

**SUMMARY PLAN DESCRIPTION  
FOR  
GH ENGINEERING, INC. 401(K) PROFIT SHARING PLAN**

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**INTRODUCTION**

Effective May 16, 2001, GH ENGINEERING, INC. established GH ENGINEERING, INC. 401(K) PROFIT SHARING PLAN to recognize your hard work and good efforts. The plan is for the exclusive benefit of all eligible employees and their beneficiaries with the intention to provide a measure of retirement security for your future.

This Summary Plan Description reflects the plan options as of January 1, 2012.

This Summary Plan Description is a brief description of your plan and your rights and benefits under the plan and is not intended to cover every plan provision. This Summary Plan Description is not meant to interpret or change the provisions of your plan. A copy of your plan is on file at your employer's office and may be read by you, your beneficiaries, or your legal representatives at any reasonable time. This plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). If you have any questions regarding either your plan or this Summary Plan Description, you should ask your plan administrator. If any discrepancies exist between this Summary Plan Description and the actual provisions of the plan, the plan shall govern.

## GENERAL INFORMATION

**Plan Name:** GH ENGINEERING, INC. 401(K) PROFIT SHARING PLAN

**Employer:** GH ENGINEERING, INC.  
301 MAPLE AVENUE WEST  
SUITE 220  
VIENNA, VA 22180  
(703) 281-2446

**Employer Tax ID:** 52-2224231

**Three Digit Plan Number:** 001

**Type of Plan:** Cash or Deferred Profit Sharing Plan

**Administration Type:** Self-Administered

**Plan Administrator:** GH ENGINEERING, INC.  
301 MAPLE AVENUE WEST  
SUITE 220  
VIENNA, VA 22180  
(703) 281-2446

**Plan Administrator ID Number:** 52-2224231

**Legal Agent:** GH ENGINEERING, INC.  
301 MAPLE AVENUE WEST  
SUITE 220  
VIENNA, VA 22180  
(703) 281-2446

Service of legal process may also be made upon a plan trustee or the plan administrator as listed herein.

**Trust Name:** GH ENGINEERING, INC. 401(K) PROFIT SHARING TRUST

**Trustees:** CAPITAL BANK AND TRUST

**Funding Arrangement:** Trust

**Trust Tax ID Number:** 52-2224231

**Plan Year:** January 1st to December 31st

**Limitation Year:** January 1st to December 31st

**Anniversary Date:** December 31st

**Valuation Date:** Daily

## **PARTICIPATION IN YOUR PLAN**

In order to take advantage of the opportunities provided by your plan you must participate in the plan. There may be certain restrictions to your eligibility and participation. Following is information about how you can participate in the plan.

### **What individuals may become participants?**

As an employee of GH ENGINEERING, INC. you may participate in the plan, once you have met the eligibility requirements.

### **Who is considered an employee?**

An employee is an individual who performs services for the employer as a common law employee, a self-employed individual who is treated as an employee, or a leased employee.

### **What individuals are not eligible for the Plan?**

The following individuals are not eligible for participation in the plan:

1. Members of a collective bargaining unit where retirement benefits were the subject of good faith bargaining; and
2. Non-resident aliens.

### **What types of contributions are available in the Plan?**

There are 4 different contribution types available in the plan:

1. Employer Non-Elective: This is also known as a profit sharing contribution. Your employer will, at its discretion make a contribution to the plan.
2. Elective Deferrals: This type of contribution is also known as 401(k) Contributions or Salary Deferral Contributions.
3. Employer Matching: In order to receive these contributions you must be making salary deferrals to the plan. The employer makes these contributions based on the salary deferrals contributed by the participant.
4. Safe Harbor: The employer will make a required contribution to the plan. Each plan year you will receive a notice regarding the contribution.

### **What are the requirements to be eligible to make Salary Deferrals?**

There are no age or service requirements for the salary deferral portion of the plan. You will enter the plan on the date you have met this requirement.

### **What are the requirements to be eligible for Employer Contributions?**

There are no age or service requirements for the employer profit sharing portion of the plan. You will enter the plan on the date you have met this requirement.

### **What are the requirements to be eligible for Matching Contributions?**

There are no age or service requirements for the matching portion of the plan. You will enter the plan on the date you have met this requirement.

### **How do I start contributing Salary Deferrals?**

To contribute to your plan, your employer will ask you to complete a Salary Deferral Agreement. It is here that you tell your employer how much of your income you wish to defer to your plan. These contributions will be deducted from your paycheck on a pre-tax or after-tax basis. You do not have to complete an enrollment form to receive an employer profit sharing contribution.

**What Compensation will be used for my Contributions in the Plan?**

The compensation used to calculate your contributions will be based on your wages defined under 3401(a), including compensation due to SEP deferrals (section 402(h)(1)(B)), Cafeteria deferrals under Section 125, Deemed Section 125 Compensation, transportation compensation (Section 132(f)(4)), 401(k) and 403(b) deferrals (Section 402(e)) and 457(b) deferrals.

Your compensation for the employer profit sharing contribution will exclude bonuses and cash-in-lieu of medical insurance. Your compensation for salary deferrals will exclude bonuses and cash-in-lieu of medical insurance. Compensation for your matching contributions will exclude bonuses and cash-in-lieu of medical insurance.

The first year you are a participant your compensation for employer contributions will be for the entire 12-month compensation period, for salary deferrals will be from the entry date as a participant, and for matching will be for the entire 12-month compensation period.

**How are Hours of Service determined?**

You are credited with the actual hours you work, and for hours for which you are paid but not at work, such as paid vacation or paid sick leave.

However, if records of your hours are not maintained, you are credited with 10 hours each day in which you work at least one hour, as a backup method of crediting you with hours of service.

**What is a Year of Service for Eligibility purposes?**

You will earn a year of service for purposes of eligibility if you are credited with 1000 hours of service during the eligibility computation period. The "Eligibility Computation Period" is the 12-month period that begins with the date you were hired. Thereafter the eligibility computation period becomes the plan year and begins the first day of the plan year that began in your initial eligibility computation period. Each subsequent period is the plan year.

**What is a Break in Service for Eligibility Purposes?**

When you fail to complete more than 500 hours during the eligibility computation period, you incur a break in service. However, in certain circumstances, your plan is required to credit you with 500 hours, even though you didn't actually work 500 hours. This is primarily if you take time off to have, adopt or care for a child for a period immediately following the birth or adoption. You will receive this credit only for the purpose of determining whether you have incurred a break in service and not for receiving additional credit for a contribution or for vesting.

## **CONTRIBUTIONS**

As a plan participant, you can contribute a part of your pay on a tax-deferred basis (that is, before federal and state income taxes are deducted) or on an after-tax basis (that is, after both federal and state income taxes are deducted). Your employer may also make contributions to the plan.

### **YOUR CONTRIBUTIONS TO THE PLAN:**

When you enroll in the plan, you decide whether to make your contributions on a pre-tax basis, an after-tax basis or a combination of the two. You will also select the percentage or dollar amount of your pay to be deducted as a pre-tax or an after-tax contribution. Your employer will deduct the amount you've elected from your paycheck in accordance with procedures established by your employer.

### **What are Pre-Tax Salary Deferrals?**

Pre-tax salary deferrals are deducted from your pay before federal income taxes are calculated. This reduces your taxable income by the amount you have elected to save under the plan. Since your taxable income is reduced, you pay less in current federal income taxes. This money is accumulated on a tax deferred basis until it is distributed from the plan. You should consult your plan administrator or tax advisor regarding treatment of salary deferrals for purposes of state and local taxes. See Distributions for additional information on tax consequences when you withdraw your money from the plan.

### **What are Roth Salary Deferrals?**

Effective January 1, 2009, all employees who are eligible to make pre-tax salary deferrals can also make after-tax salary deferrals. These contributions are also known as Roth Deferral Contributions. This means that you will be taxed on the money when it is withheld from your paycheck. You can contribute all or a portion of salary deferral as a Roth deferral. There are certain withdrawal restrictions for Roth deferral contributions. See "Distributions from Roth Deferral Accounts" in the distribution section of this SPD.

### **Are there limits to how much I can contribute?**

There are no plan imposed limits on the amount you may defer.

The IRS limits the maximum amounts that can be contributed on a pre-tax or after-tax salary deferral basis. For 2010, that limit is \$16,500.

If you are age 50 or older, you may be able to contribute in excess of this limit. See Catch-Up Contributions below.

### **What are Catch-Up Contributions?**

Effective December 31, 2001, all employees who are eligible to make salary deferrals under this plan and who have attained age 50 before the close of a plan year, shall be eligible to make catch-up contributions. The catch-up contribution will be made in addition to the regular salary deferrals mentioned above. The IRS limits the amount that can be contributed as a catch-up contribution. For the 2010 tax year, that limit is \$5,500. For future tax years, the limit is subject to cost-of-living increases as published by the IRS.

### **When can I expect my Salary Deferrals to be deposited?**

Salary deferrals are placed in the trust as soon as reasonably possible after being withheld from your pay but in no event later than the 7th business day following the date the contribution is withheld by your employer.

### **When can I change my Salary Deferral Election?**

You may make an election, or change an election the first day of the plan quarter.

You may revoke your Salary Deferral Election at any time.

**What happens if I am contributing to another plan from a different Employer?**

If you participate in two or more deferred compensation plans (which include 401(k), Simplified Employee Pensions and 403(b) plans), your total deferrals to all plans could exceed IRS limits for the year. To avoid paying excise taxes if excess contributions have to be returned, you may want to designate which plan is to return any excess contributions to you.

If you elect to have this plan return any excess, you should notify the plan administrator so that the excess can be returned to you, along with any earnings, before April 15th following the year in which the deferrals were withheld.

**Can I roll money into the Plan?**

Rollovers are permitted even if you are not yet a participant.

Direct transfer rollovers are permitted from a qualified plan described in Code sections 401(a) or 403(a), excluding after-tax employee contributions, an annuity contract described in Code sections 403(b), excluding after-tax employee contributions, an eligible plan under Code section 457(b) that 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 an Individual Retirement Account or Annuity described in Code sections 408(a) or (b) or 408A that is eligible to be rolled over and would otherwise be includible in gross income.

You may rollover an eligible distribution from a qualified plan described in Code sections 401(a) or 403(a), excluding after-tax employee contributions, an annuity contract described in Code sections 403(b), excluding after-tax employee contributions, an eligible plan under Code section 457(b) that 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 an Individual Retirement Account or Annuity described in Code sections 408(a) or (b) that is eligible to be rolled over and would otherwise be includible in gross income.

In-kind rollovers are not permitted.

**YOUR COMPANY CONTRIBUTIONS TO THE PLAN:**

In addition to your salary deferrals, your employer may make other types of contributions to the plan, such as a profit sharing contribution or a matching contribution.

**What are Matching Contributions?**

As an incentive to make salary deferrals to the plan your employer may contribute a certain percentage or dollar amount each year. This additional employer contribution is known as a matching contribution.

**What Salary Deferrals are eligible to receive Matching Contributions?**

Pre-tax salary deferral contributions, Roth deferral contributions, and Catch-up salary deferral contributions will be matched at the same rate.

**Are there requirements to receive the Matching Contributions?**

You will be eligible to receive an allocation of matching contribution regardless of the hours you work during the plan year.

**How is the Matching Contribution determined?**

The amount of the match depends on your salary deferrals. Each year, your employer may at their discretion contribute a set matching percentage or a flat dollar amount that is allocated proportionate to the amount of your salary deferrals. Your employer will limit matching contributions, if any, for amounts in excess of the first 4.000% of compensation as elective contributions.

**When can I expect the Matching contributions to be allocated?**

The matching contributions made by your employer will be allocated to your matching contribution account as of the last day of each plan year.

**What are Profit Sharing Contributions?**

The company may make a profit sharing contribution to the plan each year and in such amount, if any, as it may determine.

**Are there requirements to receive a Profit Sharing Contribution?**

To be eligible to receive an allocation of the discretionary employer profit sharing contributions you must complete 1000 hours of service during the plan year and be employed the last day of the plan year.

**How is the Profit Sharing Contribution determined?**

Your share of the profit sharing contribution is determined each year as a percentage of compensation or a dollar amount per participant. Your plan creates a separate employee classification group for each eligible employee.

**When can I expect the Employer Profit Sharing Contributions to be allocated?**

The profit sharing contributions made by your employer will be allocated to your profit sharing account as of the last day of each plan year.

**When can I expect the Employer Contributions to be deposited?**

The employer contributions to the trust are normally paid by the company directly to the Trust either during the plan year or after the close of the plan year (within the time during which the Company has to file its federal tax return).

**When is a Plan top heavy?**

The plan becomes top heavy if more than 60% of the account balances are attributable to "key employees". Key employees are certain highly compensated officers or owner/shareholders.

Each year, the plan administrator will make a top heavy determination.

**What happens if the Plan becomes top heavy?**

If the plan becomes top heavy in any plan year, participants who are not "Key Employees" must receive a minimum contribution for such plan year. This amount is based on the amount of contribution that the key employees receive and may be zero. There may also be a change to the vesting schedule for that year. See "What is the Top Heavy Vesting Schedule?"

Members of a collective bargaining agreement where retirement benefits were the subject of good faith bargaining are not eligible for the contribution.

**What is a Safe Harbor Contribution?**

This 401(k) plan takes advantage of certain rules that provide alternative methods to pass the non-

discrimination tests required of 401(k) plans. Under these rules, your employer has elected to provide a contribution to each participant who is eligible to make a salary deferral.

**How is the Safe Harbor Contribution determined?**

The safe harbor contribution will be made as an employer profit sharing allocation in the amount of 3.000% of each eligible participant's compensation.

The plan may also make an additional contribution to each participant who is eligible to make salary deferrals. The safe harbor contribution will be a discretionary percentage each year of salary deferrals that do not exceed 6% of compensation so that the total additional contribution does not exceed 4% of your compensation.

This safe harbor contribution is allocated to your account annually.

## VESTING

Vesting is the non-forfeitable balance of your employer contribution account(s) that you will be entitled to receive after your employment with the company ends. If you terminate employment before you meet the requirements for retirement, the distribution from your employer contribution account(s) will be limited to the vested portion. Your vesting percentage grows with your years of vesting service.

### **What is a Year of Service for vesting purposes?**

You will earn a year of service for purposes of vesting if you are credited with 1000 hours of service during the plan year. You cannot earn more than one year of vesting service during the plan year.

### **What is a Break in Service for Vesting Purposes?**

When you fail to complete more than 500 hours during the plan year, you incur a break in service. If you have incurred a break in service, your vesting percentage will not increase for the period in which the break occurs.

However, in certain circumstances, your plan is required to credit you with 500 hours, even though you didn't actually work 500 hours. This is primarily if you take time off to have, adopt or care for a child for a period immediately following the birth or adoption. You will receive this credit only for the purpose of determining whether you have incurred a break in service and not for receiving additional credit for a contribution or for vesting.

### **Is any of my service excluded?**

No, all years of vesting service with your employer except those excluded due to a break in service will be included in determining your vested account balance.

### **How much will I be entitled to receive from my Employer Accounts if I leave before retirement?**

If you leave employment due to termination, your employer account along with earnings you are entitled to will be based on the following schedules:

Vesting Schedule for Employer Profit Sharing:

100.000% vested after 2 years of vesting service.

Vesting Schedule for Employer Matching:

100.000% Vested after 2 Years of Vesting Service.

Vesting Schedule for Employer Safe Harbor ACP Matching Contribution:

100.000% vested after 2 years of vesting service.

You are 100% vested in your Safe Harbor Account.

### **What is the Top Heavy Vesting Schedule?**

When the plan is top heavy, your contributions will be vested according to the following top heavy vesting schedule:

The top heavy vesting schedule for the employer profit sharing is the same as listed above.

If you become disabled, or die during the year you will be 100% vested.

**What about my Salary Deferral and Rollover accounts?**

Salary deferrals (including any catch-up contributions) and rollover accounts along with those earnings associated with these accounts are always 100% vested.

**What are my Beneficiaries entitled to if I die?**

If you die while still an employee, your employer profit sharing account, employer matching account, and ACP safe harbor matching account will become 100% vested. Your beneficiary will be entitled to receive 100% of your account.

**What am I entitled to if I become disabled?**

You will be entitled to 100% of your employer profit sharing account, employer matching account, and ACP safe harbor matching account.

**What happens if I terminate employment before I am fully vested?**

The non-vested portion of your account will be forfeited and used to offset plan expenses or may be used to reduce the employer or matching contribution.

The forfeiture takes place when your entire vested account is distributed to you.

**What happens to my forfeited amounts, if I am rehired into a position covered by the plan?**

If you were not vested (that is, 0% vested), when you severed employment, and you rejoin the plan before incurring a 5-year Break in Service, the amounts you forfeited will be restored as of your rehire date.

**If I am rehired into a position covered by the plan, how is my vesting service calculated?**

If you were fully (100%) vested at the time your employment ended, you will resume participation and be 100% vested immediately, on your rehire date. This means that the vesting service you earned prior to severing employment (pre-break) will be added to the vesting service you earn after reemployment (post-break).

If you were not fully vested when your employment ended, the length of your interruption in employment determines how your vesting service will be calculated.

If your Break in Service is less than 5 years, your pre-break vesting service will be added to your post-break vesting service. Thus, your total years of vesting service are counted toward vesting in:

- \* your employer account credited post-break, and
- \* the pre-break employer account remaining in the plan, if you did not receive a distribution

If you received a distribution from your employer account, and you would like to have your total years of vesting service (pre-break plus post-break) count toward vesting in your pre-break employer account, you must repay the full amount of your distribution by the earlier of:

- \* five (5) years after your rehire date, or
- \* the date you incur a 5-year break following the date of the distribution

If your interruption in employment is five years or more, and you were not vested (0% vested) when you left employment, your prior years of service are disregarded. Only the vesting service you earn after your rehire date will be counted.

## **INVESTMENT ACCOUNTS**

Under GH ENGINEERING, INC. 401(K) PROFIT SHARING PLAN, the money you deposit and any employer contributions are placed into investment accounts, which are credited with gains and losses at each valuation date.

Separate accounts are set up for each different type of money, for example: 401(k) deposits, matching, discretionary, rollover, employer contributions (if any) and qualified non-elective contributions because there are different plan and IRS rules for each type of contribution.

### **What is the value of my accounts?**

The value of each of your accounts is established as of the Valuation Date under your Plan. The Valuation Date is daily.

As of the Valuation Date:

- \* Contributions may be added to your accounts (see "Contributions")
- \* Distributions you have received since the prior Valuation Date will be subtracted from your accounts
- \* Plan Expenses may be subtracted from your accounts
- \* Interest and/or dividends, if any, will be added to your accounts

Also, current market values will be reflected in your accounts as of the Valuation Date. Depending on stock and/or bond market conditions, the value of your accounts may increase or decrease from one Valuation Date to the next.

### **How are my accounts invested?**

You may direct the investment of all of your accounts. It is intended that your plan meet the requirements of ERISA section 404(c) by providing you with sufficient information for you to make informed investment choices. This information will be provided by the financial institutions managing the investment options.

### **Does my plan offer life insurance as an investment?**

No life insurance policies shall be purchased.

### **Can I take a loan from my accounts?**

Your plan permits loans. The plan administrator will provide you with a copy of the loan procedures.

## DISTRIBUTIONS

### *Does my plan allow hardship distributions?*

You may request a hardship distribution while employed for one of the following reasons:

- \* **Medical Care** - Expenses for or necessary to obtain medical care for yourself, your spouse, dependents, or named primary beneficiaries.
- \* **Principal Residence** - Costs directly related to the purchase of your principal residence (not including mortgage payments).
- \* **Eviction and/or Foreclosure** - Payment to prevent eviction from your principal residence and/or foreclosure on the mortgage of your principal residence.
- \* **Tuition** - Payment of tuition for the next 12 months of post secondary school education for yourself, your spouse, dependents, or named primary beneficiaries.
- \* **Funeral Expenses** - Payments for burial or funeral expenses for your parents, spouse, children, dependents, or named primary beneficiaries.
- \* **Principal Residence Repair** - Expenses for repair of damage to your principal residence that qualify for the casualty deduction (as defined in IRC 165, determined without regard to whether the loss exceeds 10% of adjusted gross income).

The Hardship distribution can not exceed the amount necessary to meet your financial hardship. The plan administrator may request proof that the amount requested does not exceed the financial hardship, including evidence that you have received all other available distributions and/or loan proceeds from this and other plans (including those of other employers).

If you receive a hardship distribution, you will not be allowed to make salary deferrals to this plan or any other retirement plan for six (6) months following the date of your hardship distribution.

### *May I take a distribution of my Roth Deferrals?*

There are certain restrictions that apply to receiving a distribution from your Roth deferral account. If any deferral contribution designated as a Roth deferral is withdrawn prior to the five (5) taxable year period beginning with the taxable year in which the Roth account is first established or prior to age 59-1/2 your distribution will consist of a pro-rata share of Roth earnings and Roth deferral. The earnings will be included in your gross income. To avoid a tax on the earnings of Roth deferral accumulated amounts, including earnings the withdrawal must be made after the fifth taxable year that your Roth account is first established and after age 59-1/2 or on account of your death or disability.

### *What are Normal Retirement Benefits?*

You will reach the plan's normal retirement age when you reach the later of age 65 or the fifth anniversary of your participation in the plan.

Your normal retirement date is the first day of the month coincident with or next following the date you reach normal retirement age.

At your normal retirement age, you will be fully vested in your employer contribution account.

### *When will I receive my Normal Retirement Benefits?*

Payment of your benefits will begin as soon as practicable following the last day of the plan year coinciding with or next following your retirement.

### *Does the Plan have Disability Benefits?*

Should you become permanently disabled while a participant under this plan, you will receive 100% of your account balance.

You will be considered disabled if the Social Security Administration has determined that you are eligible to receive Social Security disability benefits.

If it is determined you are disabled, your payments will begin as soon as practicable following the last day of the plan year coinciding with or next following your termination.

**What benefits will I receive upon Termination?**

If your employment is terminated for any reason other than those set out above, you will be entitled to that portion of your employer accounts in which you are vested.

"Vesting" refers to the percentage of your account balance you are entitled to at any point in time. For each year you remain a participant in the plan, you may become vested with a higher percentage of your employer account balance. See the Vesting Section for more information.

Payment of your benefits will begin within a reasonable period following the last day of the plan year coinciding with or next following your termination of employment.

**What are distributions due to a Domestic Relations Order?**

In general, contributions made by you or your employer for your retirement are not subject to alienation. This means they cannot be sold, used as collateral for a loan, given away or otherwise transferred. They are not subject to the claims of your creditors. However, they may be subject to claims under a Qualified Domestic Relations Order (QDRO).

The administrator may be required by law to recognize obligations you incur as a result of court ordered child support or alimony payments. The administrator must honor a "Qualified Domestic Relations Order," which is defined as a decree or order issued by a state court (or other state authorized body) that obligates you to pay child support or alimony, or otherwise allocates all or a portion of your assets in the plan to "an alternate payee" such as your spouse, child or other dependent. If a QDRO is received by the administrator, all or portions of your benefits may be used to satisfy the obligation. It is the plan administrator's responsibility to determine the validity of a QDRO.

Distributions pursuant to a Qualified Domestic Relations Order are permitted on or after the date a Domestic Relations Order is determined to be a Qualified Domestic Relations Order, even if the participant continues to be employed and has not attained the "earliest possible retirement age" pursuant to section 414(p) of the Internal Revenue Code.

For this purpose, the "earliest possible retirement age" under the plan means the earlier of: (a) the date on which the participant is entitled to a distribution under the plan, or (b) the later of the date the participant attains age 50, or the earliest date on which the participant could begin receiving benefits under the plan if the participant separated from service.

Participants and beneficiaries can obtain, from the plan administrator, without charge, a copy of the plan's procedures governing Qualified Domestic Relations Orders.

**How will I receive my distribution?**

Your plan provides for a lump sum distribution.

**Will the plan automatically distribute any of my benefit?**

The plan may elect to make a mandatory distribution of account balances that are \$1,000.00 or less.

**What is a Required Minimum Distribution?**

Under certain circumstances, the law requires that your distributions begin no later than April 1 of the year following the date you reach age 70-1/2 (the date six months after your 70th birthday) if you are an owner of the company. All participants that still have a vested account balance after reaching 70-1/2 and are terminated are required to take these distributions. You or your beneficiaries may elect the 5 year rule for distributions if you die before the required distributions begin. Your plan administrator will contact you if you are affected by this requirement.

**How will my Distributions be taxed?**

The benefits you receive from the plan will be subject to ordinary income tax in the year in which you receive the payment, unless you defer taxation by a "rollover" of your distribution into another qualified plan or an IRA. Also, in certain situations, your tax may be reduced by special tax treatment such as "10-year forward averaging."

VERY IMPORTANT NOTE: Under most circumstances, if you receive a distribution from this plan, twenty percent (20%) of your distribution will be withheld for federal income tax purposes, unless you instruct the trustees of this plan to transfer your distribution DIRECTLY into another qualified plan or an IRA. You must give these instructions to the trustees no more than 180 days before the date you receive the payment. Also, the trustees must wait at least 30 days after receiving your instructions before making the payment, to allow you time to change your decision, unless you waive the waiting period in writing.

In addition to ordinary income tax, you may be subject to a 10% tax penalty if you receive a "premature" distribution. If you receive a distribution upon terminating employment before age 55 and you don't receive the payment as a life annuity, you will be subject to the 10% penalty unless you roll over your payment. If you take a hardship withdrawal before age 59-1/2, the withdrawal will usually be subject to the 10% penalty. But, there is no penalty for payments due to your death or disability.

As the rules concerning "rollovers" and the taxation of benefits are complex, please consult your tax advisor before making a withdrawal or requesting a distribution from the plan. As required by law, the plan administrator will provide you with a brief explanation of the rules concerning "rollovers."

## LOAN PROCEDURES

Pursuant to the terms of GH ENGINEERING, INC. 401(K) PROFIT SHARING PLAN and GH ENGINEERING, INC. 401(K) PROFIT SHARING TRUST, the Trustee has adopted a participant loan program as part of such Plan and Trust. The program is intended to comply with Labor Regulation 2550.408b-1, and Treasury Regulation sec 1.72(p)-1. Loans will be made pursuant to the terms of the Plan and Trust and the following provisions of this Participant Loan Program.

The Loan Program procedures are being provided to you in a separate document.

## **OTHER IMPORTANT INFORMATION**

### **Are my benefits protected?**

Except for the requirements of a Qualified Domestic Relations Order, your plan benefits are not subject to claims, indebtedness, execution, garnishment or other similar legal or equitable process. Also, you cannot voluntarily (or involuntarily) assign your benefits under this plan.

### **Can the Plan be amended or terminated?**

The employer has reserved the right to amend or terminate the plan. However, no amendment can take away any benefits you have already earned. If your plan is terminated, you will be entitled to the full amount in your account as of the date of termination, regardless of the percent you are vested at the time of termination.

### **Does Pension Benefit Guaranty Corporation Insurance apply to this Plan?**

The benefits provided by this plan are not insured by the Pension Benefit Guaranty Corporation (PBGC). Such insurance is only required under Title IV of the Employee Retirement Income Security Act (ERISA) for defined benefit pension plans.

### **What are the Claims for Benefits procedures under this Plan?**

When you request a distribution of all or any part of your account, you will contact the plan administrator who will provide you with the proper forms to make your claim for benefits.

Your claim for benefits will be given a full and fair review. However, if your claim is denied, in whole or in part, the plan administrator will notify you of the denial within 90 days of the date your claim for benefits was received, unless special circumstances delay the notification. If a delay occurs, you will be given a written notice of the reason for the delay and a date by which a final decision will be given (not more than 180 days after the receipt of your claim.)

There is an exception to the above rules if your claim is for disability benefits. The plan administrator shall notify you or your beneficiary within a reasonable period of time, but not later than 45 days after the date your claim was received.

The plan administrator may extend this deadline by up to 30 days if there are special circumstances beyond the control of the plan that require additional time to process the claim. If a delay occurs, you will be notified in writing before the end of the initial 45-day period.

If, prior to the end of the first 30-day extension period, the plan administrator determines that, due to matters beyond the control of the plan, a decision cannot be made within that extension period, the period for making the determination may be extended for up to an additional 30 days, provided that the plan administrator notifies you or your beneficiary, prior to the expiration of the first 30-day extension period, of the circumstances requiring the extension and the date as of which the plan expects to render a decision.

In the case of any extension under a claim for disability benefits, the notice of extension will specifically explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on your claim, and the additional information needed to resolve those issues. Further, you will be given at least 45 days within which to provide the specified information.

Notification of a denial of claims will include:

the specific reason(s) for the denial,

reference(s) to the plan provision(s) on which the denial is based,

a description of any additional material necessary to correct your claim and an explanation of why the material is necessary, and

an explanation of the steps to follow to appeal the denial, including notification that you (or your beneficiary) must file your appeal within 60 days of the date you receive the denial notice.

If you or your beneficiary do not file an appeal within the 60-day period, the denial will stand. If you do file an appeal within the 60 days, your employer will review the facts and hold hearings, if necessary, in order to reach a final decision. Your employer's decision will be made within 60 days of receipt of the notice of your appeal, unless an extension is needed due to special circumstances. In any event, your employer will make a decision within 120 days of the receipt of your appeal.

## **PARTICIPANT RIGHTS UNDER ERISA**

As a participant in GH ENGINEERING, INC. 401(K) PROFIT SHARING PLAN you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA).

### **Receive information about your Plan and your benefits:**

ERISA provides that all plan participants shall be entitled to:

- \* Examine, without charge, at the plan administrator's office all documents governing the plan and a copy of the latest annual report filed by the plan with the U.S. Department of Labor.
- \* Obtain copies of all plan documents and other plan information upon written request to the plan administrator (the administrator may make a reasonable charge for the copies),
- \* Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.
- \* Obtain a statement telling you whether you have a right to receive a benefit at normal retirement age and if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to get a right to a benefit. This statement must be requested in writing and is not required to be given more than once a year. The plan must provide the statement free of charge.

### **Actions by Plan Fiduciaries:**

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries.

No one, including your employer may fire you or otherwise discriminate against you in any way to prevent you from obtaining a retirement benefit or exercising your rights under ERISA.

### **Enforcing your rights:**

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

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request written materials from the plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator.

### **Assistance with your questions:**

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court.

If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

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