

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

November 5, 2021

**SOUTHERN CALIFORNIA GAS COMPANY
RETIREMENT SAVINGS PLAN
(AS AMENDED AND RESTATED, EFFECTIVE AS OF 11/05/2021)**

**SOUTHERN CALIFORNIA GAS COMPANY
RETIREMENT SAVINGS PLAN**

(Effective as of 11/05/2021)

TABLE OF CONTENTS

	<u>Page</u>
Section 1. Scope.....	1
Section 2. Definitions.....	1
Section 3. Eligibility, Participation and Transfer.....	10
Section 4. Participant Contributions	11
Section 5. Employer Contributions.....	19
Section 6. Limitations	21
Section 7. Investment Funds	37
Section 8. Transfers	41
Section 9. Stock	42
Section 10. Accounts for Investments	43
Section 11. Quarterly Statement	44
Section 12. Retirement.....	44
Section 13. Death	44
Section 14. Termination of Service before Retirement	44
Section 15. Distribution of Benefits.....	45
Section 16. Disability Withdrawal.....	53
Section 17. Withdrawal of After-Tax Contributions and Rollover Contributions.....	53
Section 18. Hardship Withdrawals	54
Section 19. Age 59½ Withdrawals	56
Section 20. Loans to Participants.....	57
Section 21. Rights and Options on Stock.....	59
Section 22. Administration and Indemnity	60
Section 23. Claims Procedure.....	61
Section 24. Proof of Age.....	61
Section 25. Incompetence	61
Section 26. No Assignment of Interest	62
Section 27. Expenses of the Plan	62

Section 28. Future of the Plan.....63
Section 29. Termination of the Plan63
Section 30. Audit of the Plan64
Section 31. Benefits after Merger, Consolidation, or Transfer.....64
Section 32. Forfeiture of Unclaimed Distributions.....64
Section 33. Correction of Administrative Error; Special Contribution64
Section 34. Uniformed Services Employment and Reemployment Rights Act of 1994.....64
Section 35. Heroes Earnings Assistance and Relief Tax Act of 200865
Section 36. Miscellaneous66
Appendix A A-1

**THE SOUTHERN CALIFORNIA GAS COMPANY
RETIREMENT SAVINGS PLAN**

(Effective as of 11/05/2021)

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 is hereby amended and stated, effective as of **11/05/2021** except as otherwise provided in the Plan or as required by law. This document constitutes a complete amendment, restatement and continuation of the Plan.

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 Stock Investment Fund (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 Participants in the Plan may make Pre-Tax Contributions (as defined below), **Roth 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 in respect of the Pre-Tax Contributions, Roth Contributions and After-Tax Contributions made by Participants under the Plan. Also, the Employer may make Employer Incentive Contributions (as defined below) and Qualified Non-Elective **and Qualified Matching** Employer Contributions (as defined below) to the Plan.

Section 1. Scope

This Plan applies to all Participants in the Plan on **11/05/2021**, or Employees who become eligible thereafter, unless otherwise specified herein. Prior to July 1, 2012 this Plan was integrated with and maintained in conjunction with the Sempra Energy Employee Stock Ownership Plan (the “**ESOP**”). Effective as of June 30, 2012, the ESOP was terminated.

Section 2. Definitions

General. 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 decrease 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 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 4(k) shall be credited.

(5) Employer Stock Account means the separate account maintained for each Participant to which any Employer Contribution which is made in Stock or transferred into the Stock Investment Fund is credited as described in Section 10.

(6) Qualified Account means the separate account (if any) maintained for each Participant to which **any** Qualified Non-Elective Contributions **and Qualified Matching Contributions** shall be credited.

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

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

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

(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 (other than Roth Contributions) by a Participant.

(d) “**Base Earnings**” means, for any period, an Eligible Employee's Earnings less overtime pay, premiums, merit pay and pay under lump sum or other incentive compensation programs not listed in Table 1 of Appendix A.

(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 Administrator 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.

Notwithstanding the above, a Beneficiary (or his legal representative) may disclaim or refuse to accept all or a portion of a Participant’s Plan benefits that would otherwise be payable to such Beneficiary by timely providing the Administrator with a “qualified disclaimer” (within the meaning of Code Section 2518(b) and the regulations issued thereunder) that also satisfies applicable state law. If the Administrator receives a qualified disclaimer, then the Administrator will determine the person or persons entitled to receive the Participant’s Plan benefits in accordance with the Plan’s provisions.

A Beneficiary (or his legal representative) who provides the Administrator with such a “qualified disclaimer” shall indemnify and release the Administrator and the Plan from any and all claims and liabilities relating to the Participant’s Plan benefits.

(f) “**Break in Service**” means a Period of Severance of at least 12 consecutive months.

(g) “**Catch-Up Contributions**” of a Participant means that portion of a Participant’s Pre-Tax Contributions and/or Roth Contributions, if any, that are treated as additional elective deferrals pursuant to Section 414(v) of the Code.

(h) “**Committee**” or “**Pension and Benefits Committee**” means the committee designated by the board of directors of Southern California Gas Company to exercise the exclusive power and authority to amend, modify or terminate the Plan and to act as the Administrator of the Plan, except to the extent that such authority is delegated to the Savings Plan Fiduciary Committee or the Independent Fiduciary.

(i) “**Company**” means Southern California Gas Company, a California corporation and any successor entity thereto.

(j) “**Direct Rollover**” means a direct payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

(k) “**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.

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

(m) “**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.

(n) “**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.

(o) “**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.

(p) “**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 (A) for the life (or life expectancy) of the

distributee; (B) for the joint lives (or joint life expectancies) of the distributee and the distributee's Beneficiary; or (C) for a specified period of ten years or more;

(2) 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;

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

(4) that is a distribution of cash dividends under Section 9(c)(1) or (2);

(5) that is made on account of Hardship as defined in Section 18(d);

(6) that is excluded by applicable guidance.

The portion of an "**Eligible Rollover Distribution**" that consists of After-Tax Contributions and related earnings can only be rolled over from the Plan:

(A) through either a direct rollover or a rollover within 60 days of the receipt of the Eligible Rollover Distribution (or such longer time permitted under Code Section 402(c)(3)(B)) to an individual retirement account, individual retirement annuity or a Roth IRA; or

(B) through a direct rollover to a qualified trust described in Code Section 402(c)(8)(A) or a Code Section 403(b) annuity contract or plan that provides for separate accounting for amounts so transferred (including separately accounting for the portion of such distribution which is includable in gross income and the portion of the such distribution which is not so includible).

The portion of an "**Eligible Rollover Distribution**" that consists of Roth Contributions, Roth Rollover Contributions and related earnings can only be rolled over from the Plan:

(X) through a direct rollover to a Roth IRA of the Roth Contributions, Roth Rollover Contributions and related nontaxable earnings, or, if permitted by the Administrator, for the taxable earnings alone and if the permitted by the Administrator, a rollover to a Roth IRA within 60 days of the receipt of the Eligible Rollover Distribution (or such longer time permitted under Code Section 402(c)(3)(B)); or

(Y) through a direct rollover to a qualified trust described in Section 402(c)(8)(A), a Code Section 403(b) annuity contract or plan, or a Code Section 457(b) plan that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includable in gross income and the portion of such distribution which is not so includible.

(q) “**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 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.

(r) “**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.

(s) “**Employer Contributions**” means Employer Matching Contributions and Employer Incentive Contributions.

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

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

(v) “**Employment**” means employment by the Company or any Related Entity.

(w) “**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended.

(x) “**Forfeiting Break in Service**” shall mean five consecutive one-year Breaks in Service; provided, that, at the time of the Participant’s severance from Employment, he had no vested interest in any Account under the Plan.

(y) “**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."

(z) *Reserved.*

(aa) "**Investment Funds**" mean collectively or singly as the context requires, the investment funds established by (i) only with respect to the Stock Investment Fund, the Pension and Benefits Committee acting on behalf of the Company as Plan sponsor, or (ii) the Savings Plan Fiduciary Committee and the Trustee for investment of the Trust as described in Section 7.

(bb) "**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.

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

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

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

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

(gg) "**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.

(hh) “**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.

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

(jj) “**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.

(kk) “**Related Plan**” means a plan established by a Related Entity, 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.

(ll) “**Rollover**” means amounts transferred to the Trust as either Regular Rollover Contributions or Roth Rollover Contributions on behalf of a Participant in accordance with Section 4(i).

(mm) “**Savings Plan Fiduciary Committee**” means the committee designated by the Company’s board of directors to act as the Plan’s investment fiduciary, except to the extent that the committee has executed a written delegation of its investment fiduciary responsibility and authority with respect to the Stock Investment Fund to the Independent Fiduciary.

(nn) “**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 all or a portion of a Participant’s Accounts are received in good order by the Administrator.

(oo) “**Stock**” means the common stock of Sempra Energy.

(pp) “**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.

(qq) “**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.

(rr) “**Union**” means the Utility Workers Union of America, AFL-CIO and the International Chemical Workers Union Council, UFCW.

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

(tt) “**Withdrawal**” means the withdrawal of benefits before termination of a Participant’s Service as provided in Articles 16, 17, 18 and 19.

(uu) “**Year of Service**” means a consecutive twelve-month period of Service, commencing on the Employee’s Employment Commencement Date or any anniversary thereof. An Employee shall be credited with a Year of Service on the last day of any such consecutive twelve-month period. If a former Employee is reemployed by an Employer or any Related Entity, then the former Employee’s previous Years of Service, including any fractional periods, shall be restored.

(vv) “**Independent Fiduciary**” means the entity to which the Savings Plan Fiduciary Committee has delegated its investment fiduciary authority and responsibilities with respect to the Stock Investment Fund.

(ww) “**Employment Commencement Date**” means the date an Employee first performs an hour of service for which he is paid or entitled to payment for the performance of duties for an Employer or a Related Entity; provided that, after his Severance from Service Date, an Employee’s Re-employment Date shall be the first date thereafter as of which he performs such an hour of service for an Employer or any Related Entity.

(xx) “**Period of Severance**” means the continuous period of time during which an individual is not employed by an Employer or any Related Entity, beginning on the individual’s Severance from Service Date and ending on his Re-employment Commencement Date.

(yy) “**Service**”. An Employee shall be credited with Service as follows:

(1) An Employee will be credited with Service for the period beginning on his Employment Commencement Date or Re-employment Commencement Date through the date he begins a Break in Service.

(2) Service shall be credited in full years and months, and fractional periods of a month shall be expressed in terms of days. Thirty days will be deemed to be a month in the case of aggregation of fractional months.

(zz) “**Severance from Service Date**” means the earlier of the following dates:

(1) an Employee’s resignation from or discharge by the Employers and all Related Entities for any reason, including death, Normal Retirement Date or disability; or

(2) the first anniversary of the first day of a period in which an Employee remains absent from service (with or without pay) with all Employers and Related Entities for any reason other than one listed in paragraph (1). If such Employee is on an approved leave of absence on such first anniversary, he will be deemed to have had a Severance from Service Date on the expiration of such approved leave

of absence, unless he returns to active employment with an Employer or any Related Entity on or before the date of such expiration. Notwithstanding anything herein to the contrary, an Employee will not have a Severance from Service Date due to a maternity or paternity absence until the second anniversary of the first date of such absence; provided, however, that the period between the first and second anniversaries of the first day of such absence from work will not be credited as Service.

(aaa) **“Combined Contribution Rate”** means ratio of the sum of the Participant’s 401(k) Contribution rate (including Catch-up Contributions), Roth Contribution rate (including Catch-up Contributions) and, for Participants who are not making deferrals to the Sempra Energy Director and Employee Savings Plan, the After-Tax Contribution rate for a Payroll Period over the Participant’s Earnings for such Payroll Period.

(bbb) **“Regular Rollover Contribution”** means amounts transferred to the Trust (excluding amounts eligible for Roth treatment under Code Section 402A) on behalf of a Participant in accordance with Section 4(i).

(ccc) **“Roth Contribution”** means the amount a Participant contributes from Earnings to the Plan on an after-tax basis pursuant to Code Section 402A and in accordance with Section 4(a).

(ddd) **“Roth Rollover Contribution”** means amounts transferred to the Trust that consist only of amounts eligible for Roth treatment under Code Section 402A and related earnings on behalf of a Participant in accordance with Section 4(i).

(eee) **“Union Participant”** means a Participant who is an Eligible Employee represented by the Union.

(fff) **“Qualified Matching Employer Contribution”** means the contributions made by the Employer to the Plan in accordance with Section 6(c)(2)(C).

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, Roth 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, Roth Contributions, After-Tax Contributions and Rollovers under Section 4 and become eligible to receive allocations of Employer Contributions under Section 5.

(b) Transfer.

(1) 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 (including any loans) 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.

(2) Conversely, if an employee of a Related Entity transfers to the Company and had an account in the Related Entity's qualified plan prior to his or her transfer, (i) the transferred employee's accounts under the Related Entity's qualified plan shall automatically transfer to the Plan (including any loans, if applicable), and (ii) the transferred employee's deferral elections (including an election not to participate) and investment elections and beneficiary designations shall apply under 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.

Section 4. Participant Contributions

(a) Participant Deferrals.

(1) Union Participants – Pre-Tax & Roth Contributions. By making an election as prescribed in Section 4(f), each Union 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 **and/or Roth Contributions** to the Plan. The foregoing notwithstanding, the maximum total Pre-Tax Contributions, **Roth Contributions** and After-Tax Contributions by a Union Participant shall be governed by the applicable collective bargaining agreement, but in no event shall the sum of his Pre-Tax Contributions, **Roth Contributions** and After-Tax Contributions exceed 50% of a Participant's Earnings. Each Participant's Pre-Tax Contributions and related earnings shall be credited to his Pre-Tax Account and 100% vested, **and his Roth Contributions and related earnings shall be credited to his Roth Account and 100% vested.**

(2) Non-Union Participants – Pre-Tax & Roth Contributions. By making an election as prescribed in Section 4(f), each non-Union 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 and/or Roth Contributions to the Plan. The foregoing notwithstanding, the maximum total Pre-Tax Contributions, Roth Contributions and After-Tax Contributions by a non-Union Participant shall not exceed 50% of a Participant's Earnings. Each Participant's Pre-Tax Contributions and related earnings shall be credited to his Pre-Tax Account and 100% vested, and his Roth Contributions and related earnings shall be credited to his Roth Account and 100% vested.

(b) Automatic Enrollment and Automatic Increase of Pre-Tax Contributions.

(1) Automatic Enrollment. A newly hired or rehired Eligible Employee who fails to affirmatively elect to make Pre-Tax, **Roth** or After-Tax Contributions to the Plan and to timely opt out of Plan participation shall be deemed to elect to make Pre-Tax Contributions in an amount equal to 6% of his or her Earnings. 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. 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.

(2) Automatic Increase.

(A) Union Participants hired or rehired before January 1, 2016. This subparagraph applies to Union Participants who were hired or rehired before January 1, 2016, unless they are subsequently rehired on or after January 1, 2016. Except as provided in subparagraph (E), each Participant who is automatically enrolled under Section 4(b)(1), including Participants described in Section 3(b)

who were automatically enrolled under a Related Entity's qualified plan, shall have his or her Pre-Tax Contribution rate increased by 1 percentage point on the first full Payroll Period commencing on or after each May 1, until **the sum of** such Participant's Pre-Tax **Contribution rate and Roth** Contribution rate is 6% of Earnings, unless such Participant timely opts out of such feature. No such Participant's Pre-Tax Contribution rate shall be automatically increased under this paragraph to a rate greater than 6% of Earnings.

(B) Non-Union Participants hired or rehired before March 28, 2015: This subparagraph applies to non-Union Participants who were hired or rehired before March 28, 2015 unless they are subsequently rehired on or after March 28, 2015. Except as provided in subparagraph (E), each Participant who is automatically enrolled under Section 4(b)(1), including Participants described in Section 3(b) who were automatically enrolled under a Related Entity's qualified plan, shall have his or her Pre-Tax Contribution rate increased by 1 percentage point on the first full Payroll Period commencing on or after each May 1, until the sum of such Participant's Pre-Tax Contribution rate and Roth Contribution rate is 6% of Earnings, unless such Participant timely opts out of such feature. No such Participant's Pre-Tax Contribution rate shall be automatically increased under this paragraph to a rate greater than 6% of Earnings.

(C) Union Participants hired or rehired on or after January 1, 2016: This subparagraph applies to Union Participants who were hired or rehired on or after January 1, 2016. Except as provided in subparagraph (E), each such Participant who is automatically enrolled under Section 4(b)(1), including Participants described in Section 3(b) who were automatically enrolled under a Related Entity's qualified plan, shall have his or her Pre-Tax Contribution rate increased by 1 percentage point on the first full Payroll Period commencing on or after each May 1, until **the sum of** such Participant's Pre-Tax **Contribution rate and Roth** Contribution rate is 11% of Earnings, unless such Participant timely opts out of such feature. No such Participant's Pre-Tax Contribution rate shall be automatically increased under this paragraph to a rate greater than 11% of Earnings.

(D) Non-Union Participants hired or rehired on or after March 28, 2015: This subparagraph applies to non-Union Participants who were hired or rehired on or after March 28, 2015. Except as provided in subparagraph (E), each such Participant who is automatically enrolled under Section 4(b)(1), including Participants described in Section 3(b) who were automatically enrolled under a Related Entity's qualified plan, shall have his or her Pre-Tax Contribution rate increased by 1 percentage point on the first full Payroll Period commencing on or after each May 1, until the sum of such Participant's Pre-Tax Contribution rate and Roth Contribution rate is 11% of Earnings, unless such Participant timely opts out of such feature. No such Participant's Pre-Tax Contribution rate shall be automatically increased under this paragraph to a rate greater than 11% of Earnings.

(E) Grace Period. For a Union or non-Union Participant who is hired or rehired on or after March 1 of a given Plan Year, the automatic increase shall not apply until the first full Payroll Period commencing on or after May 1 of the following Plan Year. For Participants described in Section 3(b), the Plan shall look to their original hire or rehire date with the Related Entity for this purpose.

(c) Optional Automatic Increase.

An automatically enrolled Participant who has reached the maximum automatic increase limit described in subsection (b) and any Participant who is not automatically enrolled has the option to have his 401(k) Contribution rate increased by the amount he designates at the time he designates until the sum of such Participant's 401(k) Contribution rate, Roth Contribution rate and After-Tax Contribution rate is 50% of Earnings.

(d) Catch-Up Contributions.

(1) For a Participant who has attained age 50 or will attain age 50 before the end of the Plan Year, his or her Pre-Tax Contributions and/or Roth Contributions shall be treated as Catch-Up Contributions to the extent provided under Section 414(v) of the Code and the Treasury Regulations thereunder.

(2) **Catch-Up contributions made by Union Participants and Non-union Participants** may be either Pre-Tax or Roth Contributions.

(3) Each Participant's Pre-Tax Catch-up Contributions shall be credited to his Pre-Tax Account and 100% vested. Each Participant's Roth Catch-up Contributions shall be credited to his Roth Account and 100% vested.

(4) Such Participant's Catch-Up Contributions shall consist of the portion of such Participant's Pre-Tax Contributions and/or Roth 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) and the Plan limits. 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 Participant's Catch-Up Contributions.

(e) After-Tax Contributions.

(1) Union Participants.

(A) Each Union Participant shall be entitled to make After-Tax Contributions in lieu of, or in addition to, Pre-Tax **and Roth** Contributions;

provided, that, in no event shall the sum of his or her Pre-Tax, **Roth** and After-Tax Contributions exceed 50% of a Participant's Earnings each Payroll Period.

(B) The foregoing notwithstanding, the maximum total Pre-Tax Contributions, **Roth Contributions** and After-Tax Contributions by a Union Participant shall be governed by the applicable collective bargaining agreement, but in no event shall the sum of his or her Pre-Tax, **Roth** and After-Tax Contributions exceed 50% of a Participant's Earnings.

(C) Each Participant's After-Tax Contributions and related earnings shall be credited to his After-Tax Account and 100% vested.

(2) Non-Union Participants.

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

(B) The foregoing notwithstanding, the sum of a Participant's Pre-Tax, Roth and After-Tax Contributions shall not exceed 50% of his or her Earnings.

(C) Each Participant's After-Tax Contributions and related earnings shall be credited to his After-Tax Account and 100% vested.

(f) Election and Changes in Participant Contributions.

A Participant may increase, decrease, completely discontinue or recommence his Pre-Tax, Roth and/or After-Tax Contributions, as applicable, within the percentages permitted in this Section 4, in the frequency and manner determined by the Administrator. Changes will generally be effective with the first payroll following receipt of the change.

(g) Limitation Exception.

Notwithstanding the above, if a Participant's elected Pre-Tax Contributions and/or Roth Contributions will exceed the limitations set forth in Section 6(c)(1), the Administrator may recharacterize all or a portion of such Participant's elected Pre-Tax Contributions and/or Roth 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 and/or Roth Contributions that are recharacterized as After-Tax Contributions under this Section 4(g) shall be maintained in the same account as other After-Tax Contributions under Section 4(e) 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(e).

(h) Delivery to Trustee.

The Company shall deliver Pre-Tax, Roth and After-Tax Contributions to the Trustee as soon as practicable following the payday on which such amounts are withheld.

(i) Rollovers.

(1) The Administrator shall develop such procedures, and may require such information from a Participant or Eligible Employee desiring to make a Rollover, as it deems necessary or desirable to determine that the proposed Rollover will meet the requirements of this Section.

(2) Eligibility.

(A) Union Participants. Union Participants and Eligible Employees who are represented by the Union but who are not Participants may roll over into the Trust **either** a Regular **Rollover Contribution** or a **Roth Rollover Contribution** pursuant to such procedures as the Administrator may establish.

(B) Non-Union Participants. Non-Union Participants and Eligible Employees who are neither represented by the Union nor Participants may roll over into the Trust either a Regular Rollover Contribution or a Roth Rollover Contribution pursuant to such procedures as the Administrator may establish.

(3) Regular Rollover Contributions.

(A) A Regular Rollover Contribution must be an Eligible Rollover Distribution from an Eligible Retirement Plan other than a Roth IRA.

(B) Except as provided below, a Regular Rollover Contribution must be either directly rolled over to the Plan or made within 60 days following the day on which the Eligible Employee received the distribution from an Eligible Retirement Plan (or such longer time permitted under Code Section 402(c)(3)(B)).

(C) Notwithstanding the above, to the extent a Regular Rollover Contribution consists of after-tax contributions, such amounts must be directly rolled over to the Plan although the related earnings may, if permitted by the Administrator, be rolled over within 60 days following the day on which the Eligible Employee received the distribution from an Eligible Retirement Plan (or such longer time permitted under Code Section 402(c)(3)(B)).

(4) Roth Rollover Contributions.

(A) A Roth Rollover Contribution must be an Eligible Rollover Distribution from an Eligible Retirement Plan other than a Roth IRA or a Code Section 403(a) annuity plan.

(B) Roth contributions and nontaxable earnings must be directly rolled over to the Plan. However, if permitted by the Administrator, the portion of a Roth Rollover Contribution that consists of taxable earnings may, if permitted by the Administrator, be rolled over within 60 days following the day on which the Eligible Employee received the distribution from an Eligible Retirement Plan (or such longer time permitted under Code Section 402(c)(3)(B)).

(5) Both Regular Rollover Contributions and Roth Rollover Contributions must consist entirely of cash.

(6) Upon approval by the Administrator, the amount rolled over that is a Regular Rollover Contribution shall be deposited in the Trust fund and shall be credited to the Participant's Regular Rollover Account, and the amount rolled over that is a Roth Rollover Contributions shall be deposited in the Trust fund and shall be credited to the Participant's Roth Rollover Account. A Participant's Regular Rollover Account and Roth Rollover Account, as applicable, shall be 100% vested and shall share in investment earnings hereunder, but shall not share in Employer Contributions.

(j) 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).

(k) Roth Separate Accounting.

(1) The Plan shall maintain a record of the amount of Roth Contributions in each Participant's Roth Account, to which Roth Contributions shall be credited and withdrawals of Roth Contributions shall be debited.

(2) Gains, losses, and other credits or charges shall be separately allocated on a reasonable and consistent basis to each Participant's Roth Account and the Participant's other Accounts under the Plan.

(3) No amounts other than Roth Contributions and properly attributable earnings shall be credited to each Participant's Roth Account.

(1) In-Plan Roth Conversion.

(1) Eligibility. Subject to subsection (3), a Participant, the Alternate Payee who is a Spouse or a former Spouse of a Participant and the Surviving Spouse Beneficiary of a Participant with an Account may elect to convert all or a portion of the eligible balance of his vested Plan account (as described in subsection (2)) as an in-Plan Roth conversion without regard to whether such amounts are immediately distributable. Other Alternate Payees and Beneficiaries of Participants cannot make in-Plan Roth conversions.

(2) Eligible Accounts. The following Plan accounts are eligible for such conversion only to the extent that they are vested and are not invested in the Stock Investment Fund: Pre-Tax Account, the After-Tax Account, Employer Contributions Account, Qualified Account and Regular Rollover Account.

(3) Type of Distribution. An in-Plan Roth conversion cannot be a distribution that is:

(A) a required minimum distribution under Code Section 401(a)(9);

(B) a corrective distribution of excess contributions, excess deferrals or any other corrective distribution (including earnings);

(C) a loan treated as a distribution; or

(D) a distribution that is one of a series of substantially equal payments made at least annually over ten years.

(4) Irrevocable Election. Any in-Plan Roth conversion election is irrevocable.

(5) Guidance. Notwithstanding the foregoing, the Administrator shall administer and implement in-Plan Roth conversions in accordance with IRS Notice 2010-84, IRS Notice 2013-74, the American Taxpayer Relief Act of 2012 and any subsequent guidance.

Section 5. Employer Contributions

(a) Employer Matching Contributions.

Each Payroll Period, the Employer shall make an Employer Matching Contribution to the Plan in accordance with the schedule below based on a Participant's Combined Contribution Rate. No Employer Matching Contributions shall be made in any Payroll Period with respect to a Participant's Combined Contribution Rate that exceeds 11% of the Participant's Base Earnings for such Payroll Period.

If the Combined Contribution Rate in a Payroll Period is the following <u>percentage of Earnings:</u>	Then the Employer Matching Contribution for such Payroll Period shall be the following percentage of Base <u>Earnings in that Payroll Period:</u>
1%	0.50%
2%	1.00%
3%	1.50%
4%	2.00%
5%	2.50%
6%	3.00%
7%	3.20%
8%	3.40%
9%	3.60%
10%	3.80%
11% or more	4.00%

(b) Employer Incentive Contribution.

Prior to January 1, 2015, the Plan provided for discretionary Employer Incentive Contributions. However, this contribution feature was eliminated for Plan Years beginning on or after January 1, 2015.

(c) Forms of Contributions.

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

(d) Vesting.

(1) Employer Matching Contributions.

(A) Participants who are Union Represented Employees.

(I) A Participant who is a Union represented Employee shall be fully vested in all Employer Matching Contributions made to his or her Employer Contributions Account with respect to any Earnings paid

for any Payroll Period ending on or before that first Payroll Period of 2016 and related earnings.

(II) A Union Participant shall become fully vested in Employer Matching Contributions made to his or her Employer Contributions Account with respect to any Earnings paid for any Payroll Period beginning on or after January 1, 2016 and related earnings upon the earliest of: (i) the date he or she is credited with one Year of Service; (ii) his or her Normal Retirement Date while an Employee; and (iii) his or her death while an Employee (or in USERRA Service). Additionally, affected Participants shall be fully vested in their Employer Contribution Accounts upon the termination or discontinuation of the Plan.

(B) Participants who are not Union Represented Employees.

(I) A non-Union Participant shall be fully vested in Employer Matching Contributions made to his or her Employer Contributions Account with respect to any Earnings paid for any Payroll Period ending on or before March 27, 2015 and related earnings.

(II) A non-Union Participant shall become fully vested in Employer Matching Contributions made to his or her Employer Contributions Account with respect to any Earnings paid for any Payroll Period beginning on or after March 28, 2015 and related earnings upon the earliest of: (i) the date he or she is credited with one Year of Service; (ii) his or her Normal Retirement Date while an Employee; and (iii) his or her death while an Employee (or in USERRA Service). Additionally, affected Participants shall be fully vested in their Employer Contribution Accounts upon the termination or discontinuation of the Plan.

(2) Employer Incentive Contributions. A Participant shall be fully vested in all Employer Incentive Contributions, if any, and related earnings made to the Plan on his behalf for Plan Years ending on or before December 31, 2014.

(3) Forfeitures.

(A) Timing. The portion of a Participant's Employer Contribution Account that is not vested shall be forfeited on the earlier of (A) the date on which the Participant receives a complete distribution of his vested Accounts or (B) the date on which such Participant incurs a Forfeiting Break in Service. If a Participant does not have a vested interest in the portion of his Employer Contribution Account attributable to Matching Contributions, he shall be deemed to have received an immediate distribution as of the date on which such Participant has a severance from Employment.

(B) Restoration. In the event that a former Participant who has received a distribution or deemed distribution is rehired by an Employer or Related Entity before incurring a Forfeiting Break in Service, the amount forfeited

under subparagraph (A) shall be restored, without adjustment for earnings or losses, as soon as practicable after he is reemployed.

(4) Use. Any forfeitures shall be used to fund the Employer Matching Contribution or to pay reasonable administrative expenses, as determined by the Administrator.

Section 6. Limitations

Notwithstanding anything contained herein to the contrary, After-Tax Contributions, Pre-Tax Contributions, Roth Contributions and Employer Contributions (including Qualified Non-Elective **and Qualified Matching** 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 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. 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.

(6) EPCRS Corrections.

Any corrections under this Section 6 of the Plan are effective only for limitation years beginning before July 1, 2007. Any corrections required to be made under this Section 6 including, but not limited to, correcting excess annual additions in limitation years beginning on or after July 1, 2007 shall be made in accordance with the Employee Plans Compliance Resolution System.

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

(1) No Participant shall be permitted to make Pre-Tax Contributions or Roth 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. However, if a Participant makes 401(k) and/or Roth Contributions (excluding Catch-up Contributions) to this Plan and any other cash or deferred arrangement for a calendar year which exceed the limit under Code Section 402(g) for such year, the Participant shall notify the Administrator of the amount of such excess elective deferrals (within the meaning of Treas. Reg. Sec. 1.402(g)-1(b)) made under this Plan by the March 1 of the next calendar year. The amount of such excess deferrals (and any income thereon earned to the earlier of the date of distribution or the last day of the Plan Year in which such contribution was made computed in a consistent and reasonable manner) shall be distributed to the Participant by the April 15 of the next calendar year. If a Participant made excess deferrals to this Plan, the Participant shall be deemed to have given the notice referred to above, and the excess deferrals (and any income thereon earned to the earlier of the date of distribution or the last day of the Plan

Year in which such contribution was made computed in a consistent and reasonable manner) shall be distributed to the Participant by such April 15 unless they are recharacterized as Catch-up Contributions.

(2) When the Participant's deferrals consist of both 401(k) and Roth Contributions, the Participant may designate whether and how the excess deferrals consist of 401(k) Contributions and Roth Contributions but only to the extent both types of deferrals were made for the applicable year. If the Participant does not make such designation, the Administrator shall determine the extent to which the excess deferrals are comprised of 401(k) Contributions and Roth Contributions and designate which contributions shall be distributed first. Any such distribution shall not be subject to any Spousal Consent, nor shall it be treated as a withdrawal or distribution subject to the provisions of Sections 15 through 19.

(3) Any Employer Matching Contributions attributable to the distributed excess deferrals, plus income or minus any loss attributable thereto for the Plan Year shall be forfeited and applied as described in Section 5(d)(4).

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

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

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

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

(2) Definitions. For purposes of this Section 6(b)(1), 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 and Roth 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(b)(1).

(E) For purposes of Section 6(c)(2)(A), a Participant's Pre-Tax Contributions and Roth 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 and Roth Contributions shall not include any additional Pre-Tax Contributions or Roth 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(b)(1), 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(b)(1) 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(b)(1) 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, Roth 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 and Roth Contributions. In the event that the Pre-Tax and/or Roth Contributions of Participants who are Highly Compensated Employees for a Plan Year result in, or will result in, Pre-Tax and/or Roth Contributions in excess of the limitations set forth in Section 6(c)(1), said excess Pre-Tax and/or Roth Contributions shall be determined and apportioned as follows:

(A) The amount of excess Pre-Tax and/or Roth 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 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 and/or Roth 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 and/or Roth Contributions shall be apportioned among the Participants who are Highly Compensated Employees for the Plan Year as follows:

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

(II) For purposes of this subparagraph (D), the amount of Pre-Tax and/or Roth 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 and/or Roth Contributions apportioned to a Participant shall not exceed the Pre-Tax and/or Roth 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 and/or Roth Contributions has been apportioned.

(E) The determination and apportionment of excess Pre-Tax and/or Roth Contributions under this Section 6(c)(4) shall be in accordance with Treasury Regulation Section 1.401(k)-2(b)(2).

(5) Distribution of Excess Pre-Tax and/or Roth Contributions.

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

(B) The excess Pre-Tax and/or Roth Contributions apportioned to a Participant and distributed under this Section 6(c)(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 and/or Roth Contributions is equal to the sum of the allocable gain or loss for the Plan Year and, to the extent the excess Pre-Tax and/or Roth 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 and/or Roth 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 and/or Roth 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 and/or Roth Contributions distributed under this Section 6(c)(5) shall be forfeited upon the distribution of such excess Pre-Tax and/or Roth 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 and/or Roth Contributions.

(A) The Administrator may cause excess Pre-Tax and/or Roth 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 and/or Roth Contributions apportioned to a Participant under Section 6(c)(4) that are recharacterized as After-Tax Contributions under this Section 6(c)(6) shall be includible in the Participant's gross income as if such amounts were distributed under Section 6(c)(5). The excess Pre-Tax and/or Roth 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 and/or Roth Contributions as required under Treasury Regulation Section 1.401(k)-2(b)(3)(ii).

(C) A Participant's excess Pre-Tax and/or Roth 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 and/or Roth 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 and/or Roth 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 and/or Roth Contributions. The Administrator reserves the right to make such prospective reductions in a Participant's Pre-Tax and/or Roth 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 and/or Roth 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) and, accordingly, any such Qualified Non-Elective Contribution allocations shall be limited to the greater of (i) 5% of a Participant's Compensation received in such Plan Year; or (ii) twice the Plan's "representative contribution rate" for Non-Highly Compensated Employees as defined in Treasury Regulations Section 1.401(k)-2(a)(6)(iv)(B). 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 and/or Roth 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 of the current Plan Year for Participants who are Highly Compensated Employees for such Plan Year shall not exceed the Average Actual Contribution Percentage of the current Plan Year for Participants who are Non-Highly Compensated Employees for such Plan Year, multiplied by 1.25; or

(B) The Average Actual Contribution Percentage of the current Plan Year for Participants who are Highly Compensated Employees for such Plan Year shall not exceed the Average Actual Contribution Percentage of the current Plan Year of Participants who are Non-Highly Compensated Employees for such Plan Year by more than two percentage points, and the Average Actual Contribution Percentage of the current Plan Year for Participants who are Highly Compensated Employees for such Plan Year shall not exceed the Average Actual Contribution Percentage of the current Plan Year for Participants who are Non-Highly Compensated Employees for such 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 **Matching** 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 Matching Contributions**” or “**QMACs**” shall mean Employer Contributions and/or other employer contributions which satisfy the requirements of a qualified **matching** 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 Matching 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 Section 6(d)(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 Section 6(d)(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 Section 6(d)(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 Section 6(d)(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 4(k).

(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 and/or Roth Contributions that are treated as After-Tax Contributions due to recharacterization in accordance with Section 6(c)(6).

(8) Qualified **Matching** Contributions. (A) 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 **Matching** Contributions to the Plan on behalf of certain Participants.

(9) Such Qualified **Matching** 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 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 **Matching** 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 Accounts, Roth 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 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, Roth 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’ Regular Rollover Accounts and Roth 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 & Vesting. Notwithstanding the provisions of Section 4(k) 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. Any such minimum contribution shall vest upon the completion of one Year of Service.

(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 Section 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 Section 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 5-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 employment, 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, Roth Contributions, After-Tax Contributions, Qualified Non-Elective Contributions, **Qualified Matching Contributions**, Employer Incentive Contributions, Employer Matching Contributions, Regular Rollover Contributions and Roth Rollover Contributions to the Plan shall be paid into the Trust and credited to Participants' Accounts. The Trust shall consist of an Investment Fund consisting of Stock (the "Stock Investment Fund"), other separate Investment Funds as may be established from time to time by the Savings Plan Fiduciary Committee and a stock brokerage window (the "Brokerage Window").

(b) Stock Investment Fund.

(1) The Stock Investment Fund was established and continues to be maintained for the purpose of providing an opportunity for Participants to acquire an ownership stake in Sempra Energy in order to align the interests of Participants and the Company. The Company believes that its success as an entity and the performance of the Stock Investment Fund will be enhanced and facilitated in the long run by such alignment. Accordingly, the Stock Investment Fund is intended to be a permanent feature of the Plan. Except for cash or cash equivalent investments determined by the Independent Fiduciary to be required to facilitate Participant transactions into and out of the Stock Investment Fund, the Stock Investment Fund will be invested exclusively in Stock, without regard to the

diversification of assets. Only the Pension and Benefits Committee, in its settlor capacity, is authorized to change the design of the Plan with respect to the Stock Investment Fund.

The Savings Plan Fiduciary Committee has appointed the Independent Fiduciary to be the sole “named fiduciary” within the meaning of Section 402(a)(2) of ERISA with respect to the Stock Investment Fund, with the authority set forth in this Section 7(b)(1). The Pension and Benefits Committee, acting on behalf of the Company, as settlor of the Plan and Trust, hereby declares that it is its intent and command that the Stock Investment Fund be maintained on a permanent basis unless the Independent Fiduciary determines that, under the circumstances then prevailing, a prudent person acting in a like capacity, familiar with such matters and conducting an enterprise of a like character and with like aims would impose restrictions on the ability of Participants to invest in the Stock Investment Fund or cause the Stock Investment Fund to be liquidated. In exercising such authority with respect to the Stock Investment Fund, the Independent Fiduciary will take into account the purpose of the Stock Investment Fund and the Company’s intent with respect to the Stock Investment Fund and the other considerations relating thereto, including, without limitation, the availability of other investment options under the Plan and the ability of Plan Participants to construct a diversified portfolio of investments consistent with their desired level of risk and return.

In exercising its authority and responsibility described above, the Independent Fiduciary shall have authority to exercise any or all of the following powers, and to instruct the Trustee of the Plan accordingly:

- (A) to suspend or prohibit new investment of Participant or Employer contributions in the Stock Investment Fund;
- (B) to suspend or prohibit the transfer of Participant Account balances into the Stock Investment Fund;
- (C) in connection with a determination that holding Stock is no longer prudent under ERISA, to liquidate the Stock in the Stock Investment Fund;
- (D) to designate an Investment Fund available under the Plan for the temporary investment of any proceeds from any liquidation of Stock pending participant directions to the Trustee of the Plan with respect to the investment of such proceeds;
- (E) to suspend or prohibit the transfer of Participant Account balances out of the Stock Investment Fund during any period in which the Independent Fiduciary is directing the liquidation of the Stock in the Stock Investment Fund;
- (F) to instruct the Trustee of the Plan with respect to one or more of the foregoing matters either individually or in a manner that combines two or more of the foregoing powers in clauses (A) through (E) above, with the authority to apply them in part or whole (and to the extent any actions or

decisions affect the Plan's recordkeeping, to take such steps that are necessary and appropriate to direct the Plan's recordkeeper accordingly).

(c) Direction of Investments.

Each Participant shall have the right to direct the investment of his Accounts among the Investment Funds or through the Brokerage Window, subject to Sections 7(b), 7(d) and 7(e). The Participant shall designate how he wishes to invest his Accounts in increments of 1%, up to a total of 100%. The percentage the Participant chooses to invest his Accounts shall apply equally to all of the Participant's contributions to the Plan, Employer Contributions and Qualified Non-Elective **and Qualified Matching Contributions**. If Accounts are invested in more than one Investment Fund, changes in proportions due to investment results shall not require any automatic transfer of values among Investment Funds and any Brokerage Window. The directions of each Participant as to the investment of his contributions to the Plan, Employer Contributions, any Qualified Non-Elective Contributions **and any Qualified Matching Contribution** shall be made in such written, electronic or telephonic form as is prescribed by the Administrator. In general, an investment election shall remain in effect until revoked or modified by the Participant. 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. Additionally, if a Participant rolls over his vested accrued benefit in a defined benefit pension plan sponsored or maintained by the Company or its Related Entities to the Plan, it will be initially invested in the Plan's default Investment Fund.

The Trust shall consist of separate Investment Funds: the Stability Funds (which shall include a **money market fund** and a **stable value fund**) the Income Funds (which shall include an **inflation response multi-asset fund**, a **bond index fund** and a **diversified fixed income fund**), the Equity Funds (which shall include an **S&P 500 Index Fund**, an **international equity fund**, an **international ex-U.S. index fund**, a **U.S. small/mid-cap index fund**, a **small-cap stock fund** and a **company stock fund**), the **Retirement Date Funds**. A **Brokerage Window** is also available. These Investment Funds are described below.

- (1) Money Market Fund. The Money Market 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 Response Multi-Asset Fund. The Inflation Response Multi-Asset Fund's objective is to provide protection against inflation.
- (4) Bond Index Fund. The Bond Index Fund's objective is to provide investment results that seek to track the performance of a broad, market-weighted bond index.
- (5) Diversified Fixed Income Fund. The Diversified Fixed Income Fund's objective is to maximize long-term total return in the U.S. bond market.

(6) U.S. Large Cap Equity Index Fund. The U.S. Large Cap 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 Equity Fund. The International Equity Fund's objective is to seek long-term growth of capital primarily through investments in foreign securities.

(8) World Ex U.S.-Index Fund. The World Ex-U.S. Index Fund's objective is to provide investment results that correspond generally to an index of non-U.S. equity securities.

(9) U.S. Small/Mid-Cap Index Fund. The U.S. Small/Mid-Cap Index Fund's objective is to track the performance of a benchmark index that measures the investment return of small and mid-capitalization stocks in small and medium size companies.

(10) Small/Mid-Cap Equity Fund. The Small/Mid-Cap Equity Fund's objective is long-term capital growth through investments in small companies.

(11) 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, Roth 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. All such Stock shall be held in the name of the Trustee or its nominee. The Stock Investment Fund shall be subject to such administrative and valuation procedures as are prescribed by the Administrator from time to time.

(12) 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.

(13) Brokerage Window. The Brokerage Window shall consist of investments by Participants in any of a broad range of mutual funds, individual securities (including stocks and bonds), and exchange traded funds (ETFs). No common or preferred stock of Sempra Energy or its affiliates may be purchased through the brokerage window. Participants investing through the Brokerage Window shall be charged applicable transaction costs. A Participant may invest a maximum of 50% of the value of his accounts (minus any outstanding loan balance) in the Brokerage Window.

(d) Investment in Cash.

All cash held by the Trustee and amounts transferred from one Investment Fund for investment in another, and earnings and amounts from sales, may, at the direction of the Administrator, Independent Fiduciary 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-1, 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 no less than three other diversified Investment Funds with materially different risk and return characteristics offered under the Plan as set forth in (a) or (b) or both without regard to his Years of Service, in accordance with Code Section 401(a)(35).

(a) Employer Contributions Account.

To elect to transfer investments under this Section 8(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, Roth and After-Tax Accounts.

To elect to transfer under this Section 8(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, Roth 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 Sempra Energy the number of shares of Stock credited to his Accounts as of the record date for the meeting of shareholders. Stock for which no instructions have been received will be voted by the Independent Fiduciary in its sole discretion. 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. Sempra Energy 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 Sempra Energy 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 and Employer Stock Accounts will be distributed to the Participant or held in the Plan. The Participant may elect as follows:

- (1) 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
- (2) 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 and Employer 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 and Employer Stock Accounts shall be paid to the Plan and reinvested in shares of Stock.

Section 10. Accounts for Investments

The Administrator shall establish separate accounts for each Participant for investment purposes, as follows.

(a) Employer Stock Account.

(1) Any Employer Contribution made in Stock or transferred into the Stock Investment Fund shall be accounted for in the Participant's Employer Stock Account.

(2) As soon as practicable after the end of each Payroll Period in which any Employer Contribution is made in Stock, the Administrator shall credit each Participant's Employer Contributions Accounts with the Stock, including fractional shares, representing his share of the Stock for the Payroll Period. The Stock may be purchased on the open market or via newly issued shares. 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.

(3) 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.

(1) The Administrator shall maintain separate Employee Stock Accounts for each Participant who directs the Company to invest his Pre-Tax Contributions, Roth Contributions, After-Tax Contributions, Qualified Non-Elective Contributions (if any), **Qualified Matching Contributions (if any)**, Regular Rollover Contributions (if any) and Roth Rollover Contributions (if any) in the Stock Investment Fund. The Administrator shall also account for amounts transferred to the Stock Investment 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.

(2) As soon as practicable after the end of each Payroll Period in which any Participant directs the Administrator to invest his contributions under (a) above in the Stock Investment Fund, the Administrator shall credit each such Participant's Employee Contributions Accounts with the Stock, including fractional shares, representing his share of the Stock for the Payroll Period. The Stock may be purchased on the open market or via newly issued shares. 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.

(3) 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) Non-Stock Investment Fund Investments.

The Administrator shall maintain separate investment Accounts for each Participant who directs the Company to invest his Pre-Tax Contributions, Roth Contributions, After-Tax Contributions, Qualified Non-Elective Contributions (if any), **Qualified Matching Contributions (if any)**, Regular Rollover Contributions (if any) and Roth Rollover Contributions (if any), Employer Matching Contributions, Employer Incentive Contributions or transferred amounts in the Investment Funds as listed in Section 7(c) other than the Stock Investment Fund. 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, Roth Contributions, After-Tax Contributions, Qualified Non-Elective Contributions, **Qualified Matching Contributions**, Regular Rollover Contributions (if any), Roth Rollover Contributions (if any), Employer Matching Contributions, Employer Incentive Contributions 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 valued at 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 retirement as provided in Section 12, he shall be entitled to receive a distribution of his vested interest as of his Settlement Date in his Accounts.

Section 15. Distribution of Benefits

(a) Date of Distribution.

Except as provided in Section 15(b), distribution shall be made to a Participant or to his Beneficiary as soon as administratively feasible following his Settlement Date.

(b) Later Distribution.

Subject to the requirement to consent to and to submit a request for distribution under Section 15(a) or on another date (at such time and in such manner as the Administrator may require), payments will begin no later than the 60th day following the last day of the Plan Year during which occurs the latest of:

- (1) the date a Participant attains age 65;
- (2) the tenth anniversary of the year during which the Participant commenced participation in the Plan; or
- (3) the Participant's termination of Employment.

Notwithstanding the above, no consent is required for an immediate distribution if the Participant's Accounts have a total vested 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 vested value of a Participant's Accounts shall be determined without regard to that portion of the balance that is attributable to his or her Regular Rollover Account and Roth Rollover Account. If the vested 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.

(c) Method of Distribution.

- (1) Employee Stock Accounts and Employer Stock Account. Normally, a Participant's vested interest in his Employee Stock Accounts and Employer 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 vested interest in his Employee Stock Accounts and Employer Stock Account. In determining the value of fractional shares or in determining the value of a Participant's vested interest in his Employee Stock Accounts and Employer Stock Account, Stock shall be valued 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.

(2) Other Accounts. Except as provided in Articles 16 and 17, all or a portion of the Participant's vested Accounts may be distributed in any one or more of the following forms:

(A) Single Lump Sum.

(I) Form: A Participant may elect a distribution of his vested Accounts in a single lump sum.

(II) Medium: The distribution may be made in the medium the Participant elects, as follows: (a) all cash, (b) the Employee Stock Accounts and Employer Stock Account in Stock with the other Accounts paid in cash or (c) by written notice to the Administrator at least thirty days before his Settlement Date, his Employee Stock Accounts, Employer Stock Account and his other Accounts paid in shares of Stock plus cash for any fractional shares.

(B) Periodic Distribution.

(I) Form: A Participant may elect a distribution of a portion of his vested Accounts in the form of a periodic lump sum (subject to any minimums determined by the Administrator). A Participant's election to receive a periodic distribution will be applied on a pro rata basis from all of the Participant's vested Accounts.

(II) Medium: Each periodic distribution will be made only in cash except that any Stock with ESOP rights in his Employer and Employee Stock Account may be paid in shares of Stock plus cash for any fractional shares.

(C) Installment Payments.

(I) Form: A Participant may elect a distribution of all or a portion of his vested Accounts in monthly, quarterly, semi-annual or annual installment payments over a fixed period of years not to exceed his life expectancy. A Participant's election to receive installment payments will be applied on a pro rata basis from all of the Participant's vested Accounts. The Administrator reserves the authority to set or change the minimum amount permitted to be made in installments. A Participant who elects installments may subsequently elect to change or stop any future installment payments by notifying the Administrator in writing.

(II) Medium: Except for shares of Stock that have ESOP rights in the Employer and Employee Stock Account, all installment payments shall 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. 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. All references in this Section 15(e) to a Participant's interest in his or her Accounts shall be read to apply to a Participant's vested interest.

(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 (determined without regard to calendar year 2009) 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 on or before December 31, 2021.

(A) Death on or after Date Distributions Begin.

(I) Participant Survived by Designated Beneficiary.

For Participants who die on or before December 31, 2021, 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. **For Participants who die on or before December 31, 2021, then 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 **on or before December 31, 2021**, and 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 **on or before December 31, 2021**, and 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.

(III) Death of Surviving Spouse before Distributions to Surviving Spouse are Required to Begin. If the Participant dies **on or before December 31, 2021**, and before the date distributions begin, **then if** 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) **Required Minimum Distributions after the Participant's Death on or after January 1, 2022.** Subject to IRS guidance, the following rules apply:

(A) **Participant Survived by Eligible Designated Beneficiary.** **For Participants who die on or after January 1, 2022, and there is an eligible designated beneficiary, distribution of the Participant's entire interest in the Plan shall be paid either (I) over the life expectancy of the eligible designated beneficiary or (II) completed no later than December 31 of the calendar year containing the tenth anniversary of the Participant's death, as the eligible designated beneficiary elects. If any eligible designated**

beneficiary who is a surviving spouse of a Participant, a minor child, chronically ill or disabled or not more than 10 years younger than the Participant and does not make a timely election, distribution shall be over the life expectancy of such eligible designated beneficiary.

(B) **Participant Survived by Designated Beneficiary.** For Participants who die on or after January 1, 2022, and there is a designated beneficiary, distribution of the Participant's entire interest in the Plan shall be completed by December 31 of the calendar year containing the tenth anniversary of the Participant's death.

(C) **No Designated Beneficiary.** For Participants who die on or after January 1, 2022, and there is no designated beneficiary, 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.

(6) **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) **Eligible Designated Beneficiary.** The term ‘eligible designated beneficiary’ means, with respect to any employee, any designated beneficiary who is—

(I) **the surviving spouse of the Participant,**

(II) **subject to Code section 401(a)(9)(E)(iii), a child of the Participant who has not reached majority (within the meaning of Code section 401(a)(9)(F)),**

(III) **disabled (within the meaning of section 72(m)(7)),**

(IV) **a chronically ill individual (as described in Code section 401(a)(9)(E)(ii)(IV)), or**

(V) **an individual not described in any of the preceding subclauses who is not more than 10 years younger than the Participant.**

(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. The Administrator may impose a hold on a Participant’s Account if the records show that the Participant was married but, at the time of his severance from Employment or at the time he requests a distribution, the Participant indicates that he has no spouse. The Administrator may request a copy of the divorce property settlement agreement showing that the former spouse has no rights under the Plan in order to release such hold.

(g) Limited Distribution Period in Accordance with Code Section 409(o)(1)(C).

Notwithstanding anything else contained herein to the contrary, unless a Participant elects otherwise, the distribution of the Participant's Accounts will be made in substantially equal periodic payments (not less frequently than annually) over a period not longer than the greater of

- (1) 5 years, or
- (2) if the Participant's Accounts have a total value in excess of \$800,000, 5 years plus one additional year (but not more than 5 additional years) for each \$160,000 or fraction thereof by which such value exceeds \$800,000.

Section 16. Disability Withdrawal

(a) Any Participant who has attained the first anniversary of the date he received a disability determination under the Company's Long Term Disability Benefit Plan and is still 'disabled' under the terms of such plan shall be a 'Disabled Participant' regardless of whether he is receiving LTD benefits under such plan, has satisfied the elimination or waiting periods under such plan or is using paid or unpaid sick leave prior to receiving LTD benefits under such plan.

(b) Once every six months, any Disabled Participant may, upon written notice to the Company and upon receiving the approval of the Administrator, withdraw any part or all, expressed as a whole percentage, of one or more of his employee contribution Accounts and any part or all of his vested Employer Contributions Account. The Accounts that are available for in-service withdrawals include any balances that have been subject to an in-Plan Roth conversion. The Administrator may establish rules that govern the extent to which a Participant may elect which Accounts are debited for such a withdrawal and the default hierarchy if no election is made.

(c) Such a withdrawal shall be distributed as soon as practicable after the date on which all forms are received in good order from a Disabled Participant. Such withdrawal shall be in a lump sum only. A withdrawal from a Disabled Participant's employee contribution Accounts, other than the Disabled Participant's Employee Stock Accounts, shall be made in cash. A withdrawal from a Disabled Participant's Employee Stock Accounts and/or Employer Stock Account shall be in full shares of Stock and cash representing fractional shares unless the Disabled Participant specifies in his written request that the withdrawal from the Employee Stock Accounts and/or Employer Stock Account be in cash. In determining the value of a Disabled Participant's interest in his Employee Stock Accounts and Employer Stock 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 Administrator. The Disabled Participant's Employee Stock Accounts and Employer Stock Account shall be reduced by the number of such shares.

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

(a) Any Participant may, upon written notice to the Administrator, withdraw any part or all of his interest in his After-Tax Account and any part or all of his interest in his Regular

Rollover Account and/or Roth Rollover Account. Each type of withdrawal may be made only once each calendar year. Withdrawals from each of a Participant's After-Tax Account, Regular Rollover Account and Roth Rollover Account shall only be paid in a lump sum. The Accounts that are available for in-service withdrawals include any balances that have been subject to an in-Plan Roth conversion. The Administrator may establish rules that govern the extent to which a Participant may elect which Accounts are debited for such a withdrawal and the default hierarchy if no election is made.

(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 has a Hardship, as defined in Section 18(d) below, meets the conditions, as described in Section 18(e) and (f) below, and provides written notice to the Administrator may take a withdrawal on account of Hardship once each Plan Year. The Accounts that are available for such withdrawal include any balances that have been subject to an in-Plan Roth conversion. The Administrator may establish rules that govern the extent to which a Participant may elect which Accounts are debited for such a withdrawal and the default hierarchy if no election is made.

(b) (1) A Union Participant may take a withdrawal on account of Hardship from any part or all of his vested interest in his Employer Contribution Account, Pre-Tax Account, **Qualified Account and Roth Account.**

(2) A non-Union Participant may take a withdrawal on account of Hardship from any part or all of his vested interest in his Employer Contribution Account, Pre-Tax Account, Qualified Non-Elective Contribution Account and Roth Account.

(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, Roth **and Qualified 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.

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

(1) Unreimbursed expenses for medical care described in Code Section 213(d) previously incurred by the Participant, his Spouse, or his dependent (as defined in Code Section 152 without regard to Code Sections 152(b)(1), (b)(2) and (d)(1)(B)), or necessary for him, his Spouse or his dependent to obtain medical care;

(2) Costs directly related to the purchase of a principal residence (excluding mortgage payments) for the Participant;

(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 Section 165(h)(5) of the Code or whether the loss exceeds 10% of adjusted gross income).

(7) Expenses and losses (including loss of income) incurred by the Participant on account of a disaster declared by the Federal Emergency Management Agency ('FEMA') provided that his principal residence or principal place of employment at the time of the disaster was located in an area designated by FEMA for individual assistance with respect to the disaster;

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

(9) Any event or reason approved by the Administrator.

(e) As a condition of receiving a Hardship withdrawal, each of the following requirements must be satisfied:

(1) The Participant has obtained all other currently available distributions (including distributions of cash dividends under Section 9(c)) from plans maintained by the Company and any Related Entity, whether qualified or nonqualified **but other than loans**; and

(2) The Participant makes a representation in writing or on a recorded telephone call that:

(A) The requested withdrawal is not in excess of the amount of the immediate and heavy financial need (including any amounts necessary to pay any federal, state or local income taxes); and

(B) He or she has insufficient cash or other liquid assets reasonably available to satisfy the need;

provided, however, that the Administrator does not have actual knowledge contrary to such representation. However, the Administrator shall have no duty or obligation to verify or investigate the participant's representations and may rely on the Participant's representations where it is reasonable to do so.

(f) Notwithstanding the foregoing, the determination of whether a withdrawal is made on account of and is necessary to satisfy an immediate and heavy financial need shall be made in accordance with Treasury Regulation Section 1.401(k)-1(d)(3) and related guidance.

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 vested interest in his or her Pre-Tax Account, Roth Account, After-Tax Account and Employer Contributions Account once every six months. The Accounts that are available for such withdrawal include any balances that have been subject to an in-Plan Roth conversion. The Administrator may establish rules that govern the extent to which a Participant may elect which Accounts are debited for such a withdrawal and the default hierarchy if no election is made.

A Participant's withdrawal shall be in the form of a lump sum only. The distribution may be made in a medium the Participant elects, as follows: (a) all cash, (b) the Employee Stock Accounts and Employer Stock Account in Stock with the other Accounts paid in cash or (c) by written notice to the Administrator at least thirty days before his Settlement Date, his Employee Stock Accounts, Employer Stock Account and his other Accounts paid in shares of Stock plus cash for any fractional shares. In determining the value of fractional shares or in determining the value of a Participant's interest in his Employee Stock Accounts and Employer Stock Account, Stock shall be valued 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.

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. A loan to a Participant shall be made solely from the assets in his Accounts (other than his Roth Account, Roth Rollover Account or any amount that has been subject to an in-Plan Roth conversion) invested in the Investment Funds (but not the brokerage window) and shall be deducted proportionately from each Investment Fund, subject to any ordering rules adopted by the Administrator. To the extent that any amounts are unavailable to fund a loan, the amount available to be borrowed may be further limited.

- (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 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.

(7) A loan will not be foreclosed and security attached before a distributable event occurs under the Plan. Except as otherwise provided in (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.

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

(9) 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 21 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 or otherwise designated as part of an employee stock ownership plan (“ESOP Stock”) 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, ESOP 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 ESOP 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 ESOP Stock distributed to the Trustee. Should the Trustee decline to purchase all or any part of the ESOP Stock put to it by the Qualified Holder, the Company shall purchase the ESOP 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 ESOP Stock, any other party to which the ESOP 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 ESOP 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 ESOP Stock, a Qualified Holder shall have the right to require the Company to purchase all or a portion of the distributed ESOP Stock held by the Qualified Holder. The purchase price to be paid for any such ESOP 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 ESOP 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 ESOP 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 ESOP 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 and Indemnity

(a) (1) The Company as named fiduciary shall administer the Plan in a nondiscriminatory manner consistent with the requirements of Section 401(a) of the Code.

(2) 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. The Company has appointed the Committee to administer the Plan. The Committee is the named fiduciary except

to the extent such authority is delegated to the Savings Plan Fiduciary Committee or the Independent Fiduciary.

(3) 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.

(b) Indemnity. Except as provided below, the Company shall indemnify and hold each person serving as the Administrator or Employee delegated duties of the Administrator under this Section 22 harmless from all claims, liabilities and costs (including reasonable attorneys' fees) arising out of the good faith performance of his functions hereunder. The Company may obtain and provide for any such person, at the Company's expense, liability insurance against liabilities imposed on him by law. Notwithstanding the above, indemnification of the Independent Fiduciary shall be governed solely by the terms of the separate agreement between the Company, the Committee, the Savings Plan Fiduciary Committee and the Independent Fiduciary.

Section 23. Claims Procedure

Claims for benefits under the Plan shall be administered in accordance with Section 503 of ERISA and the Department of Labor Regulations thereunder. The claims procedures are available from the Administrator.

No action at law or in equity shall be brought to recover benefits under the Plan until the claims and appeal rights described in the Plan's claims procedures have been exhausted and the Plan benefits requested have been denied in whole or in part. If any judicial proceeding is undertaken to appeal the denial of a claim or bring any other action under ERISA other than a breach of fiduciary claim, any such judicial proceeding must be filed before the expiration of any deadline set forth in such claims procedures.

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 (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 (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

The Plan's legal and audit expenses will be paid by the Company. However, all reasonable administrative and recordkeeping Plan expenses (as determined by the Committee) shall be borne by Participants, Beneficiaries and Alternate Payees as charges to their Plan Accounts. Additionally, the Committee, in its sole discretion, will determine how to allocate such expenses among Participants, Beneficiaries and Alternate Payees and the amount (if any) to be charged against each individual's Account. The Committee may impose different levels of charges (including no charge) to different groups of Participants, Beneficiaries and Alternate Payees as long as it is done on a nondiscriminatory basis.

Furthermore, each individual's Plan Account may be charged for any other administrative expenses that are specifically attributable to such individual's Account, such as to review a proposed Qualified Domestic Relations Order, to take a loan, in-service withdrawal or distribution and any other event incurred due to an affirmative or negative election by such individual. Finally, any expenses incurred by the Trustee in executing investment directions (or default investments) on behalf of a Participant, Beneficiary or Alternate Payee (such as

brokerage fees and stock transfer taxes) shall be either charged to such individual's Plan Account or shall reduce the proceeds received from the execution of such investment direction.

The Independent Fiduciary shall be compensated for its services by the Plan to the extent that such expenses are not paid by the Employer. Such expenses shall also include those expenses of the Independent Fiduciary that are approved by the Savings Plan Fiduciary Committee but not paid by the Employer.

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. The Company has delegated amendment authority to the Pension and Benefits Committee. 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 an 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. Heroes Earnings Assistance and Relief Tax Act of 2008

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) Disability or Death of Participant While Performing USERRA Service. 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) Differential Wage Payments. 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

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

(c) Withdrawal upon Deemed 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. Such Participant shall not receive a distribution of his **Pre-Tax Account** 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 Participant 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 entitled 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)).

Section 36. 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.

**THE
SOUTHERN CALIFORNIA GAS COMPANY
RETIREMENT SAVINGS PLAN**

(Effective as of January 1, 2016)

TABLE 1

Incentive Plans with payout are as follows:

1. Employees eligible under the Sempra Energy Incentive Compensation Plan (ICP)
2. Employees eligible under the Gas Acquisition Incentive Plan (GAIP)

