plan and an employee stock ownership plan.

The Plan has been amended in several respects, was amended and restated effective as of January 1, 2001, was subsequently amended in several respects, and is hereby amended, restated and continued, effective as of January 1, 2008, unless otherwise specified herein.

Section 1. Scope

This Plan applies to all Participants in the Plan on January 1, 2008, or Employees who become eligible thereafter, unless otherwise specified herein. This Plan shall be integrated with and maintained in conjunction with the ESOP, and as such, the applicable provisions of the ESOP are incorporated herein by this reference.

Section 2. Definitions

All capitalized terms used in this Plan shall have the meanings set forth in this Section 2, unless the context clearly indicates otherwise or such terms are not defined in this Section 2.

(a) **"Accounts"** means the following Accounts which may be maintained under this Plan for Participants, adjusted in each case for such Account's share in the increase or decease in the net worth of the Trust:

(1) After-Tax Account means the separate account maintained for each Participant to which his After-Tax Contributions, if any, made pursuant to Section 4(c) shall be credited.

(2) Pre-Tax Account means the separate account maintained for each Participant to which his Pre-Tax Contributions made pursuant to Section 4(a) shall be credited.

(3) Employee Stock Accounts means the sub-accounts of a Participant's Employer Contributions Account, Pre-Tax Account, After-Tax Account, Qualified Non-Elective Contribution Account and/or Rollover Account, which reflects that portion of such Accounts which are invested in the Stock Investment Fund (as defined in Section 7).

(4) Employer Contributions Account means the separate account maintained for each Participant to which his Employer Contributions, if any, made pursuant to Section 5 shall be credited.

(5) Qualified Non-Elective Contribution Account means the separate account (if any) maintained for each Participant to which Qualified Non-Elective Contributions, if any, made pursuant to Section 5 or 6 shall be credited.

(6) Rollover Account means the separate account maintained for each Participant to which his Rollover, if any made pursuant to Section 4(g) shall be credited.

Participants shall be fully vested in and shall have non-forfeitable rights to their Accounts at all times.

(b) **"Administrator"** means the Company or such administrative committee as designated by the Company to act as the administrator of the Plan. The Administrator shall be the "named fiduciary" within the meaning of ERISA.

(c) "**After-Tax Contributions**" means contributions to the Plan on an after-tax basis by a Participant.

(d) "**Base Earnings**" means, for any period, an Eligible Employee's Earnings less overtime pay, merit pay and pay under lump sum or other incentive compensation programs.

(e) **"Beneficiary"** means in the case of a married Participant, his surviving spouse, unless the spouse has consented to the naming of another Beneficiary as set forth below, and in the case of an unmarried Participant, the person or persons last designated by the Participant on a form prescribed by the Company to receive any distributions under the Plan after the Participant's death. No designation of Beneficiary shall be effective until delivered to the Company during the Participant's lifetime. If there is no Beneficiary living at the time of a Participant's death, the estate of the deceased Participant shall be the Beneficiary. A designation by a married Participant of a Beneficiary other than the Participant's spouse shall be invalid, unless the spouse consents in writing to such designation, and the spouse's consent acknowledges the effect of the election and is witnessed by a Plan representative or a notary public. Any consent by a spouse under the preceding sentence shall be effective only with respect to such spouse.

(f) "**Committee**" means the Sempra Energy Benefits Committee.

(g) **"Company"** means Southern California Gas Company, a California corporation and any successor entity thereto.

(h) "**Direct Rollover**" means a direct payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

(i) "**Distributee**" means: (1) a Participant, (2) surviving spouse of a Participant, (3) a spouse or former spouse of a Participant who is an Alternate Payee under a Qualified Domestic Relations Order, or (4) for purposes of Section 15(c)(4), a nonspouse Beneficiary of a deceased Participant or former Participant.

(j) **"Distribution"** means the payment of benefits upon the retirement, death or other termination of Service of any Participant, as provided in Sections 12, 13, 14, and 15.

(k) **"Earnings"** means, for any period, an Eligible Employee's regular basic straight time earnings, as reported on the Employer's United States payroll, which such Eligible Employee receives for his Employment, plus the amount of Pre-Tax Contributions for such period, as determined under rules established by the Administrator from time to time. Earnings shall not include compensation in excess of the dollar limitation then in effect under Code Section 401(a)(17) as adjusted for cost of living pursuant to Code Section 415(d). Earnings shall include the annualized award from the Incentive Compensation Programs listed in Table 1 of Appendix A, Earnings shall also include overtime pay.

(l) **"Eligible Employee"** means each Employee paid on an Employer's United States payroll. Notwithstanding anything in the Plan to the contrary, an individual is not an Eligible Employee if he or she is:

(1) a member of a collective bargaining unit covered by a collective bargaining agreement, unless such agreement provides for coverage of the members of the collective bargaining unit under the Plan,

(2) a nonresident alien who receives no earned income from an Employer constituting income from sources within the United States, or

(3) employed outside the United States and is not on an Employer's U.S. payroll, unless the Committee designates such Employee or the group of Employees of which such Employee is a member as eligible to participate in the Plan.

(m) **"Eligible Retirement Plan"** means an individual retirement account (described in Code Section 408(a)), an individual retirement annuity (described in Code Section 408(b)), an annuity plan (described in Code Section 403(a)), a qualified trust (described in Code Section 401(a)). However, in the case of a direct rollover by a surviving spouse, an "Eligible Retirement Plan" shall mean only an individual retirement account or an individual retirement annuity. An "Eligible Retirement Plan" shall also mean an annuity contract described in Section 403(b) of the Code and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. The definition of "Eligible Retirement Plan" shall also apply to the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in Section 414(p) of the Code.

(n) "**Eligible Rollover Distribution**" means any distribution of all or any portion of a Participant's or former Participant's Accounts to a Distributee; provided, however, that Eligible Rollover Distribution shall not include any distribution:

(1) that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's Beneficiary;

(2) that is paid for a specified period of ten years or more;

(3) that is part of a series of distributions during a calendar year to the extent that such distributions are expected to total less than $200 or a total lump sum distribution which is equal to less than $200, as described in Treasury Regulation Section 1.401(a)(31)-1, Q/A-11;

(4) to the extent such distribution is required under Code Section 401(a)(9) of the Code;

(5) to the extent such distribution is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities);

(6) that is a distribution of cash dividends under Section 9(c)(i) or (ii); or

(7) that is made on account of Hardship as defined in Section 17(d).

A portion of a distribution shall not fail to be an "Eligible Rollover Distribution" merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(o) **"Employee"** means an individual who is employed as a common law employee of an Employer. Notwithstanding anything contained herein to the contrary, specifically excluded from the definition of "Employee" shall be any individual who is hired or retained by the Employer pursuant to: (1) a written personal services agreement, independent contractor agreement or consulting agreement (unless such agreement specifically provides for participation, either in this Plan specifically or employee benefit plans generally), (2) an agreement with an entity, including leasing organization with the meaning of Section 414(n)(2) of the Code, that is not an Employer or a Related Entity, or (3) an agreement that contains a waiver of participation in the Plan. An individual who is described in the immediately preceding sentence and is determined (by judicial action or otherwise) to be a common law employee of an Employer shall not be included in the definition of "Employee," notwithstanding such determination, or otherwise eligible to participate in or receive benefits under the Plan. An individual's status as an "Employee" shall be determined by the Employer and all such determinations shall be conclusive and binding on all persons. A Leased Employee shall be treated as an "Employee" to the extent required by Section 414(n) of the Code.

(p) **"Employer"** means the Company and any other Related Entity which, with the consent of the Company's Board of Directors, shall adopt this Plan for its employees. "Employer" when used in this Plan shall refer to adopting entities either individually or collectively, as the context may require.

(q) **"Employer Contributions"** means Employer Matching Contributions and Employer Incentive Contributions.

(r) **"Employer Incentive Contributions"** means the contributions made by the Employer to the Plan in accordance with Section 5(b).

(s) **"Employer Matching Contributions"** means the contributions made by the Employer to the Plan in accordance with Section 5(a).

(t) **"Employment"** means employment by the Company or any Related Company.

(u) **"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended.

(v) **"Highly Compensated Employee"** includes highly compensated active employees and highly compensated former employees of the Employer and the Related Entities.

A highly compensated active employee includes any employee who performs service for the Employer or any Related Entity during the determination year and who, during the look back year: (i) received compensation from the Employer and the Related Entities in excess of $80,000 (as adjusted pursuant to Section 415(d) of the Code) and was a member of the top-paid group for such preceding year; or (ii) who is a 5% owner of the Employer or any Related Entity at any time during the look-back year or determination year.

For this purpose, the determination year shall be the Plan Year. The look-back year shall be the twelve-month period immediately preceding the determination year.

A highly compensated former employee includes any employee of the Employer or any Related Entity who separated from service (or was deemed to have separated) prior to the determination year, performs no service for the Employer or any Related Entity during the determination year, and was a highly compensated active employee for either the separation year or any determination year ending on or after the employee's 55th birthday.

The determination of who is a Highly Compensated Employee, including the determinations of the number and identity of employees in the top-paid group, shall be made in accordance with Section 414(q) of the Code and the regulations thereunder.

Each employee of the Employer or any Related Entity who is not a Highly Compensated Employee for a determination year shall be a "Non-Highly Compensated Employee."

(w) "**Hour of Service**" means each hour for which an Employee is paid or entitled to payment on account of (1) performance of duties, including overtime, (2) reasons other than performance of duties, or (3) an award or agreement for back pay, irrespective of mitigation of damages. "Hours of Service" shall not be credited under both (3) and (1) or (2). "Hours of Service" shall include under (2) each hour for which an employee is eligible to receive long term disability benefits under an Employer's or Related Entity's disability benefit plan. For nonperformance of duties, an employee shall be credited for Hours of Service based upon the number of his regularly scheduled working hours. "Hours of Service" shall be credited to the computation period in which the duties are performed in the case of (1) above, in which duties are not performed in the case of (2) above, or to the computation period to which the award or agreement for back pay pertains in the case of (3) above. To the extent not covered above, for nonperformance of duties, "Hours of Service" and the computation period to which they shall be credited shall be determined in accordance with Department of Labor Regulation Section 2530.200b-2(b) and (c).

(x) **"Investment Funds"** means, collectively or singly as the context requires, the Stock Fund, the Growth and Equity Funds, the Income Funds, the Risk Adjusted Funds, the Life Cycle Funds and the Brokerage Window, which are separate portions of the Trust described in Section 7.

(y) **"Leased Employee"** means any person who would not otherwise be considered an Employee but who performs services under the primary direction or control of the Employer or a Related Entity pursuant to an agreement between the Employer or the Related Entity and any other entity, on a substantially full-time basis for a period of at least one year, as determined in accordance with Section 414(n) of the Code.

(z) **"Normal Retirement Date"** means the first day of the calendar month next following the Participant's 65th birthday.

(aa) **"Participant"** means an Employee or former Employee who met the eligibility requirements, commenced participation in the Plan and has an Account balance.

(bb) **"Payroll Period"** means the two week period specified on each paycheck.

(cc) **"Plan Year"** means the calendar year.

(dd) "**Pre-Tax Contributions**" of a Participant means the Earnings that such Participant elects to have his or her Employer withhold and contribute to the Plan, on his or her behalf, pursuant to Section 401(k) of the Code.

(ee) **"Qualified Domestic Relations Order"** means any judgment, decree or order (including approval of a property settlement agreement) made pursuant to a State domestic relations law (including a community property state) which relates to the provision of child support, alimony payments, or marital property rights to a spouse, former spouse, child, or other dependent ("**Alternate Payee**") of a Participant and which otherwise meets the requirements of Section 401(a)(13) of the Code.

(ff) **"Qualified Non-Elective Employer Contribution"** means the contributions made by the Employer to the Plan in accordance with Section 6(c)(2)(C).

(gg) **"Related Entity"** means an Employer and any other corporation, firm or other enterprise on or after the date that such corporation or business, along with the Company, is a member of a controlled group of corporations as defined in Section 414(b) of the Code, is a member of a group of trades or businesses under common control as defined in Section 414(c) of the Code, is a member of an affiliated service group as defined in Section 414(m) of the Code, or is otherwise required to be treated as a single employer pursuant to regulations promulgated under Section 414(o) of the Code.

(hh) **"Related Plan"** means a plan established by a Related Company, the provisions of which are similar to the provisions of this Plan and the contributions to which are paid into the Trust established under this Plan.

(ii) **"Rollover"** means amounts transferred to the Trust on behalf of a Participant in accordance with subsection 4(g).

(jj) **"Settlement Date"** means the later of the Participant's last day of Employment or the date upon which the requisite distribution forms in respect to the distribution of the Participant's Accounts are received in good order by the Administrator.

(kk) **"Stock"** means the common stock of Sempra Energy and any qualifying employer security as defined in Section 407(d)(5) of ERISA and Section 4975(e)(8) of the Code.

(ll) **"Trust"** means the assets of the Plan divided into separate Investment Funds and held in accordance with the provisions of the trust agreement and the Plan.

(mm) **"Trustee"** means the bank or trust company acting as trustee of the Trust established under the Plan pursuant to a trust agreement entered into by the Company and such Trustee.

(nn) **"Valuation Date"** shall be the last day of the month and any other date as deemed necessary or appropriate by the Company.

(oo) **"Withdrawal"** means the withdrawal of benefits before termination of a Participant's Service as provided in Sections 16, 17, 18 and 19.

(pp) **"Year of Service**" means any consecutive twelve-month period, commencing on the Employee's Employment commencement date or any anniversary thereof, in which the Employee is credited with at least 1,000 Hours of Service. An Employee shall be credited with a Year of Service on the last day of any such consecutive twelve-month period.

Section 3. Eligibility, Participation and Transfer

(a) Eligibility and Participation

Each Eligible Employee is eligible to participate in the Plan (but is not required to do so), provided such individual is not eligible to participate in a similar plan maintained by the Company or any Related Entity. An Eligible Employee shall become a Participant on the first day following the day he becomes eligible under the preceding sentence, provided that the Eligible Employee delivers to the Administrator an enrollment application on a form prescribed by the Administrator. Participation will continue as long as the Eligible Employee continues to meet the eligibility requirements specified in this section.

Notwithstanding anything contained herein to the contrary, specifically excluded from eligibility shall be any individual who is hired or retained by the Company or any Related Entity, pursuant to a written employment agreement, personal services agreement, independent contractor agreement or consulting agreement, unless such agreement specifically provides for participation, either in this Plan specifically or employee benefit plans generally.

Any individual who is not an employee of the Employer or a Related Entity is not eligible to participate in the Plan even if such individual is treated as a Leased Employee for certain qualified retirement plan purposes under Section 414(n) of the Internal Revenue Code.

A Participant who ceases to be an Eligible Employee shall become an inactive Participant and will cease to be eligible to make Pre-Tax Contributions, After-Tax Contributions and Rollovers under Section 4 and shall cease to be eligible to receive allocations of Employer Contributions under Section 5. If such Participant subsequently becomes an Eligible Employee, such Participant shall become eligible to make Pre-Tax Contributions, After-Tax Contributions and Rollovers under Section 4 and become eligible to receive allocations of Employer Contributions under Section 5.

(b) Transfer

If a participant transfers to another member of the Related Entity said Participant's account shall automatically transfer to the plan of such Related Entity.

Section 4. Pre-Tax Contributions, After-Tax Contributions and Rollovers

(a) Pre-Tax Contributions

(1) By making an election as prescribed in Section 4(d), each Participant may have his Employer withhold any whole percentage of his Earnings (not exceeding 50% of his Earnings) that would otherwise be payable for each payroll period and to contribute such amounts as Pre-Tax Contributions to the Plan.

(2) Notwithstanding Section 4(a)(3) below, by making an election as prescribed in Section 4(d), each Participant who is not a union represented Employee and who has elected to make Pre-Tax Contributions under Section 4(a)(1) may elect automatic increases in the percentage of Earnings selected by such Participant under Section 4(a)(1). Such Participant's selected percentage shall be increased by 1% on each May 1 after such Participant elects automatic increases, until such Participant's percentage of Pre-Tax Contributions is 50% of Earnings, or as otherwise elected by such Participant. No Participant's automatically increased elections of Pre-Tax Contributions shall exceed 50% of Earnings.

(3) The foregoing notwithstanding, the maximum total Pre-Tax Contributions by a Participant who is a union represented Employee shall be governed by the applicable collective bargaining agreement. Currently, the maximum total Pre-Tax Contributions of such a Participant are subject to a limit of 25% of such Participant's Earnings. In addition, such a Participant may not elect automatic increases in the percentage of Earnings selected under Section 4(a)(1).

(b) Automatic Pre-Tax Contributions

An Eligible Employee who neither elects a percentage of Pre-Tax Contributions, nor elects not to participate in the Plan, shall be deemed to have elected to make Pre-Tax Contributions in an amount equal to 3% of his or her Earnings. Such automatic election to make Pre-Tax Contributions shall take effect as soon as reasonably practicable, but no less than 30

days after such Eligible Employee's commencement of Employment. Such Eligible Employee shall become a Participant upon the commencement of his or her Pre-Tax Contributions. Such Participant's Pre-Tax Contributions shall be invested in the Investment Fund designated by the Administrator from time to time. Such Participant shall be provided with a subsequent opportunity to elect a different percentage of Pre-Tax Contributions (or elect not to make Pre-Tax Contributions) and Investment Funds, as applicable.

Such Participant's automatic election of Pre-Tax Contributions shall be increased by 1% on May 1, 2007, or on each May 1 thereafter, until such Participant's percentage of Pre-Tax Contributions is 6% of Earnings, or as otherwise elected by such Participant. No Participant's automatic elections of Pre-Tax Contributions shall exceed 6% of Earnings.

(c) After-Tax Contributions

(1) Each Participant shall be entitled to make After-Tax Contributions in lieu of, or in addition to, his Pre-Tax Contributions; provided, that, in no event shall the sum of his or her Pre-Tax Contributions and After-Tax Contributions exceed 50% of a Participant's Earnings.

(2) The foregoing notwithstanding, the maximum total Pre-Tax Contributions and After-Tax Contributions by a Participant who is a union represented Employee shall be governed by the applicable collective bargaining agreement. Currently, the maximum total Pre-Tax Contributions and After-Tax Contributions of such a Participant are subject to a combined limit of 25% of such Participant's Earnings.

(d) Election and Changes in After-Tax Contributions and Pre-Tax Contributions

A Participant's election to have his or her Employer make Pre-Tax Contributions under Section 4(a) shall be made by the Participant's execution of a payroll agreement, on a form prescribed by the Administrator, in which the Participant agrees to a reduction in the Earnings otherwise payable to him or her equal to the selected percentage in consideration of his or her Employer's agreement to contribute such amount to the Plan on his behalf. Such Participant's payroll agreement may provide for automatic increases in the selected percentage in accordance with Section 4(a)(2). A Participant's election to make After-Tax Contributions under Section 4(c) shall be made by the Participant's execution of a payroll agreement, on a form prescribed by the Administrator. A Participant may make his or her initial Pre-Tax Contributions and After-Tax Contributions or may increase or decrease the percentage of his or her Pre-Tax Contributions and After-Tax Contributions, as applicable, within the percentages permitted in this Section 4, by giving the Administrator written, electronic or telephonic notice in such written, electronic or telephonic form as is prescribed by the Administrator. Changes will generally be effective with the first payroll following receipt of the change. A Participant may suspend making After-Tax Contributions or Pre-Tax Contributions, or both, by notice to the Administrator in such written, electronic or telephonic form as is prescribed by the Administrator. A Participant may resume making Pre-Tax Contributions or After-Tax Contributions, or both, by giving the Administrator telephonic or written notice in such a form prescribed by the Administrator.

(e) Limitation Exception

Notwithstanding the above, if a Participant's elected Pre-Tax Contributions will result in Pre-Tax Contributions in excess of the limitations set forth in Sections 6(b) and 6(c)(1), the Administrator may recharacterize all or a portion of such Participant's elected Pre-Tax Contributions as After-Tax Contributions in such amount as is necessary to avoid exceeding such limitation, but only if such recharacterization shall not cause the limits of Section 6(d) to be exceeded. Pre-Tax Contributions which are recharacterized as After-Tax Contributions under this Section 4(e) shall be maintained in the same account as other After-Tax Contributions under Section 4(c) except that, After-Tax Contributions which are recharacterized hereunder shall not limit the maximum After-Tax Contributions which otherwise may be made pursuant to Section 4(c).

(f) Delivery to Trustee

The Company shall deliver Pre-Tax Contributions and After-Tax Contributions to the Trustee as soon as practicable following the payday on which the Pre-Tax Contributions and After-Tax Contributions are withheld, but no later than the 15th day of the month following the end of the month in which Pre-Tax Contributions and After-Tax Contributions were withheld.

(g) Rollovers from Other Plans

A Participant may rollover into the Trust an Eligible Rollover Distribution from an Eligible Retirement Plan pursuant to such procedures as the Administrator may establish. The Administrator shall develop such procedures, and may require such information from a Participant desiring to make such a Rollover, as it deems necessary or desirable to determine that the proposed transfer will meet the requirements of this Section 4(g). Upon approval by the Administrator, the amount rolled over shall be deposited in the Trust fund and shall be credited to the Participant's Rollover Account. A Participant's Rollover Account shall be 100% vested and shall share in income allocations hereunder, but shall not share in Employer Contributions.

An Eligible Employee who is not a Participant may rollover into the Trust an eligible rollover distribution from an Eligible Retirement Plan pursuant to such procedures as the Administrator may establish.

The Plan shall accept rollover contributions and direct rollovers by a Participant of distributions made from the type of plans specified as follows, provided that such rollover contributions and direct rollovers satisfy the applicable requirements of the Code:

(1) Direct Rollovers. The Plan shall accept a direct rollover of an eligible rollover distribution, as defined in Section 402(c)(4) of the Code, from: a qualified plan described in Section 401(a) or 403(a) of the Code, including after-tax employee contributions; and an eligible plan under Section 457(b) of the Code which is maintained by a state political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

(2) Participant Rollover Contribution from Other Plans. The Plan shall accept a contribution by a Participant of an eligible rollover distribution, as defined

in Section 402(c)(4) of the Code, from: a qualified plan described in Section 401(a) or 403(a) of the Code; an annuity contract described in Section 403(b) of the Code; and an eligible plan under Sections 457(b) of the Code which is maintained by a state, political subdivision of a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

(3) Participant Rollover Contributions from IRAs. The Plan shall accept a rollover contribution by a Participant of the portion of a distribution from an individual retirement account or annuity described in Section 408(a) or 408(b) of the Code that is eligible to be rolled over and would otherwise be includible in gross income.

(h) Earnings Eligible for Pre-Tax Contributions

(1) A Participant's election to make Pre-Tax Contributions shall only be made with respect to Earnings that are not currently available, as defined in Treasury Regulation Section 1.401(k)-1(a)(3)(iv), to the Participant on the date of the election, and the contribution of the Employer with respect to a Participant's Pre-Tax Contributions shall be made after the Participant's election. The contribution of the Employer with respect to a Participant's Pre-Tax Contributions shall be made after the Participant's performance of service with respect to which the contributions are made (or when the cash or other taxable benefit would be currently available, if earlier). The timing of contributions of the Employer shall not be treated as failing to satisfy the requirements of the next preceding sentence merely because contributions for a pay period are occasionally made before the services with respect to that pay period are performed, provided that the contributions are made early in order to accommodate bona fide administrative considerations and are not paid early with a principal purpose of accelerating deductions.

(2) A Participant's Pre-Tax Contributions shall only be made with respect to Earnings that constitute Section 415 Compensation, as defined in Section 6(a)(2). A Participant who is not in qualified military service (as that term is defined in Section 414(u) of the Code) shall not make Pre-Tax Contributions with respect to an amount paid after severance from Employment unless the amount is paid within 2½ months following such Participant's severance from Employment and is described in Treasury Regulation Section 1.415(c)-2(e)(3)(ii).

Section 5. Employer Contributions

(a) Employer Matching Contributions

The Employer shall make an Employer Matching Contribution for each Payroll Period on behalf of each Participant who has been credited with a Year of Service equal to 50% of the sum of the Pre-Tax Contributions and After-Tax Contributions, if applicable, by or on behalf of the Participant for such Payroll Period, to the extent such sum of Pre-Tax Contributions and After-Tax Contributions does not exceed 6% of the Participant's Base Earnings for such Payroll Period. Employer Matching Contributions shall be made for a Participant beginning with the first Payroll Period in which such Participant is credited with a Year of Service. The

Employer shall make such Employer Matching Contributions to the Plan, the ESOP, or in part to the Plan and in part to the ESOP.

(b) Employer Incentive Contribution

For each Plan Year, the Company shall establish targets and goals for the award of an Employer Incentive Contribution. Such Employer Incentive Contribution may be determined as an aggregate dollar amount, an amount equal to 0% to 1% of the total Base Earnings of all Participants entitled to an allocable share of such Employer Incentive Contribution, or on such other basis as the Board of Directors of the Company determines in its discretion. If the set goals and targets are reached in accordance with the terms of the Employer Incentive Contribution guidelines to be established a Plan Year, each Participant who (i) is employed as an Eligible Employee on the last day of such Plan Year, and (ii) is not an Employee whose terms of Employment are governed by a collective bargaining agreement shall receive an allocation of such Employer Incentive Contribution, which shall equal a uniform percentage of each such Participant's Base Earnings. The Employer Incentive Contribution shall be made from the Employer's current or accumulated earnings, as computed in accordance with accepted accounting practices, before deduction of federal income taxes and reserves for contingencies, if any, other than reasonable reserves of a type of character allowed or allowable as deductions for federal income tax purposes and before deduction of any contributions hereunder.

(c) Form of Contributions

At the sole discretion of the Company, contributions under this Section shall be made in Stock or cash, or any combination thereof. Cash contributions, if any, shall be immediately invested in Stock.

Employer Incentive Contributions shall be made in cash, and shall at all times be invested in accordance with each Participant's election for the investment of Pre-Tax Contributions in accordance with Section 7(b).

Section 6. Limitations

Notwithstanding anything contained herein to the contrary, After-Tax Contributions, Pre-Tax Contributions and Employer Contributions (including Qualified Non-Elective Contributions) shall be limited as follows:

(a) Limitation under Section 415 of the Code

(1) The total amount of Annual Additions that may be made with respect to any Participant for any calendar year shall not exceed the lesser of:

(A) $40,000, as adjusted to take into account increases in the cost of living in accordance with Section 415(d) of the Code and Treasury Regulation Section 1.415(d)-1(b), or

(B) 100% of the Participant's Section 415 Compensation for the calendar year.

The limitation under subparagraph (B) shall not apply to any contribution for medical benefits described in Treasury Regulation Section 1.415(c)-1(e).

(2) For purposes of this Section 6(a) only, the term "**Section 415 Compensation**" shall mean the Participant's compensation within the meaning of Section 415(c)(3) of the Code and include all items of remuneration described in Treasury Regulation Section 1.415(c)-2(b) and exclude the items of remuneration described in Treasury Regulation Section 1.415(c)-2(c) for a calendar year for personal services actually rendered in the course of employment with his Employer or a Related Entity. A Participant's Section 415 Compensation shall not exceed the dollar limitation in effect for the limitation year under Section 401(a)(17) of the Code (as adjusted pursuant to Section 401(a)(17)(B) of the Code and Treasury Regulation Section 1.401(a)(17)-1). A Participant's Section 415 Compensation shall be determined in accordance with Treasury Regulation Section 1.415(c)-2.

(3) In order to be taken into account as the Participant's Section 415 Compensation for a limitation year, compensation within the meaning of Section 415(c)(3) of the Code and Treasury Regulation Section 1.415(c)-2 must be actually paid or made available to the Participant (or, if earlier, includible in the gross income of the Participant) within the limitation year in accordance with Treasury Regulation Section 1.415(c)-2(e)(1)(i). Except as otherwise provided in Treasury Regulation Section 1.415(c)-2(e), in order to be taken into account for a limitation year, compensation within the meaning of Section 415(c)(3) of the Code must be paid or treated as paid to the Participant in accordance with Treasury Regulation Section 1.415(c)-2(e)(1)(i) prior to the Participant's severance from employment with the Employer and the Related Entities. Notwithstanding the preceding sentence, in accordance with Treasury Regulation Section 1.415(c)-2(e)(3), the following types of post-severance from employment compensation shall not be excluded from a Participant's Section 415 Compensation, if such compensation amounts are paid by the later of 2 ½ months after the Participant's severance from employment with the Employer and the Related Entities, or the end of the limitation year that includes the date of such severance from employment:

(A) An amount if:

(I) the payment is regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, and

(II) the payment would have been paid to the Participant prior to a severance from employment if the Participant had continued in employment with the Employer or a Related Entity, or

(B) An amount if:

(I) the payment for unused accrued bona fide sick, vacation, or other leave, but only if the Participant would have been able to use the leave if the Participant's employment had been continued, and

(II) the payment would have been included in the Participant's Section 415 Compensation if such payment were paid prior to the Participant's severance from employment with the Employer and the Related Entities.

Any payment that is not described in the preceding sentence shall be excluded from the Participant's Section 415 Compensation if paid after severance from employment, even if it is paid within the time period described in Treasury Regulation Section 1.415(c)-2(e)(3)(i). Thus, in accordance with Treasury Regulation Section 1.415(c)-2(e)(3)(iv), a Participant's Section 415 Compensation shall not include severance pay, or parachute payments within the meaning of Section 280G(b)(2) of the Code, if they are paid after severance from employment, and shall not include post-severance payments under a nonqualified unfunded deferred compensation plan unless the payments would have been paid at the time without regard to the severance from employment.

(4) The "**Annual Additions**" with respect to a Participant for any calendar year shall be the sum of the amounts credited to a Participant's Accounts from forfeitures and contributions to the Trust by the Employer or a Related Entity on behalf of the Participant under this Plan, or under a qualified defined contribution plan of the Employer or a Related Entity, for that calendar year, plus the amount of any contributions by the Participant under this Plan or under a qualified defined contribution plan of the Employer or a Related Entity, for that calendar year. A Participant's Annual Additions shall not include any catch-up contribution of such Participant made in accordance with Section 414(v) of the Code and Treasury Regulation Section 1.414(v)-1. A Participant's Annual Additions shall be determined in accordance with Treasury Regulation Sections 1.415(c)-1(b) and 1(f).

(5) For purposes of applying the limitations of this Section 6(a), in accordance with Treasury Regulation Section 1.415(f)-1, all qualified defined contribution plans maintained by the Employer and a Related Entity including the ESOP, shall be treated as one defined contribution plan, and a Participant's annual additions to all such other plans shall be aggregated with the Participant's annual additions to this Plan for purposes of this limitation, except that in the case of the ESOP, the combined limitation shall be the limitation specified in the ESOP, if larger. For purposes of this Section 6(a), "**Related Entity**" shall be determined in accordance with Section 415(h) of the Code and Treasury Regulations issued thereunder.

(b) Limitations under Section 402(g) of the Code

No Participant shall be permitted to make Pre-Tax Contributions (excluding Catch-Up Contributions, if any) to this Plan or elective deferrals of any plan of the Employer or a Related Entity during any calendar year that, in the aggregate, exceed the dollar limitation in effect for such calendar year under Section 402(g) of the Code.

(c) Limitations under Section 401(k) of the Code

(1) The Pre-Tax Contributions contributed to the Plan for each Plan Year shall satisfy one of the following limits:

(A) The Average Actual Deferral Percentage for Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Deferral Percentage for Participants who are Non-Highly Compensated Employees for the Plan Year, multiplied by 1.25; or

(B) The Average Actual Deferral Percentage for Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Deferral Percentage for Participants who are Non-Highly Compensated Employees for the Plan Year by more than two percentage points, and the Average Actual Deferral Percentage for Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Deferral Percentage for Participants who are Non-Highly Compensated Employees for the Plan Year, multiplied by 2.

(2) Definitions. For purposes of this Section 6(c), the following definitions shall be used:

(A) **"Actual Deferral Ratio"** or "**ADR**" of a Participant shall mean the ratio (expressed as a percentage and calculated to the nearest hundredth of a percentage point) of the sum of the Participant's Pre-Tax Contributions for the Plan Year and the Qualified Non-Elective Contributions, if any, made on behalf of a Participant for the Plan Year, determined under subparagraph (C), to the Participant's Compensation for the Plan Year.

(B) **"Average Actual Deferral Percentage"** of a group of Participants shall mean the average (expressed as a percentage and calculated to the nearest hundredth of a percentage point) of the Actual Deferral Percentages of the Participants in the group.

(C) **"Qualified Non-Elective Contributions"** or "**QNECs**" shall mean Employer Contributions and/or other employer contributions which satisfy the requirements of a qualified non-elective contribution under Treasury Regulation Section 1.401(k)-6 and are taken into account for purposes of determining the Actual Deferral Percentage of a Participant.

(D) "**Compensation"** of a Participant shall mean such Participant's compensation, as defined in Treasury Regulation Section 1.415-2(d)(11)(i), plus by all pre-tax amounts described in Treasury Regulation Section 1.414(s)-1(c)(4). The compensation of a Participant for a Plan Year in excess of the dollar limitation in effect under Section 401(a)(17) of the Code (as adjusted pursuant to Section 415(d) of the Code) shall not be taken into account for purposes of this Section 6(c).

(E) For purposes of Section 6(c)(2)(A), a Participant's Pre-Tax Contributions shall not include the Participant's Catch-Up Contributions (if any) for such Plan Year, as provided under Treasury Regulation Section 1.401(k)-2(a)(5)(iii). Also, for purposes of Section 6(c)(2)(A), a Participant's Pre-Tax Contributions shall not include any additional Pre-Tax Contributions of the Participant made pursuant to Section 414(u) of the Code in accordance with Treasury Regulation Section 1.401(k)-2(a)(5)(v).

(3) Special Rules.

(A) For purposes of this Section 6(c), the Actual Deferral Percentage for any Participant who is a Highly Compensated Employee for the Plan Year and who is eligible to make elective contributions, as defined under Treasury Regulation Section 1.401(k)-6, that are allocated to his or her account under two or more plans or arrangements described in Section 401(k) of the Code that are maintained by the Employer and any Related Entity shall be determined as if all such elective contributions were made under a single arrangement in accordance with Treasury Regulation Section 1.401(k)-2.

(B) In the event that the Plan satisfies the requirements of Section 410(b) of the Code by aggregation with one or more other plans, or if one or more other plans satisfies the requirements of Section 410(b) of the Code by aggregation with the Plan, then this Section 6(c) shall be applied by determining the Actual Deferral Percentages of Participants as if the Plan and all such plans were a single plan.

(C) To the extent that the Plan is mandatorily disaggregated under Section 410(b) of the Code (as modified by Treasury Regulation Section 1.401(k)-1(b)(4)), then this Section 6(c) shall be applied separately to each mandatorily disaggregated portion of the Plan, as required by Treasury Regulation Section 1.401(k)-1(b)(4), subject to permissive aggregation under Treasury Regulation Section 1.401(k)-1(b)(4)(v)(B).

(D) The determination and the treatment of the Pre-Tax Contributions, Qualified Non-Elective Contributions and Actual Deferral Percentage of any Participant shall satisfy such other requirements as may be prescribed under applicable Treasury Regulations.

(4) Reduction of Pre-Tax Contributions. In the event that the Pre-Tax Contributions of Participants who are Highly Compensated Employees for a Plan Year result in, or will result in, Pre-Tax Contributions in excess of the limitations set forth in Section 6(c)(1), said excess Pre-Tax Contributions shall be determined and apportioned as follows:

(A) The amount of excess Pre-Tax Contributions attributable to a given Participant who is a Highly Compensated Employee for the Plan Year is the amount (if any) by which the Participant's Pre-Tax Contributions must be reduced for the Participant's ADR to equal the highest permitted ADR under the Plan. To calculate the highest permitted ADR under the Plan, the ADR of the Participant who is a Highly Compensated Employee for the Plan Year with the highest ADR is reduced

by the amount required to cause that Participant's ADR to equal the ADR of the Participant who is a Highly Compensated Employee for the Plan Year with the next highest ADR. If a lesser reduction would enable the Plan to satisfy the requirements of Section 6(c)(1), only this lesser reduction shall be used in determining the highest permitted ADR.

(B) The process described in subparagraph (A) shall be repeated until the Plan would satisfy the requirements of subparagraph (C). The sum of all reductions for all Participants who are Highly Compensated Employees for the Plan Year determined under subparagraph (A) is the total amount of excess Pre-Tax Contributions for the Plan Year.

(C) The Plan satisfies this subparagraph (C) if the Plan would satisfy Section 6(c)(1) if the ADR for each Participant who is a Highly Compensated Employee for the Plan Year were determined after the reductions described in subparagraph (A).

(D) The total amount of excess Pre-Tax Contributions shall be apportioned among the Participants who are Highly Compensated Employees for the Plan Year as follows:

(I) The Pre-Tax Contributions of the Participant who is the Highly Compensated Employee for the Plan Year with the highest dollar amount of Pre-Tax Contributions taken into account under Section 6(c)(1) are reduced by the amount required to cause that Participant's Pre-Tax Contributions to equal the dollar amount of the Pre-Tax Contributions taken into account under Section 6(c)(1) for the Participant who is the Highly Compensated Employee for the Plan Year with the next highest dollar amount of Pre-Tax Contributions. If a lesser apportionment to the Participant would enable the Plan to apportion the total amount of excess Pre-Tax Contributions, only the lesser apportionment would apply.

(II) For purposes of this subparagraph (D), the amount of Pre-Tax Contributions taken into account under this subparagraph (D) with respect to a Participant who is a Highly Compensated Employee for the Plan Year who is an eligible employee in more than one plan of the Employer and the Related Entities is determined by taking into account all elective contributions otherwise taken into account under any plan of the Employer or any Related Entity during the Plan Year. However, the amount of excess Pre-Tax Contributions apportioned to a Participant shall not exceed the Pre-Tax Contributions actually made to the Plan for such Participant for such Plan Year.

(III) The procedure in clause (I) shall be repeated until the total amount of excess Pre-Tax Contributions has been apportioned.

(E) The determination and apportionment of excess Pre-Tax Contributions under this paragraph (4) shall be in accordance with Treasury Regulation Section 1.401(k)-2(b)(2).

(5) Distribution of Excess Pre-Tax Contributions.

(A) The Administrator shall cause excess Pre-Tax Contributions for a Plan Year to be distributed under this paragraph (5) in accordance with Treasury Regulation Section 1.401(k)-2(b)(2), except to the extent to which such excess Pre-Tax Contributions are recharacterized as After-Tax Contributions under paragraph (6).

(B) The excess Pre-Tax Contributions apportioned to a Participant and distributed under this paragraph (5) shall be adjusted for any gain or loss based on a reasonable method of computing the allocable gain or loss. The method selected must be applied consistently to all Participants and used for all corrective distributions under the Plan for the Plan Year and must be the same method that is used by the Plan for allocating gain or loss to all Accounts maintained for Participants.

(C) The income allocable to excess Pre-Tax Contributions is equal to the sum of the allocable gain or loss for the Plan Year and, to the extent the excess Pre-Tax Contributions are or will be credited with gain or loss for the gap period (i.e., the period after the close of the Plan Year and prior to the distribution) if the total Accounts were to be distributed, the allocable gain or loss during that period. The gain or loss allocated to the excess Pre-Tax Contributions to be distributed to a Participant shall be determined in accordance with Treasury Regulation Section 1.401(k)-2(b)(2). The excess Pre-Tax Contributions apportioned to a Participant and any allocable gain or loss shall be distributed to such Participant not later than 12 months after the close of the Plan Year.

(D) Any Employer Matching Contributions (and any income allocable to such Employer Matching Contributions, determined in the manner described in subparagraph (C)) relating to a Participant's excess Pre-Tax Contributions distributed under this paragraph (5) shall be forfeited upon the distribution of such excess Pre-Tax Contributions in accordance with Treasury Regulation Section 1.411(a)-4(b)(7). Such forfeited Employer Matching Contributions shall be applied to satisfy the obligations of the Employer to make Employer Contributions under Section 5.

(6) Recharacterization of Excess Pre-Tax Contributions.

(A) The Administrator may cause excess Pre-Tax Contributions for a Plan Year to be recharacterized as After-Tax Contributions in accordance with Treasury Regulation Section 1.401(k)-2(b)(3).

(B) The excess Pre-Tax Contributions apportioned to a Participant under paragraph (4) that are recharacterized as After-Tax Contributions under this paragraph (6) shall be includible in the Participant's gross income as if such amounts were distributed under paragraph (5). The excess Pre-Tax Contributions recharacterized

as After-Tax Contributions shall be treated as employee after-tax contributions for purposes of Sections 72, 401(a)(4) and 401(m) of the Code and Treasury Regulation Sections 1.401(k)-1(d) and 1.401(k)-2 and shall be reported by the Employer as employee after-tax contributions to the Internal Revenue Service, and the Participant shall report such recharacterized excess Pre-Tax Contributions as required under Treasury Regulation Section 1.401(k)-2(b)(3)(ii).

(C) A Participant's excess Pre-Tax Contributions for a Plan Year may not be recharacterized as After-Tax Contributions after two and one-half months after the close of the Plan Year to which such recharacterization relates.

(D) The amount of a Participant's recharacterized excess Pre-Tax Contributions for the Plan Year, in combination with the Participant's After-Tax Contributions under Section 4(d), may not exceed the maximum amount of After-Tax Contributions permitted to be made by such Participant under Section 4(d), as in effect on the first day of the Plan Year (determined without regard to the limitations under Section 6(d)).

(E) A Participant's recharacterized excess Pre-Tax Contributions for a Plan Year shall continue to be treated as Employer contributions for all purposes under the Code (except as otherwise provided in subparagraph (B)).

(7) Prospective Reductions in Pre-Tax Contributions. The Administrator reserves the right to make such prospective reductions in a Participant's Pre-Tax Contributions as it deems reasonable to avoid exceeding the limitations set forth in Section 6(c)(1). However, if at the end of a Plan Year the limitations set forth in Section 6(c)(1) are still exceeded, reductions shall be made pursuant to Section 6(c)(4) and the excess Pre-Tax Contributions and any allocable gain or loss thereon shall be distributed to Participants (or recharacterized as After-Tax Contributions) as soon as reasonably practicable after the end of the Plan Year.

(8) Qualified Non-Elective Contributions. In the event that the Average Actual Deferral Percentage for Participants who are Highly Compensated Employees for a Plan Year would fail to satisfy the requirements of Section 6(c)(1), then instead of or in addition to applying the provisions of Section 6(b)(2)(D), the Company may elect to make Qualified Non-Elective Contributions to the Plan on behalf of certain Participants. Qualified Non-Elective Contributions, if any, shall be made in compliance with Treasury Regulation Section 1.401(k)-2(a)(6). Such Qualified Non-Elective Contributions (if any) shall be allocated to Participants who are Non-Highly Compensated Employees for the Plan Year and shall be allocated to such Participant's Qualified Non-Elective Contributions Account pro rata based on the respective proportion that each such Participant's Compensation bears to the total amount of Compensation of all such Participants. Any Qualified Non-Elective Contributions which are used to satisfy the requirements of Section 6(c)(1) shall not also be used to satisfy the requirements of Section 6(d)(1).

(d) Limitations under Section 401(m) of the Code

(1) The Employer Matching Contributions contributed to the Plan and After-Tax Contributions (including excess Pre-Tax Contributions recharacterized as After-Tax Contributions under Section 6(c)(6)) for each Plan Year shall satisfy one of the following limits:

(A) The Average Actual Contribution Percentage for Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Contribution Percentage for Participants who are Non-Highly Compensated Employees for the Plan Year, multiplied by 1.25; or

(B) The Average Actual Contribution Percentage for Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Contribution Percentage of Participants who are Non-Highly Compensated Employees for the Plan Year by more than two percentage points, and the Average Actual Contribution Percentage for Participants who are Highly Compensated Employees for the Plan Year shall not exceed the Average Actual Contribution Percentage for Participants who are Non-Highly Compensated Employees for the Plan Year, multiplied by 2.

(2) Definitions. For purposes of this Section 6(d), the following definitions shall apply:

(A) **"Actual Contribution Ratio"** or "**ACR"** of a Participant shall mean the ratio (expressed as a percentage and calculated to the nearest hundredth of a percentage point) of the sum of the Participant's After-Tax Contributions and the Employer Matching Contributions for the Plan Year, and the Qualified Non-Elective Contributions, if any, made on behalf of the Participant for the Plan Year determined under subparagraph (C), to the Participant's Compensation for the Plan Year.

(B) **"Average Actual Contribution Percentage"** of a group of Participants shall mean the average (expressed as percentage and calculated to the nearest hundredth of a percentage point) of the Actual Contribution Percentages of the Participants in the group.

(C) "**Qualified Non-Elective Contributions**" or "**QNECs**" shall mean Employer Contributions and/or other employer contributions which satisfy the requirements of a qualified non-elective contribution under Treasury Regulation Section 1.401(m)-5 and are taken into account for purposes of determining the Actual Contribution Percentage of a Participant.

(D) "**Compensation**" of a Participant shall have the meaning prescribed under Section 6(c)(2)(D).

(E) For purposes of Section 6(d)(2)(A), a Participant's After-Tax Contributions and Employer Matching Contributions shall not include After-Tax Contributions and Employer Matching Contributions made pursuant to Section 414(u) of the Code in accordance with Treasury Regulation Section 1.401(m)-2(a)(5)(vi).

(3) Special Rules.

(A) For purposes of this Section 6(d), the Actual Contribution Percentage for any Participant who is a Highly Compensated Employee for the Plan Year and who is eligible to make employee after-tax contributions, or to have matching contributions made on his or her behalf, as defined under Treasury Regulation Section 1.401(m)-5, that are allocated to his or her account under two or more plans described in Section 401(a) of the Code or arrangements described in Section 401(k) of the Code that are maintained by the Employer and any Related Entity shall be determined as if the total of all such employee after-tax contributions and matching contributions were made under a single plan in accordance with Treasury Regulation Section 1.401(m)-2.

(B) In the event that the Plan satisfies the requirements of Section 410(b) of the Code by aggregation with one or more other plans, or if one or more other plans satisfies the requirements of Section 410(b) of the Code by aggregation with the Plan, then this Section 6(d) shall be applied by determining the Actual Contribution Percentages of Participants as if the Plan and all such plans were a single plan.

(C) To the extent that the Plan is mandatorily disaggregated under Section 410(b) of the Code (as modified by Treasury Regulation Section 1.401(m)-1(b)(4)), then this Section 6(d) shall be applied separately to each mandatorily disaggregated portion of the Plan, as required by Treasury Regulation Section 1.401(m)-1(b)(4).

(D) As provided under Treasury Regulation Section 1.401(m)-1(b)(2), this Section 6(d) shall be treated as satisfied with respect to any portion of the Plan that constitutes a collectively bargained plan that automatically satisfies Section 410(b) of the Code.

(E) The determination and treatment of the After-Tax Contributions, Employer Matching Contributions, Qualified Non-Elective Contributions and Actual Contribution Percentage of any Participant shall satisfy such other requirements as may be prescribed under applicable Treasury Regulations.

(4) Reduction of After-Tax Contributions and Employer Matching Contributions. In the event that the After-Tax Contributions and Employer Matching Contributions of Participants who are Highly Compensated Employees result in, or will result in, After-Tax Contributions and Employer Matching Contributions in excess of the limitations set forth in Section 6(d)(1), said excess After-Tax Contributions and Employer Matching Contributions shall be determined and apportioned as follows:

(A) The amount of excess After-Tax Contributions, Employer Matching Contributions attributable to a given Participant who is a Highly Compensated Employee for the Plan Year is the amount (if any) by which the Participant's After-Tax Contributions and Employer Matching Contributions must be

reduced for the Participant's ACR to equal the highest permitted ACR under the Plan. To calculate the highest permitted ACR under the Plan, the ACR of the Participant who is a Highly Compensated Employee for the Plan Year with the highest ACR is reduced by the amount required to cause that Participant's ACR to equal the ACR of the Participant who is a Highly Compensated Employee for the Plan Year with the next highest ACR . If a lesser reduction would enable the Plan to satisfy the requirements of Section 6(d)(1), only this lesser reduction shall be used in determining the highest permitted ACR.

(B) The process described in subparagraph (A) shall be repeated until the Plan would satisfy the requirements of subparagraph (C). The sum of all reductions for all Participants who are Highly Compensated Employees for the Plan Year determined under subparagraph (A) is the total amount of excess After-Tax Contributions and Employer Matching Contributions for the Plan Year.

(C) The Plan satisfies this subparagraph (C) if the Plan would satisfy Section 6(d)(1) if the ACR for each Participant who is a Highly Compensated Employee for the Plan Year were determined after the reductions described in subparagraph (A).

(D) The total amount of excess Contributions and Employer Matching Contributions shall be apportioned among the Participants who are Highly Compensated Employees for the Plan Year as follows:

(I) The After-Tax Contributions and Employer Matching Contributions of the Participant who is a Highly Compensated Employee for the Plan Year with the highest dollar amount of After-Tax Contributions and Employer Matching Contributions taken into account under Section 6(d)(1) are reduced by the amount required to cause that Participant's After-Tax Contributions and Employer Matching Contributions to equal the dollar amount of the After-Tax Contributions and Employer Matching Contributions taken into account under Section 6(d)(1) for the Participant who is a Highly Compensated Employee for the Plan Year with the next highest dollar amount of After-Tax Contributions and Employer Matching Contributions. If a lesser apportionment to the Participant would enable the Plan to apportion the total amount of excess After-Tax Contributions and Employer Matching Contributions, only the lesser apportionment would apply.

(II) For purposes of this subparagraph (D), the amount of After-Tax Contributions and Employer Matching Contributions taken into account under this subparagraph (D) with respect to a Participant who is a Highly Compensated Employee for the Plan Year who is an eligible employee in more than one plan of the Employer and Related Entities is determined by taking into account all employee after tax contributions and matching contributions otherwise taken into account under any plan of the Employer or any Related Entity during the Plan Year. However, the amount of excess After-Tax Contributions and Employer Matching Contributions apportioned to a Participant shall not exceed

the After-Tax Contributions and Employee Matching Contributions for such Participant for such Plan Year.

(III) The procedure in clause (I) shall be repeated until the total amount of excess After-Tax Contributions and Employer Matching Contributions has been apportioned.

(E) The determination and apportionment of excess After-Tax Contributions and Employer Matching Contributions under this paragraph (4) shall be in accordance with Treasury Regulation Section 1.401(m)-2(b)(2).

(5) Distribution of Excess After-Tax Contributions and Employer Matching Contributions.

(A) The Administrator shall cause excess After-Tax Contributions and Employer Matching Contributions for a Plan Year to be distributed under this paragraph (5) in accordance with Treasury Regulation Section 1.401(m)-2(b)(2).

(B) The excess After-Tax Contributions and Employer Matching Contributions apportioned to a Participant and distributed under this paragraph (5) shall be adjusted for any gain or loss based on a reasonable method of computing the allocable gain or loss. The method selected must be applied consistently to all Participants in use for all corrective distributions under the Plan for the Plan Year, and must be the same method that is used by the Plan for allocating gain or loss to all Accounts maintained for Participants.

(C) The income allocable to excess After-Tax Contributions and Employer Matching Contributions is equal to the sum of the allocable gain or loss for the Plan Year and, to the extent the excess After-Tax Contributions and Employer Matching Contributions are or will be credited with gain or loss for the gap period (i.e., the period after the close of the Plan Year and prior to the distribution) if the total Accounts were to be distributed, the allocable gain or loss during that period. The gain or loss allocated to the excess After-Tax Contributions and Employer Matching Contributions to be distributed to a Participant shall be determined in accordance with Treasury Regulation Section 1.401(m)-2(b)(2). The excess After-Tax Contributions and Employer Matching Contributions apportioned to a Participant and any allocable gain or loss shall be distributed to such Participant not later than 12 months after the close of the Plan Year.

(D) Any Employer Matching Contributions (and any income allocable to such Employer Matching Contributions, determined in the manner described in subparagraph (C)) relating to a Participant's excess After-Tax Contributions distributed under this paragraph (5) shall be forfeited upon the distribution of such excess After-Tax Contributions in accordance with Treasury Regulation Section 1.411(a)-4(b)(7). Such forfeited Employer Matching Contributions shall be applied to satisfy the obligations of the Employer to make Employer Contributions under Section 5.

(6) Prospective Reductions in After-Tax Contributions. The Administrator reserves the right to make such prospective reductions in a Participant's After-Tax Contributions as it deems reasonable to prevent exceeding the limitations of Section 6(d)(1). However, if at the end of a Plan Year the limitations set forth in Section 6(d)(1) are still exceeded, reductions shall be made pursuant to Section 6(d)(4) and the excess After-Tax Contributions and Employer Matching Contributions and any allocable gain or loss thereon shall be distributed to Participants as soon as reasonably practicable after the end of the Plan Year.

(7) Recharacterization of Pre-Tax Contributions. The amount of excess After-Tax Contributions and Employer Matching Contributions for a Plan Year shall be determined only after first determining the excess Pre-Tax Contributions that are treated as After-Tax Contributions due to recharacterization in accordance with Section 6(c)(6).

(8) Qualified Non-Elective Contributions. In the event that the Average Actual Contribution Percentage for Participants who are Highly Compensated Employees for a Plan Year would fail to satisfy the requirements of Section 6(d)(1), then instead of applying the provisions of Section 6(d)(4), the Company may elect to make Qualified Non-Elective Contributions to the Plan on behalf of certain Participants. Qualified Non-Elective Contributions, if any, shall be made in compliance with Treasury Regulation Section 1.401(m)-2(a)(5). Such Qualified Non-Elective Contributions (if any) shall be allocated to Participants who are Non-Highly Compensated Employees for the Plan Year and shall be allocated to such Participant's Qualified Non-Elective Contributions Account pro rata based on the respective proration that each such Participant's Compensation bears to the total amount of Compensation of all such Participants. Any Qualified Non-Elective Contributions which are used to satisfy the requirements of Section 6(d)(1) may not also be used to satisfy the requirements of Section 6(c)(1).

(e) Top-Heavy Provisions

The following provisions shall become effective in any Plan Year in which the Plan is determined to be a top-heavy plan.

(1) Top Heavy Status.

(A) The Plan will be considered a top-heavy plan for the Plan Year if as of the last day of the preceding Plan Year, (I) the value of the sum of the Employer Accounts, Pre-Tax and After-Tax Accounts (but not including any allocations to be made as of such last day of the Plan Year except contributions actually made on or before that date and allocated) of Participants who are Key Employees (as defined in Section 416(i) of the Code) exceeds 60% of the value of the sum of Employer Accounts, Pre-Tax Accounts and After-Tax Accounts (but not including any allocations to be made as of such last day of the Plan Year except contributions actually made on or before that date and allocated) of all Participants (the "**60% Test**") or (II) the Plan is part of a required aggregation group and the required aggregation is top- heavy. However, and notwithstanding the results of the 60% Test, the Plan shall not be considered a top-heavy plan for any Plan Year in which the Plan is a part of a required or permissive aggregation group which is not top-heavy.

(B) For purposes of the determination to be made in the preceding paragraph "required aggregation group" shall mean each plan of an Employer and all Related Entities in which a key employee is a Participant, and each other plan of an Employer and all Related Entities which enables any plan in which a key employee is a participant to meet the requirements of Sections 401(a) (4) or 410 of the Code. Permissive aggregation refers to an Employer's right to treat any plan not required to be included in an aggregation group under the prior sentence as being part of such group if such group would continue to meet the requirements of Code Sections 401(a) (4) and 410 of the Code with such plan being taken into account.

(C) Additional rules shall apply for purposes of calculation of Preceding paragraphs as follows:

(I) Except to the extent provided in regulations, Participants' Rollover Accounts shall not be taken into account for purposes of determining whether the Plan is a top-heavy plan or whether any aggregation group which includes this Plan is a top-heavy group.

(II) If any individual is a non-key employee for any Plan Year, but such individual has been a key employee for any prior plan year, the Accounts of such employee shall not be taken into account in determining whether or not this Plan is top-heavy for such year.

(III) If any individual has not received any compensation from an Employer or Related Entity (other than benefits under the Plan) at any time during the five-year period ending on the last day of the preceding year, the Accounts of such individual shall not be taken into account in determining whether or not this Plan is top-heavy for such year.

(2) Minimum Allocations. Notwithstanding the provisions of Section 5 and Section 2(d), for any Plan Year during which the Plan is deemed a top-heavy plan, the Employer Contributions for such Plan Year shall be allocated such that the minimum contribution for each Employee who was a non-Key Employee pursuant to Section 416 of the Code shall be the lesser of 3% of his Earnings or the highest percentage of compensation contributed for a key employee, as defined under Section 416 of the Code, for the Plan Year.

(3) Compensation Limitation. For any Plan Year in which the Plan is a top-heavy plan, the compensation limitation described in Section 416(d) of the Code shall apply. For purposes of this subsection (c), compensation shall be defined as it is defined in subsection 6(a) except that the portion of each Employee's compensation taken into account shall not include any amount in excess of the dollar limitation in effect under Code Section 401(a)(17) for such calendar year.

(4) Key Employee. "**Key Employee**" means any Employee or former Employee (including any deceased employee) of the Employer or any Related Entity who at any time during the Plan Year that includes the determination date was: (A) an officer of the Employer or any Related Entity having annual compensation greater than $130,000 (as adjusted

under Section 416(i)(1) of the Code for Plan Years beginning after December 31, 2002), (B) a 5-percent owner of the Employer or any Related Entity, or (C) a 1-percent owner of the Employer or any Related Entity having annual compensation of more than $150,000. For this purpose, annual compensation means Section 415 Compensation as defined in Section 6(a)(2). The determination of who is a Key Employee will be made in accordance with Section 416(i)(1) of the Code and the applicable Treasury Regulations and other guidance of general applicability issued thereunder.

(5) Determination of Present Values and Amounts. This paragraph 6(e)(5) shall apply for purposes of determining the present values of accrued benefits and the amounts of account balances of Employees as of the determination date.

(A) Distribution during year ending on the determination date. The present values of accrued benefits and the amounts of account balances of an Employee as of the determination date shall be increased by the distributions made with respect to the Employee under the Plan and any plan aggregated with the Plan under Section 416(g)(2) of the Code during the 1-year period ending on the determination date. The preceding sentence shall also apply to distributions under a terminated Plan which, had it not been terminated, would have been aggregated with the plan under Section 416(g)(2)(A)(i) of the Code.

(B) In the case of a distribution made for a reason other than separation from service, death, or disability, this provision shall be applied by substituting 5-year period for 1-year period.

(C) Employees not performing services during year ending on the determination date. The accrued benefits and accounts of any individual who has determination date shall not be taken into account.

(6) Minimum Benefits.

(A) Matching Contributions. Employer matching contributions shall be taken into account for purposes of satisfying the minimum contribution requirements of Section 416(c)(2) of the Code and the Plan. The preceding sentence shall apply with respect to matching contributions under the Plan or, if the plan provides that the minimum contribution requirement shall be met in another plan, such other plan. Employer matching contributions that are used to satisfy the minimum contribution requirements shall be treated as matching contributions for purposes of the actual contribution percentage test and other requirements of Section 401(m) of the Code.

(B) Contributions under Other Plans. The Employer may provide by amendment that the minimum benefit requirement shall be met in another plan (including another plan that consists solely of a cash or deferred arrangement which meets the requirements of Section 401(k)(12) of the Code and matching contributions with respect to which the requirements of Section 401(m)(11) of the Code are met).

Section 7. Investment Funds

(a) Investment of Accounts

All Pre-Tax Contributions, After-Tax Contributions, Employer Incentive Contributions and Rollovers to the Plan shall be paid into the Trust and credited to Participants' Accounts. All Employer Matching Contributions to the ESOP shall be paid to the Trust. All Employer Matching Contributions to the Plan shall be paid to the Trust, and all Employer Matching Contributions to the ESOP shall be paid to the trust established pursuant to the ESOP. Shares of Stock allocated to Participants' accounts under the ESOP shall be transferred, in a transfer of assets and liabilities in accordance with Section 414(l) of the Code and Treasury Regulation Section 1.414(l)-1, from the trust established pursuant to the ESOP to the Trust and credited to such Participants' Employer Contribution Accounts. The Trust shall consist of separate Investment Funds as may be established from time to time, including an Investment Fund consisting of Stock (the "**Stock Investment Fund**") and a Participant directed Investment Fund (the "**Brokerage Window**").

(b) Stock Investment Fund

Employer Contributions Accounts shall initially be invested in the Stock Investment Fund. Each Participant shall then have the right to direct the investment of his or her Employer Contributions Account among the Investment Funds available under the Plan. A properly given direction shall generally take effect as soon as administratively possible following receipt by the Administrator. The Stock Investment Fund shall be subject to such administrative and valuation procedures as are prescribed by the Administrator from time to time.

(c) Direction of Investments

Each Participant shall have the right to direct the investment of his Accounts other than his Employer Contributions Account among the Investment Funds available under the Plan, subject to subsections 7(b), 7(d) and 7(e). The Participant shall designate whether he wishes to invest his Accounts in each Investment Fund in increments of 1%, up to a total of 100% in all such Investment Funds. The percentage the Participant chooses to invest his Accounts in each Investment Fund shall apply equally to all his Pre-Tax Contributions, After-Tax Contributions and Qualified Non-Elective Contributions. The directions of each Participant as to the investment of his Pre-Tax Contributions, After-Tax Contributions and Qualified Non-Elective Contributions (if any) shall be made in such written, electronic or telephonic form as is prescribed by the Administrator. Such directions may be changed in respect to future Pre-Tax Contributions, and After-Tax Contributions and Qualified Non-Elective Contributions. A properly given direction shall generally take effect no later than the first day of each calendar quarter following receipt by the Administrator. Unless and until a Participant makes a specific investment election in accordance with this Section 7, such Participant's Accounts shall be invested in such Investment Fund as the Administrator selects as the default Investment Fund.

The Trust shall consist of separate Investment Funds: the Stability Funds (which shall include the **"Cash Reserves Fund"** and the **"Stable Value Fund"**), the Income Funds (which shall include the "**Inflation-Protected Securities Fund"** and the "**Bond Index Fund"**),

the Growth Funds (which shall include the "**Equity Income Fund**," the "**Institutional Index Fund**," the "**Select International Equity Commingled Pool Fund**," the "**Small-Cap Stock Fund**," the "**Stock Investment Fund**," "**Growth Stock Fund"** and the "**Real Estate Fund**), the Risk Adjusted Funds (which shall include the **Personal Strategy Balanced Fund**," the "**Personal Strategy Growth Fund"** and the "**Personal Strategy Income Fund"**), the "**Retirement Date Funds"** and the "**Brokerage Window**."

(1) Cash Reserves Fund. The Cash Reserves Fund's objective is the preservation of capital, liquidity, and the highest level of income consistent with these goals.

(2) Stable Value Fund. The Stable Value Fund's objective is to provide maximum current income consistent with the preservation of principal value.

(3) Inflation-Protected Securities Fund. The Inflation-Protected Securities Fund's objective is to provide inflation protection and income consistent with investment in inflation-indexed securities.

(4) Bond Index Fund. The Bond Index Fund's objective is to provide investment results that correspond to the total return of the bonds in the Lehman Brothers Aggregate Bond Index.

(5) Equity Income Fund. The Equity Income Fund's objective is to provide substantial dividend income as well as long-term growth of capital through investments in the common stocks of established companies.

(6) Equity Index Fund. The Equity Index Fund's objective is to replicate the total return of the U.S. equity market as represented by the S&P 500 Index.

(7) International Fund. The International Fund's objective is to seek long-term growth of capital primarily through investments in foreign securities.

(8) Small-Cap Stock Fund. The Small-Cap Stock Fund's objective is long-term capital growth through investments in small companies.

(9) Stock Investment Fund. The Stock Investment Fund shall consist of all Stock held by the Trustee, all cash held by the Trustee which is derived from dividends on Stock, Pre-Tax Contributions, After-Tax Contributions and Employer Contributions, and transferred amounts from other Investment Funds to be invested in Stock and sales of Stock, and short-term investments made by the Trustee pending investment in Stock and earnings on such investments. The Trustee may, on direction of the Administrator, acquire and hold any amount of qualifying employer securities (Stock) within the meaning of ERISA. All such Stock shall be held in the name of the Trustee or its nominee.

(10) Growth Stock Fund. The Growth Stock Fund's objective is to provide long-term capital growth and, secondarily, increasing dividend income through investments in the common stocks of well-established growth companies.

(11) Real Estate Fund. The Real Estate Fund's objective is to provide long-term growth through a combination of capital appreciation and current income.

(12) Risk Adjusted Funds. The Risk Adjusted Funds shall consist of pre-diversified funds that invest in stocks and bonds to provide a lower risk/return potential and moderate risk/return potential and a high risk/return potential.

(13) Retirement Date Funds. The Retirement Date Funds shall consist of pre-diversified Funds based on the Participant's date of birth and shall consist of an allocation between stock and bond funds that will change over time.

(14) Brokerage Window. The Brokerage Window shall consist of investments by Participants, subject to collective bargaining obligations, in any of a broad range of mutual funds. Participants investing through the Brokerage Window shall be charged an annual administration fee, as well as applicable transaction costs. A Participant may invest a maximum of 50% of the value of his accounts (excluding the Employer Contribution Account) in the Brokerage Window.

(d) Investment in Cash

All cash held by the Trustee, including but not limited to Pre-Tax Contributions, After-Tax Contributions and Qualified Non-Elective Contributions (if any) and amounts transferred from one Investment Fund for investment in another, and earnings and amounts from sales, may, at the direction of the Administrator or as specifically authorized in the Trust Agreement, be invested by the Trustee in prudent short-term investments pending permanent purchase of Stock and other investments permitted by this Plan.

(e) Section 404(c) Plan

The Plan is intended to constitute a plan described in Section 404(c) of ERISA and Title 29 of the Code of Federal Regulations, Section 2550.404c-l, in that the fiduciaries of the Plan may be relieved of liability for any losses which are the direct and necessary result of investment instructions given by such Participant or Beneficiary.

Section 8. Transfers

Each Participant may transfer his investments from one Investment Fund to another under paragraph (a) or (b) or both.

(a) Employer Contributions Account

To elect to transfer investments under this subsection (a), a Participant must direct, in such written, electronic or telephonic form as is prescribed by the Administrator, that his interest (including earnings), in 1% increments, be transferred from an Investment Fund to any other Investment Fund or Funds, in 1% increments. Generally transfers will be made within four business days of receipt of proper notice.

(b) Pre-Tax Accounts and After-Tax Accounts

To elect to transfer under this paragraph (b), a Participant must direct, in such written, electronic or telephonic form as is prescribed by the Administrator, that a percentage of his interest (including earnings), in 1% increments, in any one or more of the Investment Funds be transferred to any other Investment Fund or Funds in 1% increments. The percentage the Participant elects to transfer from any Investment Fund will be applied equally to the Accounts maintained for that Investment Fund for his or her Pre-Tax Contributions and After-Tax Contributions. Transfer shall be made within four business days of receipt of proper notice or as soon as practicable thereafter.

(c) Effectuation of Transfer

The Participant's interest in the Investment Funds shall be as stated in Section 10. To effectuate transfers from the Stock Investment Fund, the Trustee shall sell shares of Stock as soon as practicable, in accordance with the directions of a Plan fiduciary or designee. Transfers from the Stock Investment Fund and the other Investment Funds shall be subject to such administrative and valuation procedures as are prescribed by the Administrator from time to time.

Section 9. Stock

(a) Voting

Each Participant shall have the right to instruct the Trustee confidentially as to the method of voting at any meeting of the shareholders of the Company the number of shares of Stock credited to his Accounts as of the record date for the meeting of shareholders. Under no circumstance will the Trustee permit the Company or any representative thereof to see any confidential voting instructions given by a Participant to the Trustee. Each audit of the Plan made pursuant to Section 30 may include verification of the Trustee's compliance with such confidential voting instructions by the independent public accountants who make such audit.

(b) Tender or Exchange Offer

Each Participant shall have the right to instruct the Trustee in writing as to the manner in which to respond to a tender or exchange offer for any or all shares of Stock credited to his Accounts as of the record date. The Company shall notify each Participant and utilize its best efforts to timely distribute or cause to be distributed to him such information as will be distributed to shareholders of the Company in connection with any such tender or exchange offer. Upon its receipt of such instructions, the Trustee shall tender such shares of Stock as and to the extent so instructed. If the Trustee shall not receive instructions from a Participant regarding any such tender or exchange offer, the Trustee shall have no discretion in such matter and shall take no action with respect thereto.

(c) Election and Payment of Cash Dividends on Stock

A Participant may elect, from time to time, whether cash dividends paid on the shares of Stock credited to such Participant's Employee Stock Accounts will be distributed to the Participant or held in the Plan. The Participant may elect as follows:

(i) the cash dividends shall be paid to the Plan and subsequently distributed in cash to the Participant not later than 90 days after close of the Plan Year in which paid by the corporation to the Plan, or

(ii) the cash dividends shall be paid to the Plan and reinvested in shares of Stock.

The election of each Participant as to the disposition of the cash dividends on the shares of Stock held in his or her Employee Stock Accounts shall be made in such written, electronic or telephonic form as is prescribed by the Administrator. Properly given directions generally shall take effect no later than the first day of each calendar quarter following receipt by the Administrator. Each Participant shall be given a reasonable opportunity before a dividend is paid or distributed to Participant in which to make an election, and each Participant shall have a reasonable opportunity to change a dividend election at least annually. A Participant's election in effect on the date of payment of a cash dividend by the corporation shall determine the disposition of such cash dividend and the application of such election to such cash dividend shall be irrevocable. Unless and until a Participant makes a specific direction in accordance with this Section 9(c), the cash dividends paid on the shares of Stock credited to such Participant's Employee Stock Accounts shall be paid to the Plan and reinvested in shares of Stock.

Section 10. Accounts

(a) Employer Contributions Account

As soon as practicable after the end of each Payroll Period, the Administrator shall credit each Participant's Employer Contributions Accounts with the Stock, including fractional shares, representing his share of the Stock provided by Employer Contributions for the Payroll Period. A portion of the Stock will be funded with shares from the ESOP. The remaining Stock may be purchased on the open market or via newly issued shares. The Stock from the ESOP will be based on the closing price on the New York Stock Exchange for the Friday of the Payroll Period. If newly issued shares of Stock are issued, they will be based on the closing price on the New York Stock Exchange for the Friday of the Payroll Period. If cash is contributed, they will be based on the Friday of the Payroll Period net aggregate average price of all trades placed during the day in the Trust.

There shall be credited to each Participant's Employer Stock Account at the time of its receipt all Stock received by the Trustee on account of stock dividends or stock splits which are attributable to Stock previously credited to such Accounts.

(b) Employee Stock Accounts

The Administrator shall maintain separate Employee Stock Accounts for each Participant who directs the Company to invest his Pre-Tax Contributions, After-Tax Contributions, Qualified Non-Elective Contributions (if any) and Rollovers (if any) in the Stock Investment Fund. The Administrator shall also account for amounts transferred to the Stock Fund at the Participant's direction from any other Investment Fund or Funds for the purpose of purchasing additional Stock in the Employee Stock Account.

There shall be credited to each Participant's Employee Stock Account at the time of its receipt all Stock received by the Trustee on account of stock dividends or stock splits which are attributable to Stock previously credited to such accounts.

(c) Additional Employee Accounts

The Administrator shall maintain additional separate Accounts for each Participant who directs the Company to invest his Pre-Tax Contributions, After-Tax Contributions, Qualified Non-Elective Contributions (if any) and Rollovers (if any) or transferred amounts in the Investment Funds as listed in Section 7(c). These Accounts will reflect each Participant's share of these Investment Funds as of the end of each business day, including accumulated Pre-Tax Contributions, After-Tax Contributions, Qualified Non-Elective Contributions, Rollovers and transfers to such Investment Funds, plus earnings thereon, less any transfers to other Investment Funds and withdrawals and distributions. The Participant's interest in these Investment Funds shall be represented by market value.

Section 11. Quarterly Statement

A statement for each Participant will be prepared and distributed to the Participant no less frequently than quarterly. This statement shall reflect the status of each Account maintained for the Participant as of the end of the Quarter, and shall contain such other information as the Company may determine.

Section 12. Retirement

When a Participant has a severance from Employment at his Normal Retirement Date or thereafter, he shall be entitled to receive a distribution of his entire interest as of his Settlement Date in his Accounts.

Section 13. Death

When a Participant dies in Service, his Beneficiary shall be entitled to receive a distribution of his entire interest as of his Settlement Date in his Accounts.

Section 14. Termination of Service before Retirement

When a Participant has a severance from Employment before his death, or his retirement as provided in Section 12, he shall be entitled to receive a distribution of his interest as of his Settlement Date in his Accounts.

Section 15. Distribution of Benefits

(a) Date of Distribution

Distribution shall be made to a Participant or to his Beneficiary as soon as administratively feasible following his Settlement Date.

(b) Later Distribution

Notwithstanding anything else contained herein to the contrary, if a Participant's Settlement Date precedes his attainment of age 65, distribution will be as soon as administratively feasible after his 65th birthday, unless he consents in writing to distribution under subsection 15(a) or on another date, at such time and in such manner as the Administrator may require; provided, further, that no consent is required for an immediate distribution if the Participant's Accounts have a total value of $5,000 or less. In the event of a mandatory distribution greater than $1,000 in accordance with the provisions of this Section 15(b), if the Participant does not elect to have such distribution paid directly to an Eligible Retirement Plan specified by the Participant in a Direct Rollover or receive the distribution directly in accordance with Sections 15(a) and 15(b), then the Administrator will pay the distribution in a Direct Rollover to an individual retirement plan designated by the Administrator.

For purposes of this Section 15(b), the value of a Participant's Accounts shall be determined without regard to that portion of the balance of the Accounts that is attributable to rollover contributions (and earnings allocable thereto) within the meaning of Sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16) of the Code. If the value of the Participant's Accounts as so determined is $5,000 or less, the Plan shall immediately distribute the Participant's entire Accounts.

(c) Method of Distribution

(1) Employee Stock Accounts. Normally, a Participant's interest in his Employee Stock Account shall be distributed in full shares of Stock and cash representing the value of any fractional shares. However, a Participant may elect to receive cash in such amount as may be provided by part or all of the value of the Participant's interest in his Employee Stock Accounts. In determining the value of fractional shares or in determining the value of a Participant's interest in his Employee Stock Accounts, Stock shall be valued at the price of the last sale of Stock on the composite tape for stocks listed on the New York Stock Exchange on or immediately preceding his Settlement Date. For purposes of Section 9(d), the Trustee shall be deemed to have purchased at such price all shares of Stock, including fractional shares, represented by a distribution in cash.

(2) Other Accounts. A Participant's Accounts other than his Employee Stock Accounts shall be distributed in a single lump sum in cash. However, by written notice to the Administrator at least thirty days before his Settlement Date, any Participant may elect to receive part or all of his distribution amount from his other Accounts in a number of shares of Stock, plus cash for any fractional shares, determined by dividing the price of the net aggregate average price of all trades placed during the day

in the Trust on the Participant's Settlement Date into the amount of his distribution which would otherwise be made in cash.

(3) Direct Rollover. Notwithstanding the provisions of Section 15(c)(1) or (2), a Distributee may elect to have all or any portion of any Eligible Rollover Distribution paid in a Direct Rollover directly by the Plan to an Eligible Retirement Plan.

(4) Direct Rollovers to Nonspouse Beneficiaries. Notwithstanding this Section 15(c), with respect to distributions made on or after January 1, 2007, a designated nonspouse Beneficiary of a deceased Participant or former Participant may elect to receive a distribution of the deceased Participant's or former Participant's Accounts, in accordance with Section 402(c)(11) of the Code, paid in a Direct Rollover subject to the following requirements:

(A) the distribution amount must satisfy all of the requirements to be an Eligible Rollover Distribution other than the requirement that the distribution be made to the Participant or the Participant's spouse; and

(B) the Direct Rollover must be made to an individual retirement account described in Section 408(a) of the Code or an individual retirement annuity described in Section 408(b) of the Code (collectively, "IRA"), established on behalf of the designated nonspouse Beneficiary that will be treated as an inherited IRA pursuant to the provisions of Section 402(c)(11) of the Code.

(d) Cost Data Provided Upon Distribution

When a distribution is made, the Administrator shall provide the Participant or his Beneficiary with a statement reflecting the final status of all of the Participant's Accounts and such other information as the Administrator may determine.

(e) Minimum Required Distributions

(1) All distributions under the Plan shall comply with Section 401(a)(9) of the Code and the Treasury Regulations promulgated thereunder. Notwithstanding the other provisions of this Section 15(e), distributions may be made under a designation made before January 1, 1984, in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act ("**TEFRA**") and the provisions of the Plan that relate to Section 242(b)(2) of TEFRA.

(2) Time and Manner of Distribution

(A) Required Beginning Date. The Participant's entire interest in the Plan shall be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date.

(B) Death of Participant before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest in the Plan shall be distributed, or begin to be distributed, no later than as follows:

(I) If the Participant's surviving spouse is the Participant's sole designated beneficiary, then distributions to the surviving spouse shall begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.

(II) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, then distributions to the designated beneficiary shall begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(III) If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest shall be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(IV) If the Participant's surviving spouse is the Participant's sole designated beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 15(e)(2)(B), other than Section 15(e)(2)(B)(I), will apply as if the surviving spouse were the Participant.

For purposes of this Section 15(e)(2)(B) and Section 15(e)(4), unless Section 15(e)(2)(B)(IV) applies, distributions are considered to begin on the Participant's required beginning date. If Section 15(e)(2)(B)(IV) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section 15(e)(2)(B)(I).

(3) Required Minimum Distributions during Participant's Lifetime

(A) Amount of Required Minimum Distribution for Each Distribution Calendar Year. During the Participant's lifetime, the minimum amount that shall be distributed for each distribution calendar year is the lesser of:

(I) the quotient obtained by dividing the Participant's Account balance by the distribution period in the Uniform Lifetime Table set forth in Treasury Regulation Section 1.401(a)(9)-9, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

(II) if the Participant's sole designated beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's Account balance by the number in the Joint and Last Survivor Table set forth in Treasury Regulation Section 1.401(a)(9)-9, using the

Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

(B) Lifetime Required Minimum Distributions Continue through Year of Participant's Death. Required minimum distributions shall be determined under this Section 15(e)(3) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.

(4) Required Minimum Distributions after the Participant's Death

(A) Death on or after Date Distributions Begin.

(I) Participant Survived by Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is a designated beneficiary, the minimum amount that shall be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated beneficiary, determined as follows:

a The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

b If the Participant's surviving spouse is the Participant's sole designated beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

c If the Participant's surviving spouse is not the Participant's sole designated beneficiary, the designated beneficiary's remaining life expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(II) No Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is no designated beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that shall be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the Participant's remaining life expectancy calculated using

the age of the Participant in the year of death, reduced by one for each subsequent year.

(B) Death before Date Distributions Begin

(I) Participant Survived by Designated Beneficiary. If the Participant dies before the date distributions begin and there is a designated beneficiary, the minimum amount that shall be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the remaining life expectancy of the Participant's designated beneficiary, determined as provided in Section 15(e)(4)(A).

(II) No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest in the Plan shall be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(III) Death of Surviving Spouse before Distributions to Surviving Spouse are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 15(e)(2)(B)(I), this Section 15(e)(4)(B) shall apply as if the surviving spouse were the Participant.

(5) Definitions

(A) Designated Beneficiary. The individual who is designated as the Beneficiary under Section 2 of the Plan and is the designated beneficiary under Section 401(a)(9) of the Internal Revenue Code and Treasury Regulation Section 1.401(a)(9)-1, Q&A-4.

(B) Distribution Calendar Year. A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section 15(e)(2)(B). The required minimum distribution for the Participant's first distribution calendar year shall be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, shall be made on or before December 31 of that distribution calendar year.

(C) Life Expectancy. Life expectancy as computed by use of the Single Life Table in Treasury Regulation Section 1.401(a)(9)-9.

(D) Participant's Account Balance. The balance in the Participant's Accounts as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the balance in the Participant's Accounts as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The Account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(E) Required Beginning Date. The April 1 of the calendar year following the later of: (i) calendar year in which the Participant reaches age 70½, or (ii) for any Participant who is not a five percent owner (as defined in Code Section 416) with respect to the Plan Year ending with or within the calendar year in which the Participant attains age 70½, the calendar year in which the Participant retires from employment with the Employer and the Related Entities.

(f) Qualified Domestic Relations Orders

The benefits payable under the Plan with respect to a Participant will not be paid pursuant to a domestic relations order, unless the order is a Qualified Domestic Relations Order. A Qualified Domestic Relations Order may permit a payment before a Participant has separated from Employment. In the event that a Qualified Domestic Relations Order does not provide for immediate distribution, and if it provides for a division of Plan assets, such Qualified Domestic Relations Order may also provide that the Alternate Payee shall have the same right to transfer portions of his or her account from one Investment Fund to another as if such Alternate Payee were a Participant. The Administrator shall establish procedures for processing domestic relations orders and determining whether or not such orders meet the requirements of a Qualified Domestic Relations Order.

Section 16. Disability Withdrawal

(a) Any Participant who receives Disability Benefits under the Company's Disability Benefit Plan for a period of at least one year shall be a "**Disabled Participant**".

(b) Any Disabled Participant may, upon written notice to the Company and upon receiving the approval of the Company, withdraw any part or all, expressed as an even percentage, of one or more of his employee contribution Accounts plus any part or all of his Employer Account. Withdrawals from his Employer Account may be made only after all of his interest in his employee contribution Accounts is withdrawn.

(c) Such a withdrawal shall be distributed as soon as practicable, generally within 10 business days of the date on which all forms are received in good order from a Disabled Participant. A withdrawal from a Participant's employee contribution Accounts, other than the Participant's Employee Stock Accounts, shall be in the form of cash. A withdrawal from a Participant's Employee Stock Accounts and Employer Account shall be in the form of full shares of Stock and cash representing fractional shares unless the Participant specifies in his

written request for withdrawal that the withdrawal be in the form of cash. In determining the value of a Participant's interest in his Employee Stock Accounts and Employer Account for the purpose of computing a cash withdrawal, Stock shall be valued at the price of the net aggregate average price of all trades placed during the day in the Trust on the Settlement Date after such request is received by the Company. The Participant's Employee Stock Accounts and Employer Account shall be reduced by the number of such shares.

(d) If any Disabled Participant ceases to receive Disability Benefits under the Company's Disability Benefit Plan, he shall no longer be eligible to make a withdrawal as a Disabled Participant.

Section 17. Withdrawal of After-Tax Contributions and Rollover Contributions

(a) Any Participant may upon written notice to the Company withdraw any part or all of his interest in his After-Tax Account and Rollover Account, excluding earnings, which, when added to amounts previously withdrawn, does not exceed his aggregate employee contributions. Such withdrawal may be made only once each calendar year.

(b) Such a withdrawal shall be distributed as soon as practicable, generally within 10 business days of the date on which the Company receives such written request in good order from a Participant. A withdrawal from a Participant's employee contribution Accounts, other than his Employee Stock Accounts, shall be in the form of cash. A withdrawal from a Participant's Employee Stock Accounts shall be in the form of full shares of Stock and cash representing fractional shares unless the Participant specifies in his written request for withdrawal that the withdrawal be in the form of cash. In determining the value of a Participant's interest in his Employee Stock Accounts for the purpose of computing a cash withdrawal, Stock shall be valued at the net aggregate average price of all trades placed during the day in the Trust on the Settlement Date. The Participant's Employee Stock Accounts shall be reduced by the number of such shares.

Section 18. Hardship Withdrawals

(a) Any Participant who meets the conditions of Hardship, as defined in Section l8(e) and (f) below, may upon written notice to the Administrator withdraw any part or all of his interest in his Employer Contribution Account.

(b) After receiving or requesting all withdrawals permitted under Section 18(a), any Participant who meets the conditions of Hardship, as defined in Section 18(e) and (f) below, may upon written notice to the Administrator withdraw any part or all of his interest in his Pre-Tax Account, excluding earnings.

(c) Such withdrawal shall be distributed as soon as practicable, generally within 10 business days of the date upon which the Company received such written request in good order, from a Participant. A withdrawal from a Participant's Pre-Tax Account, other than his Employee Stock Accounts, shall be in the form of cash. A withdrawal from a Participant's Employee Stock Accounts shall be in the form of full shares of Stock and cash representing fractional shares unless the Participant specifies in his written request for withdrawal that the withdrawal be in the form of cash. In determining the value of a Participant's interest in his

Employee Stock Accounts for the purpose of computing a cash withdrawal, Stock shall be valued at the net aggregate average price of all trades placed during the day in the Trust on the Settlement Date. The Participant's Employee Stock Accounts shall be reduced by the number of such shares.

(d) **"Hardship"** means an immediate and heavy financial need which must fall under one of the following categories:

(1) Expenses for (or necessary to obtain) medical care that would be deductible under Section 213(d) of the Code (determined without regard to whether the expenses exceed 7.5% of adjusted gross income).

(2) Costs directly related to the purchase of a principal residence for the Participant. This does not include making mortgage payments on the Participant's principal residence.

(3) Payment of tuition, related educational fees, and room and board expenses for up to the next 12 months of post-secondary education for the Participant, the Participant's spouse, children or dependents (as defined in Section 152 of the Code and without regard to Section 152(b)(1), (b)(2) and (d)(1)(B) of the Code).

(4) Payments necessary to prevent eviction of the Participant from the Participant's principal residence, or foreclosure on the mortgage on such residence.

(5) Payments for burial or funeral expenses for the Participant's deceased parent, spouse, children or dependents (as defined in Section 152 without regard to Section 152(d)(1)(B) of the Code).

(6) Expenses for repair of damage to the Participant's principal residence that would qualify for the casualty deduction under Section 165 of the Code (determined without regard to whether the loss exceeds 10% of adjusted gross income).

(7) Any other financial need specifically listed by the Secretary in Treasury Regulations or other official guidance that allows the Plan to make hardship distributions in accordance with Treasury Regulation Section 1.401(k)-3(d).

The determination of whether a Participant's financial need constitutes a "Hardship" shall be made in accordance with Treasury Regulation Section 1.401(k)-1(d)(3).

(e) As a further condition of receiving a Hardship withdrawal, an employee must make a written representation that the requested withdrawal including any amounts necessary to pay any federal, state or local income taxes is not in excess of the amount of the immediate and heavy financial need and that the need cannot be reasonably be relieved:

(1) Through reimbursement or compensation by insurance or otherwise;

(2) By liquidation of the employee's assets;

(3) By cessation of Pre-Tax Contributions or After-Tax Contributions under the Plan; or

(4) By other distributions (including distributions of cash dividends under Section 9(c) or nontaxable (at the time of the loan) loans from plans maintained by the employer or by any other employer, or by borrowing from commercial sources on reasonable commercial terms, in an amount sufficient to satisfy the need.

The Administrator shall have no duty or obligation to verify or investigate the participant's representations. The Administrator may rely on the representations where it is reasonable to do so. The Participant's resources include assets owned by the Participant and the Participant's spouse and minor children where these assets are reasonably available to the Participant.

(f) A Participant who receives a withdrawal of Pre-Tax Contributions on account of Hardship shall be prohibited from making Pre-Tax Contributions and After-Tax Contributions under this Plan and all other plans of the Employer and any Related Entity for six months after receipt of the distribution.

Section 19. Age 59½ Withdrawals

A Participant who has attained age 59½ may, upon written request to the Administrator, withdraw any part or all of his or her interest in his or her Pre-Tax Account, After-Tax Account and Employer Contributions Account.

Section 20. Loans to Participants

The Administrator may, upon written application of the Participant, authorize a loan to the Participant subject to the following:

(a) Maximum Limit. Loans will be limited to the lesser of:

(1) 1/2 of the present value of the Participant's nonforfeitable Account balance; or

(2) $50,000 reduced by the maximum outstanding loan balance (if any) during the 12-month period ending on the day before the loan is taken.

provided, however, that the maximum loan may be further limited in accordance with standard banking principles based upon an assessment of a Participant's ability to repay the loan.

(b) Minimum Limits. Loans shall be in increments of $100. The minimum loan amount shall be $1,000.

(c) Availability. Loans must be made available to all Participants on a reasonably equitable basis and the availability shall be communicated to all Participants.

(d) Interest Rate. A reasonable rate of interest shall be charged on each loan. What is reasonable depends on factors such as the amount of loan, adequacy of security, duration

of loan, repayment schedule, current market conditions, what is customary in similar arm's length transactions in the community, and other economic and time factors.

(e) Distribution of Loan Proceeds. A Participant shall generally receive loan proceeds within 10 business days of the receipt of all loan application papers in good order.

(f) Term. All loan agreements shall provide for repayment within five (5) years from the date of the loan, excepting only a loan used to purchase of a Participant's primary residence which may be for a maximum term of 15 years from the date of the loan.

(g) Repayment. For Participants who are active Employees, repayment of loans shall be by payroll deduction. For all other Participants, an approved method must be established which provides comparable security to the Plan.

(h) Other Rules.

(1) A Participant may not have more than two loans outstanding from the Plan at any time.

(2) All plans of Related Entities are to be combined for purposes of maximum limits on loans.

(3) All loans must be evidenced by a written loan agreement signed by all relevant parties to the loan and evidenced by a promissory note of the borrower where the borrower personally guarantees the repayment of the loan and secures the loan on the Participant's account balance.

(4) A Participant's spouse must consent in writing for a Participant to use any part of their account balance as security for the loan. Spousal consent shall be obtained no earlier than the beginning of the 90 day period ending on the date the loan is made. The consent must acknowledge the effect of the loan and must be witnessed by a Plan representative or a notary public. The consent is binding with respect to the loan for which it is given, on any subsequent spouse. A new consent shall be required if the loan is revised, renegotiated, renewed or extended.

(5) The loan document must provide for payments to be made at least monthly, in a level amount, which will fully amortize the loan over its duration. A Participant may not make advance loan payments but may pay off the entire balance owing at any time.

(6) Each loan shall be treated as a separate investment of the Trust funds credited to such Participant's Accounts and the Participant's Accounts in each of the Investment Funds shall be reduced proportionally to provide the amount of the loan. Payments by a Participant on any such loan shall be credited to such Participant's Accounts in various Investment Funds in the same proportions as the Participant's Pre-Tax Contributions and/or After-Tax Contributions are made to such Investment Funds at the time such loan payments are made.

(7) A loan will not be foreclosed and security attached before a distributable event occurs under the Plan. Any loan outstanding at the time a Participant receives a distribution shall be repaid by offsetting the balance due (plus accrued interest and any costs) against the amount to be distributed.

(8) If a valid spousal consent has been obtained in accordance with clause (4) above, and the Participant's spouse does not receive the Participant's entire vested benefits, then the vested benefits shall be reduced by the balance due before determining the benefit payable to the Participant's surviving spouse.

(9) All loan related costs including but not limited to loan origination fees, administrative fees, and maintenance fees shall be paid by the borrower.

(10) A Participant who is on military leave may suspend his payments on any loan under the Plan during such military leave and such suspension shall not be taken into account for purposes of Section 72(p), 401(a) or 4975(d)(1) of the Code.

(i) Administrative Rules. The Administrator may adopt administrative rules and procedures regarding loans from the Plan. Such administrative rules and procedures shall be consistent with this Section 20 and the requirements governing loans from the Plan under the Code and ERISA.

Section 21. Rights and Options on Stock

(a) Participant Protections and Rights

This Section 21 is intended to meet the requirements of Treasury Regulation Section 54.4975-11(a)(3) or any successor regulation. The protections and rights provided by this Section 20 are nonterminable.

(b) General Restriction on Options

Except as provided elsewhere in this Section 21, no Stock acquired with the proceeds of an Exempt Loan may be subject to a put, call, or other option, or buy-sell or similar arrangement while held by and when distributed from this Plan, whether or not this Plan is then an employee stock ownership plan as described in Section 4975(e)(7) of the Code.

(c) Put Options on Stock Not Publicly Traded

If, at the time of distribution, Stock distributed from the Plan is not readily tradeable on an established market within the meaning of Section 409(h) of the Code and regulations thereunder, such Stock shall be subject to a put option in the hands of a Qualified Holder by which such Qualified Holder may sell all or any part of the Stock distributed to the Trustee. Should the Trustee decline to purchase all or any part of the Stock put to it by the Qualified Holder, the Company shall purchase the Stock that the Trustee declines to purchase. The put option shall be subject to the following conditions:

(1) The term "**Qualified Holder**" shall mean the Participant or Beneficiary receiving the distribution of Stock, any other party to which the Stock is transferred by gift or by reason of death, and also any trustee of an individual retirement account (as defined under Code Section 408) to which all or any portion of the distributed Stock is transferred pursuant to a tax-free "rollover" transaction satisfying the requirements of Sections 402 and 408 of the Code.

(2) During the 60-day period following any distribution of such Stock, a Qualified Holder shall have the right to require the Company to purchase all or a portion of the distributed Stock held by the Qualified Holder. The purchase price to be paid for any such Stock shall be their fair market value determined (1) as of the Valuation Date coinciding with or next preceding the exercise of the put option under this Section 21(c) or, (2) in the case of a transaction between the Plan and a "disqualified person" within the meaning of Section 4975(e)(2) of the Code or a "party in interest" within the meaning of Section 3(14) of ERISA, as of the date of the transaction.

(3) If a Qualified Holder shall fail to exercise the put option right under Section 21(c)(2), the option right shall temporarily lapse upon the expiration of the 60-day period. As soon as practicable following the last day of the Plan Year in which the 60-day option period expires, the Company shall notify the non-electing Qualified Holder (if the Qualified Holder is then a shareholder of record) of the valuation of the Stock as of that date. During the 60-day period following receipt of such valuation notice, the Qualified Holder shall again have the right to require the Company to purchase all or any portion of the distributed Stock. The purchase price to be paid therefor shall be fair market value determined (A) as of the Valuation Date coinciding with or next preceding the exercise of the put option under this Section 21(c)(3), or (B) in the case of a transaction between the Plan and a "disqualified person" within the meaning of Section 4975(e) (2) of the Code or a "party in interest" within the meaning of Section 3(14) of ERISA, as of the date of the transaction.

(4) The foregoing put options under Section 21(c)(2) and (3) hereof shall be effective solely against the Company and shall not obligate the Plan or Trust in any manner.

(5) The period during which the put option is exercisable does not include any time when a Qualified Holder is unable to exercise it because the Company is prohibited from honoring it by applicable Federal or State laws.

(6) Except as otherwise required or permitted by the Code, the put options under this Section 21(c) shall satisfy the requirements of Treasury Regulation Section 54.4975-7(b) of the Treasury Regulations to the extent, if any, that such requirements apply to such put options.

(7) A Qualified Holder must exercise the put option in writing by filing with the Trustee. If a Qualified Holder exercises the put option under this Section 21(c), payment for the Stock repurchased shall be made, in the case of a distribution of a Participant's Account within one taxable year, in substantially equal

annual payments over a period beginning not later than 30 days after the exercise of the put option and not exceeding five years (provided that adequate security and reasonable interest are provided with respect to unpaid amounts) or, in the case of other distributions, not later than 30 days after such exercise.

Section 22. Administration

The Company as named fiduciary shall administer the Plan in a nondiscriminatory manner consistent with the requirements of Section 401(a) of the Code.

The Company may, from time to time, appoint committees or designate persons to whom the Company may allocate fiduciary responsibilities to administer all or any part of the Plan.

If any controversy shall arise between the Company and any employee or person claiming a benefit or any other right under the Plan, such controversy shall be subject to the claims procedure set forth hereinafter. All decisions of the Company concerning the administration of the Plan shall be conclusive and binding upon all employees and all other persons claiming a benefit or any other right under the Plan.

Section 23. Claims Procedure

(a) Filing a Claim for Benefits

An Employee or other person claiming benefits under the Plan ("**Claimant**"), who believes that he is not receiving benefits or other rights as required by the Plan, must file a claim in writing with the Administrator.

(b) Notification of Decision

If a claim is wholly or partially denied, the Administrator will give the Claimant written notice of the denial within 90 days of the date the claim was initially received. Should special circumstances prevent processing the claim within 90 days, the Company will have up to an additional period of 90 days to decide the claim, provided the Claimant is notified in writing during the initial 90-day period of the special circumstances requiring an extension and the projected date by which a decision will be made.

The written notice of denial shall specify the reasons for the denial, refer to Plan provisions on which the denial is based, describe any additional information necessary to perfect the claim and why such material is necessary, and inform the Claimant of the steps that must be taken to submit the claim for further review including the time limits applicable to such procedures, and a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse decision upon review.

(c) Review Procedures

The Claimant may request review, in writing, of a denial of claim. The request for review must be filed within 60 days after the Claimant receives written notification of the

denial and must specify each of the Claimant's contentions. The Claimant, or his duly authorized representative may request upon written application to the Administrator; to review and/or copy free of charge, pertinent Plan documents, records, and other information relevant to the Claimant's claim, submit issues and submit documents, records and other information relating to the claim. The decision on review shall be made by the Administrator, who may, in its discretion, hold a hearing on the denied claim. The review shall take into account all comments, documents, records and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit claim determination.

(d) Decision on Review

The Administrator will ordinarily make a decision within 60 days after receiving the written request for a review, unless special circumstances make the issuance of a decision infeasible. If special circumstances require, the Company shall be allowed an extension of up to 60 days once the Claimant has been notified of such extension in writing, prior to expiration of the initial 60 day review period. Such notice of extension shall indicate the special circumstances requiring the extension of time and the date by which the Administrator expects to render the determination on review. The decision on review will be in writing and will be delivered to the Claimant as soon as possible, but not later than 5 days after the claim determination is made. Such notice shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, with the specific reason or reasons for the denial of the claim, specific references to the pertinent Plan provisions on which the decision is based and a statement that the Claimant is entitled to receive upon request and free of charge reasonable access to and copies of all documents, records and other information relevant to the Claimant's claim for benefits, as well as a statement of the Claimant's right to bring an action under Section 502(a) of ERISA. If the decision on review is not furnished within such period, the claim shall be deemed denied on review. The Claimant may further appeal a decision through the grievance and arbitration provisions in the Statement of Employee Relations Policy of the Company.

Section 24. Proof of Age

Proof of age satisfactory to the Administrator may be required of each Participant.

Section 25. Incompetence

In the event any amount becomes payable under the Plan to a minor or a person who, in the sole judgment of the Administrator, is considered by reason of physical or mental condition to be unable to give a valid receipt therefor, the Administrator may direct that such payment be made to any person found by the Administrator, in its sole judgment, to have assumed the care of such minor or other person or who is legally vested with the care of his estate. Any payment made pursuant to such determination shall constitute a full release and discharge of the Plan, the Trustee, the Administrator and the Participating Companies and their officers, directors, employees, owners, agents and representatives.

Section 26. No Assignment of Interest

(a) Except as provided in this Section 26 or pursuant to a Qualified Domestic Relations Order, the interest of any person in the Plan or in the Trust established under the Plan or in any distribution to be made under the Plan shall not be assignable, either by voluntary or involuntary assignment or by operation of law.

(b) Notwithstanding Section 26(a) or any other provision of the Plan to the contrary, upon receipt by the Administrator of a judgment, order, decree or settlement agreement described in this subsection (b) which expressly provides for an offset against all or part of an amount ordered or required to be paid to the Plan against a Participant's Accounts under the Plan, such Participant's Accounts shall be reduced or offset by the amount specified in such judgment, order, decree or settlement agreement and such amount shall promptly be paid to the Plan. The judgment, order, decree or settlement agreement described in this subsection (b) must arise from:

(1) a judgment of conviction for a crime involving the Plan,

(2) a civil judgment (including a consent order or decree) entered by a court in an action brought in connection with a violation (or alleged violation) of Part 4 of ERISA, or

(3) a settlement agreement between the Secretary of Labor or the Pension Benefit Guaranty Corporation and the Participant in connection with a violation (or alleged violation) of Part 4 of ERISA by a fiduciary or any other person.

Notwithstanding Section 26(a), a Participant's Accounts may be subject to and used to satisfy (1) a lien as the result of a loan under the Plan; (2) the enforcement of a Federal tax levy made pursuant to Code Section 6331; or (3) the collection by the United States on a judgment resulting from an unpaid tax assessment.

Section 27. Expenses of the Plan

To the extent permitted by the ERISA, all costs of administering the Plan, including the fees and expenses of the Trustee, recordkeeping expenses, and other related administrative expenses shall be paid by the Trustee out of trust funds on a pro rata basis for the month in which such expenses are accounted for by the Trustee. Brokerage fees, stock transfer taxes and other expenses incurred by the Trustee in buying or selling Stock and any other investments authorized under this Plan shall be paid by the Trustee out of the Investment Fund for which the purchases or sales are made as a part of the cost of purchasing such investments or as a reduction of proceeds received from the sale of such investments.

Section 28. Future of the Plan

The Company expects to continue the Plan indefinitely. Nevertheless the Company reserves the right, subject to any contractual obligations, to amend or terminate the Plan. No amendment, however, shall: (a) reduce the interest of any Participant accrued under the Plan to the date the amendment is adopted; or (b) divert any part of the assets of the Trust for

a purpose other than the exclusive benefit of employees or former employees of Employer or their beneficiaries.

Section 29. Termination of the Plan

(a) No part of the Trust shall revert to or be returned to Employer or be used or diverted for purposes other than for the exclusive benefit of employees of Employer or their beneficiaries.

(b) Upon the termination or partial termination of the Plan or upon the complete discontinuance of Employer Contributions under the Plan, the right of each affected Participant to his entire Employer Account shall be nonforfeitable. (The right of each Participant to his entire Employee Accounts shall at all times be nonforfeitable.)

(c) If the Plan is terminated or if there is complete discontinuance of Employer Contributions, all deferrals and contributions shall cease.

(d) Upon the termination of the Plan or upon complete discontinuance of Employer Contributions under the Plan, previously unallocated funds, if any, shall be allocated to the Participants then participating in the Plan. Such allocation shall be made to the applicable Accounts of such Participants during the Month in which such termination or complete discontinuance occurs.

(e) Upon the termination of the Plan or upon complete discontinuance of Employer Contributions under the Plan, all provisions of the Plan shall remain in full force and effect except as otherwise provided in this Section 29.

(f) Notwithstanding Section 6(a), for purposes of this Section 29, if the Plan is terminated effective as of a date other than the last day of the Plan's limitation year, the Plan is deemed to have been amended to change its limitation year, and the dollar limits under Section 415 of the Code shall be prorated in accordance with the rules applicable to short limitation years as set forth in Treasury Regulations Section 1.415(j)-1(d)(3).

Section 30. Audit of the Plan

The records and accounts maintained by the Trustee and the Company under the Plan shall be audited annually by the Company's independent certified public accountants.

Section 31. Benefits after Merger, Consolidation, or Transfer

In the event of any merger, consolidation with, or transfer of assets or liabilities to any other Plan, each Participant in the Plan shall be entitled to receive a benefit immediately after such merger, consolidation, or transfer which is equal to or greater than the benefit he or she would have been entitled to receive immediately before the merger, consolidation, or transfer, if the Plan had then terminated.

Section 32. Forfeiture of Unclaimed Distributions

In accordance with Section 1521(b) of the California Code of Civil Procedure, an employee benefit plan distribution and any income or other increment thereon shall not escheat to the state. If a Participant or Beneficiary is entitled to a distribution but he or she is no longer at his or her last known address and cannot be located with reasonable efforts within 12 months of entitlement to such distribution, then the plan administrator is expressly authorized and required to declare a forfeiture of such distribution, which amount shall be used to reduce the employer contributions under the plan. Provided, further, that in the event that a participant or beneficiary entitled to a distribution, whose distribution has been forfeited in accordance with this paragraph, seeks a distribution from the plan at some future time, such participant shall be entitled to have their distribution restored at the precise value it had at the time of forfeiture, without any interest or earnings thereupon.

Section 33. Correction of Administrative Error; Special Contribution

Notwithstanding any other provision of the Plan to the contrary, the Administrator shall take any and all appropriate actions to correct errors in the administration of the Plan, including, without limitation, errors in the allocation of contributions, forfeitures, and income, expenses, gains and losses to the Accounts of the Participants or Beneficiaries under the Plan. Such corrective actions may include debiting or crediting a Participant's or Beneficiary's Accounts or allocating special contributions made by the Company to the Plan for purposes of correcting any failure to make contributions on a timely basis or properly allocate contributions, forfeitures, or income, expenses, gains and losses. The Administrator shall determine the amount of any such special contributions required to be made by the Company, which may be made in such approximate amounts as the Administrator, acting in its sole discretion, shall determine. In no event shall any corrective action taken by the Administrator under this Section reduce any Participant's or Beneficiary's accrued benefit in violation of Section 411(d)(6) of the Code and the Treasury regulations thereunder.

Section 34. Uniformed Services Employment and Reemployment Rights Act of 1994

Notwithstanding any provisions of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Code and Treasury Regulations promulgated thereunder.

Section 35. Miscellaneous

(a) Limitation on Rights of Employees. Except as otherwise required by law, inclusion under the Plan will not give any Employee any right or claim to any benefit hereunder except to the extent such right has specifically become fixed under the terms of the Plan and there are funds available therefor in the Trust. The doctrine of substantial performance shall have no application to Employees or Participants. Each condition and provision, including numerical items, has been carefully considered and constitutes the minimum limit on performance which will give rise to the applicable right.

(b) Governing Law. The Plan and Trust shall be interpreted, administered and enforced in accordance with the Code and ERISA, and the rights of Participants,

Beneficiaries and all other persons shall be determined in accordance therewith; provided, however, that, to the extent that state law is applicable, the laws of the State of California shall apply.

(c) Genders and Plurals. Where the context so indicates, the masculine pronoun shall include the feminine pronoun and the singular shall include the plural.

(d) Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of the Plan or Trust Agreement.

(e) References. Unless the context clearly indicates to the contrary, a reference to a statute, regulation or document shall be construed as referring to any subsequently amended, enacted, adopted or executed statute, regulation or document.

AMENDMENT AND RESTATEMENT

OF THE

SOUTHERN CALIFORNIA GAS COMPANY
RETIREMENT SAVINGS PLAN

(Effective as of January 1, 2008)

TABLE 1

Incentive Plans with payout are as follows:

1. Employees eligible under the Sempra Energy Utilities Incentive Compensation Plan for Management & Associate Employees (ICP)

2. Employees eligible under the Gas Acquisition Incentive Plan (GAIP)

SOUTHERN CALIFORNIA GAS COMPANY
RETIREMENT SAVINGS PLAN
(As Amended and Restated
Effective as of January 1, 2008)

FIRST AMENDMENT

In order to amend the Southern California Gas Company Retirement Savings Plan (as Amended and Restated Effective as of January 1, 2008) (the "Plan") in certain respects, the Plan is hereby amended, effective as of January 1, 2008:

1. The first paragraph of Section 2(a) of the Plan is hereby amended in its entirety to read as follows:

> (a) "**Accounts**" means the following Accounts which may be maintained under this Plan for Participants, adjusted in each case for such Account's share in the increase or decrease in the net worth of the Trust:

2. Section 2 of the Plan is hereby amended by renumbering the current Sections 2(f) through 2(pp) as Sections 2(g) through 2(qq), respectively, and adding the following new Section 2(f) immediately following Section 2(e) thereof, to read as follows:

> (f) "**Catch-Up Contributions**" of a Participant means that portion of a Participant's Pre-Tax Contributions, if any, that are treated as additional elective deferrals pursuant to Section 414(v) of the Code.

3. Paragraph (7) of Section 2(n)(Eligible Rollover Distribution) of the Plan is hereby amended in its entirety to read as follows:

(7) that is made on account of Hardship as defined in Section 18(d).

4. Section 4 of the Plan is hereby amended by renumbering the current Sections 4(b) through 4(h) as Sections 4(c) through 4(i), respectively, and adding the following new Section 4(b) immediately following Section 4(a) thereof, to read as follows:

> (b) Catch-Up Contributions
>
> In the event a Participant has attained age 50 or will attain age 50 before the end of the Plan Year, such Participant's Pre-Tax Contributions under Section 4(a) shall be treated as Catch-Up Contributions to the extent provided under Section 414(v) of the Code and the Treasury Regulations thereunder. Such Participant's Catch-Up Contributions shall consist of the portion of such Participant's Pre-Tax Contributions that exceed the statutory limits and actual deferral percentage limit described in Treasury Regulation Section 1.414(v)-1(b)(1)(i) and (iii). Such Participant may not make Catch-Up Contributions in excess of the limit under Section 4(a). Such Participant's Catch-Up Contributions shall not exceed the dollar amount applicable under Section 414(v) of the

Code and Treasury Regulation 1.414(v)-1. Such Catch-Up Contributions shall not be taken into account for purposes of the provisions of the Plan implementing the required limitations of Sections 402(g) and 415 of the Code. The Plan shall not be treated as failing to satisfy the provisions of the Plan implementing the requirements of Section 401(k)(3), 401(k)(11), 401(k)(12), 410(b) or 416 of the Code, as applicable, by reason of the making of such Catch-Up Contributions.

SOUTHERN CALIFORNIA GAS COMPANY
RETIREMENT SAVINGS PLAN
(As Amended and Restated
Effective as of January 1, 2008)

SECOND AMENDMENT

In order to amend the Southern California Gas Company Retirement Savings Plan (as Amended and Restated Effective as of January 1, 2008) (the "Plan") in certain respects, the Plan is hereby amended, effective as of May 1, 2009:

1. Section 4(a)(1) of the Plan is hereby amended in its entirety to read as follows:

(1) By making an election as prescribed in Section 4(e), each Participant may have his Employer withhold any whole percentage of his Earnings (not exceeding 50% of his Earnings) that would otherwise be payable for each payroll period and to contribute such amounts as Pre-Tax Contributions to the Plan. The foregoing notwithstanding, the maximum total Pre-Tax Contributions by a Participant who is a union represented Employee shall be governed by the applicable collective bargaining agreement. Effective as of May 1, 2009, the maximum total Pre-Tax Contributions of such a Participant are subject to a limit of 50% of such Participant's Earnings.

2. Section 4(a)(2) of the Plan is hereby amended in its entirety to read as follows:

(2) Notwithstanding Section 4(a)(1) above, by making an election as prescribed in Section 4(e), each Participant who is not a union represented Employee and who has elected to make Pre-Tax Contributions under Section 4(a)(1) may elect automatic increases in the percentage of Earnings selected by such Participant under Section 4(a)(1). In addition, the selected percentage under Section 4(a)(1) of a Participant who is a union represented Employee will not be subject to the automatic increases in the percentage of Earnings selected under Section 4(a)(1).

3. Section 4(a)(3) of the Plan is hereby amended in its entirety to read as follows:

(3) The automatic increase under Section 4(a)(2) elected by a Participant who is not a union represented Employee shall be increased by 1% on each May 1 after such Participant elects automatic increases, until such Participant's percentage of Pre-Tax Contributions is 50% of Earnings, or as otherwise elected by such Participant. No such Participant's automatically increased elections of Pre-Tax Contributions shall exceed 50% of Earnings. In addition, the selected percentage under Section 4(a)(1) of a Participant who is a union represented Employee will not be subject to the automatic increases in the percentage of Earnings selected under Section 4(a)(1).

5. The second paragraph of Section 4(c) of the Plan is hereby amended the following sentence to the end thereof to read as follows:

In addition, the automatic election of Pre-Tax Contributions of a Participant who is a union represented Employee will not be subject to the automatic increases in the percentage of Earnings selected under this Section 4(c).

6. Section 4(d)(2) of the Plan is hereby amended in its entirety to read as follows:

(2) The foregoing notwithstanding, the maximum total Pre-Tax Contributions and After-Tax Contributions by a Participant who is a union represented Employee shall be governed by the applicable collective bargaining agreement. Effective as of May 1, 2009, the maximum total Pre-Tax Contributions and After-Tax contributions of such a Participant are subject to a combined limit of 50% of such Participant's Earnings.

SOUTHERN CALIFORNIA GAS COMPANY
RETIREMENT SAVINGS PLAN
(As Amended and Restated
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THIRD AMENDMENT

In order to amend the Southern California Gas Company Retirement Savings Plan (as Amended and Restated Effective as of January 1, 2008) (the "Plan") to comply with the requirements of the Pension Protection Act of 2006, the Heroes Earnings Assistance and Relief Tax Act of 2008, the Worker, Retiree, and Employer Recovery Act of 2008, and to make certain other changes, the Plan is hereby amended, effective as of January 1, 2009, except as otherwise set forth below:

1. Effective as of January 1, 2008, Section 2(n) of the Plan is hereby amended in its entirety to read as follows:

> **(n) "Eligible Retirement Plan" means an individual retirement account (described in Code Section 408(a)), an individual retirement annuity (described in Code Section 408(b)), an annuity plan (described in Code Section 403(a)), a qualified trust (described in Code Section 401(a)). An "Eligible Retirement Plan" shall also mean an annuity contract described in Section 403(b) of the Code and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. A Roth IRA (as defined in Code Section 408A) is an "Eligible Retirement Plan" that may accept a distributee's eligible rollover distribution subject to the applicable rules for such rollovers. The definition of "Eligible Retirement Plan" shall also apply to the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in Section 414(p) of the Code.**

2. Effective as of January 1, 2007, Section 2(o) of the Plan is hereby amended by restating the second paragraph thereof in its entirety to read as follows:

> **A portion of a distribution shall not fail to be an "Eligible Rollover Distribution" merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible. Effective as of January 1, 2007, such portion may also be transferred to a tax-sheltered annuity described in Section 403(b) and to a qualified defined benefit plan described in Section 401(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for**

the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

3. Section 2(o) of the Plan is hereby further amended to add the following new paragraph to the end thereof to read as follows:

Notwithstanding the foregoing, a "Distributee" who receives an amount that would have been a required minimum distribution under Section 401(a)(9) of the Code for 2009 may direct the Committee or its delegate to transfer such amount to an "Eligible Retirement Plan" in a "Direct Rollover."

4. Section 2(p) of the Plan is hereby amended in its entirety to read as follows:

(p) "Employee" means an individual who has been determined by the Employer (regardless of any determination made by any other person or entity) to be a common law employee of the Employer for federal income and/or employment tax purposes. Notwithstanding any other provision of the Plan, no individual who renders services to an Employer shall be considered an Employee for purposes of the Plan if such individual renders such services pursuant to (i) a written personal services agreement, independent contractor agreement, or consulting agreement (unless such agreement specifically provides for participation, either in this Plan specifically or employee benefit plans generally), (ii) an agreement with an entity, including a leasing organization within the meaning of section 414(n)(2) of the Code, that is not an Employer or Affiliated Employer, or (iii) an agreement that contains a waiver of participation in the Plan. Even if an individual who has been determined by the Employer not to be an Employee is later determined (by judicial action or otherwise) to have been an employee of an Employer under common law, such individual shall not, notwithstanding such determination, be an Employee or otherwise eligible to participate in or receive benefits under the Plan. An individual's status as an Employee shall be determined by the Employer and all such determinations shall be conclusive and binding on all persons.

5. Section 3(b) of the Plan is hereby amended in its entirety to read as follows:

(b) <u>Transfer</u>

If a Participant transfers to another member of the Related Entity, and such Related Entity also sponsors a qualified plan, said Participant's Accounts shall automatically transfer to said qualified plan of such Related Entity. Such automatic transfer shall be made in accordance with the requirements of Sections 401(a), 414(l) and 501(a) of the Code and the regulations issued thereunder. Such automatic transfer of a Participant's Accounts shall be allocated to the appropriate accounts in said qualified plan on behalf of such Participant and shall be subject to the vesting and distribution requirements of Sections 401(a), 401(k), 411(d)(6) and other applicable provisions of the Code and the regulations issued thereunder.

Conversely, if an employee who transfers to the Company from another member of the Related Entity was participating in such Related Entity's

qualified plan prior to his or her transfer, such employee's accounts under such Related Entity's qualified plan shall automatically transfer to the Plan. Such automatic transfer shall be made in accordance with the requirements of Sections 401(a), 414(l) and 501(a) of the Code and the regulations issued thereunder. Such automatic transfer of an employee's accounts from said qualified plan shall be allocated to the appropriate Accounts in the Plan on behalf of such transferred employee and shall be subject to the vesting and distribution requirements of Sections 401(a), 401(k), 411(d)(6) and other applicable provisions of the Code and the regulations issued thereunder.

6. The second sentence of Section 4(c) of the Plan is hereby amended in its entirety to read as follows:

Such automatic election to make Pre-Tax Contributions shall take effect as soon as reasonably practicable, but no earlier than 30 days after such Eligible Employee's commencement of Employment.

7. Section 4(g) of the Plan is hereby amended in its entirety to read as follows:

(g) The Company shall deliver Pre-Tax Contributions and After-Tax Contributions to the Trustee as soon as practicable following the payday on which the Pre-Tax Contributions and After-Tax Contributions are withheld, but no later than the 15th business day of the Month following the end of the Month in which Pre-Tax Contributions and After-Tax Contributions were withheld.

8. The first two sentences of Section 4(h) of the Plan are hereby amended in their entirety to read as follows:

A Participant may rollover into the Trust fund an Eligible Rollover Distribution from an Eligible Retirement Plan pursuant to such procedures as the Administrator may establish. The Administrator shall develop such procedures, and may require such information from a Participant desiring to make such a Rollover, as it deems necessary or desirable to determine that the proposed transfer will meet the requirements of this Section 4(h).

9. Section 4(h) of the Plan is hereby further amended to add the following paragraph to the end thereof to read as follows:

Under no circumstances will the Plan accept a rollover contribution by a Participant from a designated Roth contribution described in Code Section 402A or from a Roth IRA described in Code Section 408A.

10. The first paragraph of Section 5(c) of the Plan is hereby amended in its entirety to read as follows:

At the sole discretion of the Company, Employer Matching Contributions under this Section shall be made in Stock or cash, or any combination thereof. Cash contributions, if any, shall be immediately invested in Stock.

11. The fourth sentence of Section 7(c) of the Plan is hereby amended in its entirety to read as follows:

> **The directions of each Participant as to the investment of his Pre-Tax Contributions, After-Tax Contributions, Rollover Account and Qualified Non-Elective Contributions (if any) shall be made in such written, electronic or telephonic form as is prescribed by the Administrator.**

12. The second sentence of the second paragraph of Section 15(b) of the Plan is hereby amended in its entirety to read as follows:

> **If the value of the Participant's Accounts as so determined is $5,000 or less, the Plan shall immediately distribute the Participant's entire Accounts as set forth in the above paragraph.**

13. Section 15(e)(1) of the Plan is hereby amended by adding the following sentence to the end thereof to read as follows:

> **In addition, and notwithstanding the foregoing, unless otherwise elected by the Participant or Beneficiary, there shall be no required minimum distributions for 2009 under Section 401(a)(9) of the Code as mandated by the Worker, Retiree, and Employer Recovery Act of 2008.**

14. Section 15(e)(2)(B)(III) of the Plan is hereby amended in its entirety to read as follows:

> **(III) If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest shall be distributed by December 31 of the calendar year containing the fifth anniversary (determined without regard to calendar year 2009) of the Participant's death.**

15. Section 15(e)(4)(B)(II) of the Plan is hereby amended in its entirety to read as follows:

> **(II) <u>No Designated Beneficiary</u>. If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest in the Plan shall be completed by December 31 of the calendar year containing the fifth anniversary (determined without regard to calendar year 2009) of the Participant's death.**

16. Section 15(e)(5)(E)(ii) of the Plan is hereby amended in its entirety to read as follows:

> **(ii) for any Participant who is not a five percent owner (as defined in Code Section 416) with respect to the Plan Year ending with or within the calendar year in which the Participant attains age 70½, the calendar year in**

which the Participant retires from Employment with the Employer and the Related Entities.

17. Section 20(h)(7) of the Plan is hereby amended in its entirety to read as follows:

(7) A loan will not be foreclosed and security attached before a distributable event occurs under the Plan. Except as otherwise provided in subsection (h), if a valid spousal consent has been obtained in accordance with clause (4) above, any loan outstanding at the time a Participant receives a distribution shall be repaid by offsetting the balance due (plus accrued interest and any costs) against the amount to be distributed.

18. Section 20(h) of the Plan is further amended to delete paragraph (8) thereof and to renumber paragraphs (9) and (10) thereof as paragraphs (8) and (9), respectively.

19. Section 35 of the Plan is hereby renumbered as Section 36 and a new Section 35 is hereby added to the Plan to read in its entirety as follows:

Section 35. <u>Heroes Earnings Assistance and Relief Tax Act of 2008</u>

Notwithstanding any provisions of this Plan to the contrary, this Section 35 shall apply to Participants who are absent from employment while performing qualified military service in accordance with Section 414(u) of the Code and Treasury Regulations promulgated thereunder ("USERRA Service").

(a) <u>Disability or Death of Participant While Performing USERRA Service</u>. Effective on or after January 1, 2007, if a Participant becomes disabled or dies while performing USERRA Service, the Participant's Beneficiary shall receive the same benefits that such Beneficiary would have received had the Participant returned to Employment with the Employer or any Related Entity within the time required by law following his USERRA Service and became disabled or died immediately following his return to such Employment.

(b) <u>Differential Wage Payments</u>. Effective on or after January 1, 2009, a Participant who receives differential wage payments, as defined in Code Section 3401(h)(2), from the Employer while performing USERRA Service shall be treated as receiving payment of wages as an Employee of the Employer. Such payments shall constitute:

(1) Earnings for purposes of Pre-Tax Contributions under Section 4(a), Catch up Contributions under Section 4(b), Automatic Pre-Tax Contributions under Section 4(c), After-Tax Contributions under Section 4(d), and Employer Matching Contributions under Section 5(a), as applicable;

(2) Base Earnings for purposes of Employer Incentive Contributions under Section 5(b); and

(3) Section 415 Compensation for purposes of Section 6(a)(2).

(c) Severance from Employment. Notwithstanding Section 35(b), for purposes of Code Section 401(k)(2)(B)(i)(I), a Participant shall be treated as incurring a Severance from Employment while he is performing USERRA Service and such Participant shall not receive a distribution of his Accounts from the Plan without the Participant's consent while he is receiving differential wages payments under Code Section 3401(h)(2).

(d) Suspension of Pre-Tax Contributions and After-Tax Contributions and Upon Plan Distribution. If a Participants consents to a distribution upon his Severance from Employment or disability, such Participant shall be prohibited from making Pre-Tax Contributions and After-Tax Contributions under this Plan and all other plans of the Employer and any Related Entity for six months after receipt the distribution.

(e) Nondiscrimination Requirement. The provisions of this Section shall only apply if all Employees of the Employer and any Related Entity performing USERRA Service are entitle to receive differential wage payments, as defined in Code Section 3401(h)(2), on reasonably equivalent terms and, if eligible to participate in a retirement plan maintained by the Employer, to make contributions based on payments on reasonably equivalent terms (taking into account Code Sections 410(b)(3), (4) and (5)).

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(As Amended and Restated
Effective as of January 1, 2008)

FOURTH AMENDMENT

Effective as of January 1, 2011, the Southern California Gas Company Retirement Savings Plan, as Amended and Restated Effective as of January 1, 2008 (the "Plan"), is hereby amended as follows:

Section 20(h)(6) of the Plan is hereby amended in its entirety to read as follows:

> **(6) Each loan shall be treated as a separate investment of the Trust funds credited to such Participant's Accounts and the Participant's Accounts in each one or more of the Investment Funds shall be reduced to provide the amount of the loan in the manner prescribed by the administrative rules and procedures adopted under Section 20(i). Payments by a Participant on any such loan shall be credited to such Participant's Accounts in the various Investment Funds in the same proportions as the Participant's Pre-Tax Contributions and/or After-Tax Contributions are made to such Investment Funds at the time such loan payments are made.**

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Effective as of January 1, 2008)

AMENDMENT

Effective as of July 1, 2012 the Southern California Gas Company Retirement Savings Plan, as Amended and Restated Effective as of January 1, 2008 (the "Plan"), is hereby amended as follows:

1. Section 15(c)(2) of the Plan is hereby amended in its entirety to read as follows:

(2) Other Accounts. A Participant's Accounts may be distributed as follows:

(A) Single Lump Sum. A Participant may elect a distribution of his Accounts in a single lump sum in cash, including his Employee Stock Account, or elect to have his Employee Stock Account paid in stock and his other accounts paid in cash. A Participant may also elect, by written notice to the Administrator at least thirty days before his Settlement Date, to receive his Employee Stock Account in stock and all of his distribution from his other Accounts in a number of shares of Stock, plus cash for any fractional shares, determined by dividing the price of the net aggregate average price of all trades placed during the day in the Trust on the Participant's Settlement Date into the amount of his distribution which would otherwise be made in cash.

(B) Installment Payments. A Participant may elect a distribution of his Accounts in monthly, quarterly, semi-annual, annual installments payments over a period of years not to exceed his life expectancy;

(C) Periodic Distribution. A Participant may elect a distribution of all or a portion of his Accounts in the form of a periodic distribution which cannot exceed one in each Plan Year;