401(k) Savings Plan

Summary Plan Description

The 401(k) Savings Plan offers a convenient, tax-effective way to save and invest for the future. At retirement, 401(k) Savings Plan benefits are designed to work together with other investments and Social Security benefits to provide retirement income.

The 401(k) Savings Plan

Introduction

The Company offers bargaining unit and non-bargaining Employees at the Pantex and Y-12 locations a convenient way to save for retirement.

- The Consolidated Nuclear Security, 401(k) Plan for Non-Bargaining Pantex Location Employees (the “Pantex Non-Bargaining Plan”) is offered to non-bargaining Employees at the Pantex location.
- The Consolidated Nuclear Security, 401(k) Plan for Bargaining Pantex Location Employees (the “Pantex Bargaining Plan”) is offered to bargaining unit Employees at the Pantex location.

If a statement applies to both of these plans they will be referred to jointly as the “Pantex Plans.”

- The Savings Program for Employees of Consolidated Nuclear Security, LLC at the U.S. Department of Energy Facilities at Oak Ridge, Tennessee, (the “Y-12 Plan”) is offered to both bargaining unit and non-bargaining Employees at the Y-12 location.

The three plans may be referred to as the “401(k) Plan” or the “Plan” in this Summary Plan Description (SPD), and each is a tax-qualified defined contribution plan that helps you accumulate savings for retirement. This SPD is for Participants in any of the Plans, but has separate provisions when Plan terms vary.

Eligibility

Non-bargaining Employees at Pantex are eligible to participate in the Pantex Non-Bargaining Plan. Bargaining unit Employees at Pantex are eligible to participate in the Pantex Bargaining Plan. Both bargaining unit and non-bargaining Employees at the Y-12 location are eligible to participate in the Y-12 Plan. The following individuals of the Company are not eligible to participate in any of the Plans:

- Leased Employees
- Ad Hoc Employees
- Employees not receiving wages from the Company
- Nonresident aliens receiving no earned income from the Company that constitutes earned income from sources within the United States
- An Employee who has entered into an agreement waiving participation in the Plan for the period participation was waived
- Interns and co-op students at the Pantex location

If you are eligible to participate in either the Y-12 Plan or Pantex Non-Bargaining Plan and transfer to the other Company site without interruption of service, you will remain eligible for, and a Participant in, the Plan you were eligible for, or participating in, on the date immediately prior to your transfer date. This does not apply to transfers involving only the Pantex Plans, in which case you will transfer to the Plan that applies to your new job classification.

Enrolling in the 401(k) Plan

The 401(k) Plan is provided by the Company to encourage retirement savings; however, participation is voluntary. When you begin work, you will receive information about the 401(k) Plan, which includes this SPD and a list of investment options for you to direct the investment of your Plan account. You may enroll at any time after your date of hire. Contributions will begin as soon as administratively feasible.

To enroll in the CNS 401(k) log on to the Recordkeeper website at http://cns.voya.com or call 1-877-CNS-VOYA (1-877-267-8692) (TDD 1-800-579-5708). Log in with your Social Security Number (which can and should be changed) and PIN (issued by Voya and mailed to you in a security envelope). From the *Home* page on the plan website select *Register Now*, or from the Information Line select the enrollment option from the main menu. You will then elect:

- The percentage you wish to save
- How you want to save – on a before-tax basis, a Roth after-tax basis, a regular after-tax basis (Y-12 employees only), or a combination
- Choose your investments
- If you make no investment choice, your contribution will default to a Target Date Fund closest to your 65th birthday
- Confirm your elections and submit
- Don't forget to elect a beneficiary by clicking on *Personal Information* > *Beneficiary Information*

Pantex Employees:

Automatic Enrollment for Certain Pantex Bargaining Unit Employees – Pantex Employees covered by the Pantex Guards Union (PGU) collective bargaining agreement hired on or after 04/01/2008 will be automatically enrolled in the 401(k) plan at a 3% contribution rate (on a pre-tax basis) unless you contact Voya within 30 days from your hire date. If you are covered by automatic enrollment provisions and prefer a contribution rate of more or less than 3%, you must contact Voya to select the contribution percentage you want. If you choose not to participate, you must contact Voya before the end of the 30-day time period to change your contribution percentage to 0%. You may start your contributions prior to the 30-day period by contacting Voya at 1-877-267-8692 or by logging on to the Voya website at http://cns.voya.com. You may also stop your contributions at any time by contacting Voya or make the change on the website.

Annual Increase Plan – PGU Employees hired on or after 04/01/2008 will also be automatically enrolled in the Annual Increase Plan. If your contribution percentage is less than 10%, your percentage will be automatically increased by 1% on April 1st each year (after one full year of service) until you reach a 10% contribution rate. You may choose an alternate date for the annual increase, choose a different increase percentage (full percentages only), or you may decline participation in the Annual Increase Plan by contacting Voya.

Metal Trades Council (MTC) and Pantex non-bargaining Employees are not subject to either automatic enrollment or automatic annual increases; however, these Employees may elect automatic annual increases.

Y-12 Employees:

Automatic Enrollment for Certain Y-12 Bargaining Unit Employees – Newly hired Y-12 Employees covered by the International Guards Union of America (IGUA) collective bargaining agreement will be automatically enrolled in the Y-12 Plan at a 2% contribution rate (on a pre-tax basis) unless you contact Voya within 45 days from your hire date. If you are covered by automatic enrollment provisions and prefer a contribution rate of more or less than 2%, you must contact Voya to select the contribution percentage you would like. If you choose not to participate, you must contact Voya before the end of the 45-day time period to change your contribution percentage to 0%. You may start your contributions prior to the 45-day period by contacting Participant Services at 1-877-267-8692 or by logging on to the Voya website at http://cns.voya.com. You may also stop your contributions at any time by contacting Participant Services or make the change on the website.

Beginning Deductions and Investment Choices

Your payroll deductions will begin as soon as administratively possible, generally within two pay periods.

Once you have enrolled, your contribution amount and investment choices will remain in effect until you make a change.

A few days after you enroll, a confirmation statement will be sent to your home. Review the statement carefully to make sure your participation and election information is correct.

Naming Your Beneficiary

Your Beneficiary is the person you name to receive benefits from the 401(k) Plan if you die with a vested balance remaining in your 401(k) Plan account. Your Beneficiary can be anyone you wish. However, if you have been married for at least one year and participate in the Y-12 Plan and you wish to name someone other than your Spouse, you must have your Spouse's written and notarized consent. The one-year marriage requirement does not apply to the Pantex Plans. If you are a Participant in the Pantex Plan and are married for any length of time, you must obtain your Spouse's written and notarized consent to name someone other than your Spouse. Details about the consent requirements and procedures to make a subsequent change in Beneficiary are available from the Recordkeeper at the website and phone number listed.

Keep your Beneficiary designation up to date. If you do not make a valid Beneficiary designation and you have been married for at least one year at the time of your death in the Y-12 Plan or are married on your date of death for the Pantex Plan, your Spouse will receive the value of your vested 401(k) Plan account. If you are single (or have been married for less than one year at the time of your death on the Y-12 Plan) and do not name a Beneficiary, your vested 401(k) Plan account will be paid to your estate.

The 401(k) Plan Information Sources

The 401(k) Plan makes saving easy. It lets you enroll and manage your account over the telephone through a voice response unit, by speaking with a Participant Services representative, or by using the Plan's website. By calling Voya Participant Services or by going to the website, you can:

- Enroll in the 401(k) Plan
- Check your account balance and investment performance
- Make investment elections
- Transfer between investment funds
- Change contribution percentages

- Change investment elections
- Request a loan or withdrawal
- Update or change beneficiary information

ⓘ Voya Participant Services Contact Information

In the United States: 1-877-267-8692

Voice Response Unit: 24 hours a day, 7 days a week
(except for occasional maintenance periods)

Participant Services Representatives: 7:00 am – 7:00 pm central time; 8:00 am – 8:00 pm eastern time, Monday through Friday (except on days when the New York Stock Exchange is closed)

Internet Access: To access the 401(k) Plan via the Internet, please use the following URL: http://cns.voya.com

When you call, you will need your PIN and a touch-tone telephone to use the voice response unit. If you do not have a touch-tone telephone, call the number and ask to speak to a customer service representative.

You may change your User Name and/or password to personalize it at any time you wish. Your User Name, password, and PIN are confidential and should be kept in a safe place. If you lose your User Name, password, or PIN, call the number above for assistance in getting them reset. You may also request a password reminder from the website to be mailed or e-mailed to you provided you have set up your e-mail preference. For security reasons, you can never get your PIN over the telephone.

Accessing the System

To log on to your account, go to the Participant log-in screen, enter your user name and your password, and press log in. Every Participant in the Plan will be able to gain access to the Plan, even if you do not have an account balance.

Working with the Plan

After you log on, the system immediately shows the market value of your account as of a particular date. Plan investment funds are valued on each day the stock market is open. The amount shown on the screen is the market value as of the close of business of the previous business day (or the last day the stock market was open). This value is updated only once each trading day, so the value you see in the morning will be the same value for that entire day.

Your Quarterly Statement

After the end of each calendar quarter, you will receive a statement that reports your account activity, total fund balances, and investment elections.

You can use these statements to track the value of your savings.

You also have access to your account statement at any time by visiting http://cns.voya.com. You can create an online statement for any period of time within the last 24 months.

Your Contributions

You can contribute to the 401(k) Plan in the following ways:

- Before-tax contributions from your Eligible Earnings
- Roth (special after-tax) contributions from your Eligible Earnings
- Regular after-tax contributions from your Eligible Earnings if you are located at Y-12 (Regular after-tax contributions are not available at Pantex.)
- Rollover contributions

Eligible Earnings

ⓘ Pantex Employees

All earnings are eligible for contributions with the exception of:

- Reimbursements or other expense allowances
- Fringe benefits
- Moving expenses
- Welfare benefits (even if includible in gross income)

ⓘ Y-12 Employees

Bargaining unit Employees can determine their Eligible Earnings by calculating:

$$\frac{\text{Straight-time earnings for the pay period}}{\text{Straight-time hours}} \times \text{Scheduled Hours} = \text{Eligible Earnings}$$

(Straight-time earnings include shift premiums and bargaining unit cost-of-living allowance but does not include overtime.)

Non-bargaining Employees' Eligible Earnings are the regular base earnings (including bonuses) for the pay period.

ⓘ ***Regardless of your location, federal tax laws limit the amount of Eligible Earnings that can be counted for Plan purposes. The amount is adjusted by the IRS based on cost-of-living changes. Check the IRS website for limits at www.irs.gov.***

Before-Tax Contributions

Your before-tax contributions are deducted from your Eligible Earnings before federal and, in most cases, state and local taxes are determined. (Social Security taxes are not affected.) By saving with before-tax dollars, you reduce your current taxable income and, therefore, your current annual tax liability. The government allows this reduction in taxable income to encourage you to save for retirement. For this reason, withdrawals during your active career with the Company are restricted.

Roth Contributions

Your Roth contributions are deducted from your Eligible Earnings on an after-tax basis. However, earnings on Roth contributions grow tax free if certain distribution requirements are met. Upon distribution, Roth contributions are distributed free from federal and most state income tax. Earnings on Roth contributions are also tax free if they are withdrawn after age $59^1/_2$ and your Roth account has been open at least five years.

Regular After-Tax Contributions – Y-12 Location Only

Regular after-tax contributions are deducted from your Eligible Earnings after income taxes are withheld and do not provide the advantages of deferring your taxes that are available through before-tax contributions. Investment earnings on regular after-tax contributions, however, are tax-deferred until withdrawn from the 401(k) Plan.

Catch-up Contributions

Participants who will be at least age 50 by the last day of the calendar year are eligible to contribute additional amounts of before-tax or Roth contributions called “catch-up contributions.” Call the toll-free number 1-877-267-8692 for assistance in determining whether you qualify to make an additional contribution and the maximum amount of such contribution.

Limitations

There is a limit on the amount of before-tax and Roth contributions that you can make to all Employer Plans (Company Plans and other employer Plans) during any year. The before-tax/Roth contribution limit, which is announced annually, will be adjusted for increases in the cost of living as determined by the federal government. To check the contribution limits, visit the IRS website at www.irs.gov. If you are employed during one year by another employer and make before-tax or Roth contributions to another employer’s plan, these contributions also count in the annual contribution limit, and you are responsible to notify the Plan Administrator that you have reached or exceeded your limit. If you have exceeded the limit, you are responsible to request a distribution of the excess amount.

There is also a limit on the total amount of contributions including before-tax, Roth, after-tax, and Employer matching and enhanced contributions that can be made to your Plan account each year. This annual limit will be adjusted for increases in the cost of living as determined by the federal government. To check the contribution limits visit the IRS website at www.irs.gov.

Additional limits may apply to highly compensated Employees. You will be notified if these additional limits apply to you.

At Y-12, once you reach the annual before-tax/Roth limit (adjusted if you are age 50 or older and eligible to make additional catch-up contributions), you may elect to stop making contributions. If you elect to stop your contributions, the Employer match will also stop. If you do not stop making contributions when you reach this limit, they will automatically be changed to after-tax contributions for the remainder of the year unless you take action to stop making contributions or you reach the overall annual contribution limit. Your contributions will revert back to your original election of before-tax or Roth contributions at the beginning of the next calendar year without filing a new election. However, if you are a highly compensated Employee and have made a flat dollar catch-up election, you must make a new catch-up election at the beginning of the year. Employer matching contributions will continue to be made as usual after the change to after-tax contributions.

At Pantex, once you reach the annual before-tax/Roth limit (adjusted if you are age 50 or older and eligible to make additional catch-up contributions), your contributions will automatically be stopped. However, Employer matching contributions will continue as if your own contributions had continued. If you actively elect to stop your contributions by changing your contribution percentage to 0%, the Employer matching contributions will also stop. Unless you elected to stop making contributions (actively changed your contribution percentage to 0%), your contributions will revert back to your original election of before-tax and/or Roth contributions at the beginning of the next calendar year without filing a new election.

Contributions During and After Military Leave

If you receive differential pay while you are on military leave, you may continue to make contributions to the Plan from your differential pay. Such contributions will be eligible for matching contributions.

When you return to work after you have been on military leave, you may be able to make contributions to the 401(k) Plan to make up for contributions you missed while you were on leave and may receive Employer matching contributions on your make-up contributions.

Contact the Benefit Plans Office for more information if you think this may apply to you. You may also contact the U.S. Department of Defense, Employer Support of the Guard and Reserve, at 1-800-336-4590 (www.esgr.org) about your military service rights and responsibilities under the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Rollovers to the 401(k) Plan

As a general rule, you may rollover taxable and Roth amounts you receive from a tax-qualified plan of a former employer to your 401(k) Plan account if the amounts you received qualify to be rolled over. Participants in the Y-12 Plan may also rollover after-tax contributions from another employer's plan. When you request a withdrawal or receive a distribution from a tax-qualified plan of a former employer, you will receive information telling you that the amount qualifies or does not qualify to be rolled over. You will continue to defer current federal income taxes on the amount you rollover. If you come to work for the Company after working for another employer that has a tax-qualified retirement plan, and you receive a distribution from the other employer's plan that qualifies to be rolled over, you may direct the transfer of the taxable and Roth portion of your payout (and after-tax portion in the case of the Y-12 Plan) directly to the 401(k) Plan or following an interim transfer to a conduit Individual Retirement Account (IRA).

If you received the distribution rather than having it transferred directly to the Plan and the distribution check is payable to you, you may still rollover all or part of the distribution to the Plan, but such rollover must be made within 60 days of the date you received the distribution from the other qualified plan (or conduit IRA). If you miss the deadline, you cannot roll your distribution into the 401(k) Plan and you will have to pay taxes on the taxable portion of your distribution.

To make a direct transfer of a qualified distribution to the 401(k) Plan, you must submit a certified check or a cashier's check from your prior plan's trustee or custodian payable to the Plan (not payable to you), the distribution statement you receive with your rollover check, and a completed rollover contribution form to the Plan Recordkeeper.

Contact Voya at 1-877-267-8692 to obtain the instructions and form for a rollover or print the form from the website.

How Much You Can Save

Pantex Employees may contribute up to 50% of your Eligible Earnings each pay period, subject to the annual contribution limits. You must save in 1% increments.

Y-12 Employees may contribute up to 75% (or 16% for a highly compensated Employee) of your Eligible Earnings each pay period, subject to the annual contribution limits. You must save in 1% increments.

These percentages may be reduced for highly compensated Employees to satisfy certain Internal Revenue Code tests. You will be notified of the restrictions for each year if they apply to you.

Your contributions are eligible for Company matching contributions, as discussed later in this section.

Changing Your Contributions

You can increase, decrease, or stop your contributions at any time by calling 1-877-267-8692 or online through your account. Changes will be sent to payroll and will be effective as soon as administratively possible, generally within two pay periods. The last election you made before the payroll processes will override any previous elections.

You can suspend or resume contributions at any time. When you resume your contributions, cash deposits to make up for the period of suspension will not be permitted. All contributions must be made by payroll deduction.

If You Contribute to Another Employer's Qualified 401(k) Plan During the Year

If you contributed before-tax and/or Roth contributions to another employer's qualified 401(k) Savings Plan and then begin to contribute to this Plan in the same calendar year, your total annual before-tax and Roth contributions cannot exceed the IRS limit for the year. Be careful to track how much you contribute to this Plan so your total contributions between both plans do not exceed the contribution limit for the year. If you do exceed this limit, immediately contact Participant Services so any excess contribution amount that you made can be refunded by the legal deadline.

If you have questions about refunds, contact Participant Services.

Company Matching Contributions

Each pay period, the Company will contribute a matching contribution as a percentage of your Eligible Earnings contributed to the Plan.

401(k) Company Matching Contributions

Pantex Non-Bargaining Employees (not including Pantex Protective Force Officers)

The Company provides non-bargaining Employees (not including Pantex Protective Force Officers) with a match of your contributions as follows:

- 100% of the first 2% of Eligible Earnings
- 50% of the next 4% of Eligible Earnings
- Maximum match is 4% of Eligible Earnings if you contribute at least 6%
- Amounts contributed over 6% of Eligible Earnings are not eligible for Company matching contributions

Example

Employee with $50,000 of Eligible Earnings contributes 6% of Eligible Earnings for a total Employee contribution of $3,000 per year. The Company has matching contributions of:

100% of the first 2% of Eligible Earnings:	$1,000 x 100% = $1,000
50% of the next 4% of Eligible Earnings:	$2,000 x 50% = $1,000
Company matching contributions:	$2,000

Pantex Protective Force Officers – (Without Pension Benefits)

The Company provides Pantex Protective Force Officers who are required to carry a weapon and to maintain physical requirements and are not eligible for the Pantex Guards Union (PGU) Pension Plan (either opted out of the Pension Plan to participate in the Enhanced 401(k) Savings Plan or were hired on or after 03/18/2002) with a matching contribution as follows:

- 100% of first 10% of Eligible Earnings
- Maximum match is 10% if you contribute at least 10%
- Amounts contributed over 10% are not eligible for Company matching contributions

Example

Employee with $50,000 of Eligible Earnings contributes 10% of Eligible Earnings for a total Employee contribution of $5,000 per year. The Company has a matching contribution of:

100% of the first 10% of Eligible Earnings:	$5,000 x 100% = $5,000
Company matching contribution:	$5,000

Pantex Protective Force Officers – (With Pension Benefits)

The Company provides Pantex Protective Force Officers who are required to carry a weapon and to maintain physical requirements and are eligible for the Pantex Guards Union (PGU) Pension Plan (opted to remain in the Pension Plan and were hired before 03/18/2002), with a matching contribution as follows:

- 50% of first 8% of Eligible Earnings
- Maximum match is 4% if you contribute at least 8%
- Amounts contributed over 8% are not eligible for Company matching contributions

Example

Employee with $50,000 of Eligible Earnings contributes 8% of Eligible Earnings for a total Employee contribution of $4,000 per year. The Company has a matching contribution of:

50% of the first 8% of Eligible Earnings:	$4,000 x 50% = $2,000
Company matching contribution:	$2,000

Metal Trades Council (MTC) – Hired After 01/01/2016

The Company provides MTC Employees hired after 01/01/2016 with matching contributions as follows:

- 100% of first 2% of Eligible Earnings
- 50% of next 4% of Eligible Earnings
- Maximum match is 4% if you contribute at least 6%
- Amounts contributed over 6% are not eligible for Company matching contributions

Example

Employee with $50,000 of Eligible Earnings contributes 6% of Eligible Earnings for a total Employee contribution of $3,000 per year. The Company matching contributions would be:

100% of the first 2% of Eligible Earnings:	$1,000 x 100% = $1,000
50% of the next 4% of Eligible Earnings:	$2,000 x 50% = $1,000
Company matching contributions:	$2,000

Metal Trades Council (MTC) – Hired Before 01/01/2016

The Company provides MTC Employees hired before 01/01/2016 with a matching contribution as follows:

- 62.5% of first 8% of Eligible Earnings
- Maximum match is 5% if you contribute at least 8%
- Amounts contributed over 8% are not eligible for Company matching contributions

Example

Employee with $50,000 of Eligible Earnings contributes 8% of Eligible Earnings for a total Employee contribution of $4,000 per year. The Company matching contribution would be:

62.5% of the first 8% of Eligible Earnings:	$4,000 x 62.5% = $2,500
Company matching contribution would be:	$2,500

Pantex Guards Union (PGU) – Hired before 03/18/2002 and Opted Out of the Pension Plan or Hired on/after 03/18/2002 (not eligible for the Pension Plan)

The Company provides PGU Employees who were either hired before 03/18/2002 and opted out of the Pension Plan in favor of an Enhanced 401(k) match, or were hired on or after 03/18/2002, with a matching contribution as follows:

- 100% of first 10% of Eligible Earnings
- Maximum match is 10% if you contribute at least 10%
- Amounts contributed over 10% are not eligible for Company matching contributions

Example

Employee with $50,000 of Eligible Earnings contributes 10% of Eligible Earnings for a total Employee contribution of $5,000 per year. The Company matching contribution would be:

100% of the first 10% of Eligible Earnings:	$5,000 x 100% = $5,000
Company matching contribution:	$5,000

Pantex Guards Union (PGU) – Hired before 03/18/2002 and Opted to Remain in the Pension Plan

The Company provides PGU Employees hired before 03/18/2002 who opted to remain in the PGU Pension Plan with a matching contribution as follows:

- 50% of first 8% of Eligible Earnings
- Maximum match is 4% if you contribute at least 8%
- Amounts contributed over 8% are not eligible for Company matching contributions

Example

Employee with $50,000 of Eligible Earnings contributes 8% of Eligible Earnings for a total Employee contribution of $4,000 per year. The Company matching contribution would be:

50% of the first 8% of Eligible Earnings:	$4,000 x 50% = $2,000
Company matching contribution:	$2,000

Y-12 Non-Bargaining and Y-12 Fire Captains and Lieutenants (FCLT) Employees

The Company provides Y-12 non-bargaining and FCLT Employees with a match of your contributions as follows:

- 100% of the first 2% of Eligible Earnings
- 50% of the next 4% of Eligible Earnings
- Maximum match is 4% of Eligible Earnings if you contribute at least 6%
- Amounts contributed over 6% of Eligible Earnings are not eligible for Company matching contributions

Example

Employee with $50,000 of Eligible Earnings contributes 6% of Eligible Earnings for a total Employee contribution of $3,000 per year. The Company has matching contributions of:

100% of the first 2% of Eligible Earnings:	$1,000 x 100% = $1,000
50% of the next 4% of Eligible Earnings:	$2,000 x 50% = $1,000
Company matching contributions:	$2,000

Atomic Trades and Labor Council (ATLC) and United Steel Workers (USW)

The Company provides ATLC and USW Employees with a matching contribution as follows:

- 100% of first 2% of Eligible Earnings
- 50% of next 4% of Eligible Earnings
- Maximum match is 4% of Eligible Earnings if you contribute at least 6%
- Amounts contributed over 6% of Eligible Earnings are not eligible for Company matching contributions

Example

Employee with $50,000 of Eligible Earnings contributes 6% of Eligible Earnings for a total Employee contribution of $3,000 per year. The Company matching contributions would be:

100% of the first 2% of Eligible Earnings:	$1,000 x 100% = $1,000
50% of the next 4% of Eligible Earnings:	$2,000 x 50% = $1,000
Company matching contribution:	$2,000

International Guards Union of America (IGUA) Central Alarm Station Operators, Central Training Facility Instructors, and Beta 9 Operators

The Company provides IGUA Central Alarm Station Operators, Central Training Facility Instructors, and Beta 9 Operator Employees with a matching contributions as follows:

- 100% of first 5% of Eligible Earnings
- Maximum match is 5% if you contribute at least 5%
- Amounts contributed over 5% are not eligible for Company matching contributions

Example

Employee with $50,000 of Eligible Earnings contributes 5% of Eligible Earnings for a total Employee contribution of $2,500 per year. The Company matching contribution would be:

100% of the first 5% of Eligible Earnings:	$2,500 x 100% = $2,500
Company matching contribution:	$2,500

International Guards Union of America (IGUA) Security Police Officers

The Company provides IGUA Security Police Officer Employees with a matching contribution as follows:

- 100% of first 6% of Eligible Earnings
- Maximum match is 6% if you contribute at least 6%
- Amounts contributed over 6% are not eligible for Company matching contributions

Example

Employee with $50,000 of Eligible Earnings contributes 6% of Eligible Earnings for a total Employee contribution of $3,000 per year. The Company matching contribution would be:

100% of the first 6% of Eligible Earnings:	$3,000 x 100% = $3,000
Company matching contribution:	$3,000

Enhanced Defined Contribution Program

Eligible Employees at Pantex and Y-12 will receive this contribution regardless of participation in the Savings Plan.

Pantex Non-Bargaining – Not Eligible or Not Vested in the Pantex Non-Bargaining Pension Plan

Pantex non-bargaining Employees who were not vested in the Pension Plan as of 02/20/2012 or who were hired on or after 02/20/2012 are eligible to receive an additional non-discretionary contribution under the 401(k) Savings Plan. This non-discretionary contribution is funded totally by the Company and is based upon years of service as follows:

- Less than 5 years of service – 3% of Eligible Earnings
- 5 years of service or more – 4% of Eligible Earnings

Note: Pantex Protective Force Officers are not eligible for the Enhanced Defined Contribution Plan.

MTC – Hired on or After 01/01/2016

Metal Trades Council (MTC) Employees hired on or after 01/01/2016 receive additional Employer contributions in their 401(k) (in lieu of pension benefits) as follows:

- Less than 5 years of service – 3% of Eligible Earnings
- 5 years of service or more – 4% of Eligible Earnings

Note: MTC Employees hired before 01/01/2016 are not eligible for the Enhanced Defined Contribution Plan.

Y-12 Non-Bargaining and FCLT – Hired on or After 01/01/2012

Y-12 non-bargaining and FCLT Employees who were hired on or after 01/01/2012 and not vested in the Pension Plan are eligible to receive an additional non-discretionary contribution under the 401(k) Savings Plan. This non-discretionary contribution is funded totally by the Company. It is based upon your years of service as follows:

- Less than 5 years of service – 3% of Eligible Earnings
- 5 or more years of service – 4% of Eligible Earnings

Note: Y-12 non-bargaining and FCLT Employees hired before 01/01/2012 are not eligible for the Enhanced Defined Contribution Plan.

ATLC and IGUA Central Alarm Station Operators, Central Training Facility Instructors, and Beta 9 Operators – Hired on or After 01/01/2016

ATLC and IGUA Central Alarm Station Operators, Central Training Facility Instructors, and Beta 9 Operators Employees who were hired on or after 01/01/2016 receive additional Employer contributions in their 401(k) (in lieu of pension benefits) as follows:

- Less than 5 years of service – 3% of Eligible Earnings
- 5 or more years of service – 4% of Eligible Earnings

Note: ATLC and IGUA Central Alarm Station Operators, Central Training Facility Instructors, and Beta 9 Operators hired before 01/01/2016 are not eligible for the Enhanced Defined Contribution Plan.

IGUA Security Police Officers – Hired on or After 08/15/2016

IGUA Security Police Officers Employees who were hired on or after 08/15/2016 receive additional Employer contributions in their 401(k) (in lieu of pension benefits) as follows:

- 3.5% of Eligible Earnings to be contributed the first (1^{st}) quarter of the following plan year
- Eligible Employees must work 1,000 hours of the previous plan year to receive this contribution

Note: IGUA Security Police Officers hired before 08/15/2016 are not eligible for the Enhanced Defined Contribution Plan.

USW – Hired on or After 02/01/2016

USW Employees who were hired on or after 02/01/2016 receive additional Employer contributions in their 401(k) (in lieu of pension benefits) as follows:

- Less than 5 years of service – 3% of Eligible Earnings
- 5 or more years of service – 4% of Eligible Earnings

Note: USW hired before 02/01/2016 are not eligible for the Enhanced Defined Contribution Plan.

Vesting

You are 100% vested in your own contributions and any rollover contributions as adjusted for investment earnings and losses. Company matching contributions and Enhanced Defined Employer Contributions are vested based on years of Credited Service (as defined in the Glossary) as follows:

401(k) Savings Plan Company Matching Contributions: Pantex

Pantex Non-Bargaining Employees Hired Before January 1, 2015	
Years of Credited Service	Percentage (%) Vested
Year 2	20%
Year 3	100%
Pantex Non-Bargaining Employees Hired On or After January 1, 2015	
Years of Credited Service	Percentage (%) Vested
Year 3	100%
MTC Employees Hired On or After January 1, 2016	
Years of Credited Service	Percentage (%) Vested
Year 3	100%
Pantex Protective Force Officers and PGU Employees	
Years of Credited Service	Percent (%) Vested
Year 2	20%
Year 3	40%
Year 4	60%
Year 5	80%
Year 6	100%

MTC Employees Hired Before January 1, 2016	
Years of Credited Service	Percent (%) Vested
Year 2	20%
Year 3	40%
Year 4	60%
Year 5	80%
Year 6	100%

401(k) Savings Plan Company Matching Contributions: Y-12

All Employees	
Years of Credited Service	Percentage (%) Vested
Year 3	100%

Enhanced Defined Contributions

For Pantex and Y-12 Employees, the Enhanced Defined Contribution Plan Employer contributions are vested as follows:

Pantex and Y-12	
Years of Credited Service	Percentage (%) Vested
Year 2	20%
Year 3	40%
Year 4	60%
Year 5	80%
Year 6	100%

You will become 100% vested in all Company matching contributions and Enhanced Defined Contributions, adjusted for investment earnings and losses, when you:

- Reach age 65 (normal retirement age) while a Company Employee
- Retire and are eligible to receive an immediate Pension from the Pension Plan
- Leave the Company because you are Totally and Permanently Disabled, die, or are involuntarily terminated for reasons other than cause

Investment Options

You may choose to have your contributions and the Company contributions invested in any one or a combination of the 401(k) Plan's investment funds in increments of 1%. The funds are valued each day the stock markets are open.

The Benefits and Investment Committee (the "Committee"), with the assistance of a professional investment consulting firm, reviews fund performance on a regular basis, as well as each fund's strategy and goals. Based on its review, the Committee may change investment fund offerings (including eliminating particular funds) at times. When this occurs, you will be notified. The Committee may freeze or change the funds at any time. The Committee has designated target date funds as the "qualified default investment alternative." If you do not direct the investment of your account, your account will automatically be invested in the target date fund closest to your 65th birthday.

Any investment involves some degree of financial risk. Actual investment results for your 401(k) Plan contributions will vary depending on the fund or funds in which they are invested. Investment information can be found online at http://cns.voya.com.

You will be furnished information on a regular and periodic basis describing the various investment funds offered under the Plan. This information will describe and compare the various funds available. It will also describe such items as fees or similar charges under the fund and the mechanics of directing Plan investments. Fund information is available from the website, including copies of the most recent prospectuses and financial statements of the investment funds.

Neither the Company, the 401(k) Plan, nor the Committee makes any representation that the past performance of these funds is a guarantee or indicative of their future performance. The funds are not protected by any federal or state deposit insurance plan. The 401(k) Plan is intended to constitute a plan described in Section 404(c) of the Employee Retirement Income Security Act of 1974 (ERISA). Fiduciaries may be relieved of liability for any losses that are the result of investment instructions given by you or your beneficiary.

Investment Earnings

Investment earnings include interest, dividends, and market gains/losses resulting from your investments in any of the 401(k) Plan's funds. Returns you may earn on your investments are continually reinvested in the funds you have chosen.

Changing Your Investments

You may change your investment choice for future contributions – in 1% increments – at any time by:

- Calling 1-877-267-8692
- Accessing your online account

The last change you make before 3:00 p.m. central time, 4:00 p.m. eastern time, or before the market closes if earlier, will override any previous changes made that day. Your changes will be effective with the next deposit of your contributions.

You can also transfer existing balances among the investment options. Transfers completed before 3:00 p.m. central time, 4:00 p.m. eastern time, will be effective that day, assuming it is a business day and the New York Stock Exchange is open. Otherwise, changes will be effective the next business and market trading day. Confirmation of your transaction will be mailed within three business days.

Transaction Processing

The transactions you request will ordinarily be processed within the times specified in this SPD. However, in certain circumstances, such as technical problems with the website or telephone service, you may experience difficulty in making your request or your transaction may be delayed.

Telephone service can be interrupted from time to time and, further, a high volume of telephone calls can overload the system and prevent calls from being answered. Transactions may also be delayed, for example, if market conditions require a daily volume limit on trades in an asset, there is suspension in trading of an asset, or in the event of a major market or systems disruption. You will be informed if a transaction is not completed on the day requested, and the transaction will be completed as soon as administratively possible thereafter, based on the unit prices in effect when the transaction is completed.

Reward vs. Risk

One way to think of the gain or loss potential of an investment is to think of the potential for reward or the level of risk it offers. Generally, investments with more risk to principal have the potential to yield higher returns over a longer period of time than investments with less risk. No one can tell you what balance of reward vs. risk is right for you. It is up to you to decide. When making your decision, ask yourself the following questions:

- **When will you need the money in your accounts?**

  If you are a long way from retirement and investing for the long-term, you may want to consider more aggressive investment choices with higher risks. But you must be prepared to weather the ups and downs of the market and possible loss of your investment. However, stability in your investments may be more important if you have a shorter time frame.

- **What are your investment goals?**

  You may be concerned about preserving your account balances while earning a steady rate of return. Or, you may want investments that offer the prospect of substantial growth. Keep in mind that your investment objectives may change depending on how close you are to retirement and your financial goals.

- **What is your financial situation?**

  Figure out how much money you can afford to save. It may be more than you think. If you save a small amount on a before-tax basis, with the tax savings you receive from before-tax contributions, your take-home pay may not be reduced as much as you expect.

- **Are your investments sufficiently diversified?**

  Investment professionals seek to reduce risk by diversifying their investments – not putting too many eggs in one basket. They may diversify over different types of investments, such as stocks and bonds, and within types of investments by buying stocks and bonds of a number of different companies. Since most of the funds offered under the 401(k) Plan are made up of several different investments, there is a basic level of diversification within most funds. However, you can further diversify by investing in funds to take advantage of the different investment objectives and strategies offered by the funds. If you invest in the target date funds, they are diversified and take into account when you will reach normal retirement age.

Loans from Your Account

Although the 401(k) Plan is meant to help you save for the future, you have some access to your funds today through loans and withdrawals.

You may borrow money from a portion of your vested account balance and pay back the loan through payroll deduction. You will repay loan amounts, plus interest, back to your 401(k) Plan account. You will not be taxed on the money you borrow from your account, provided you repay the loan as required, and any interest that you pay is credited to your account. Loan payments are made on an after-tax basis.

There are two types of loans available to Employees—general and residential. General loans are available for any reason. Residential loans are for the purchase or building of your primary residence. You may only have one general loan and one residential loan outstanding at any one time. There is a 30-day waiting period between loan payoff and getting a new loan.

Taking a Loan

For a general loan:

- Log on to your account or call Participant Services to find out the maximum loan amount available to you and current interest rates.
- Select the loan amount and terms that best suit your needs.

You will be mailed a check and loan disclosure statement to your address on record, generally within three business days. The check and loan disclosure statement constitute your legal notification of your loan responsibilities. Your endorsement indicates your acceptance of those responsibilities and your promise to repay the loan within the agreed-upon period.

For a residential loan:

- Log on to your account or call Participant Services to request a residential loan package, which will include a promissory note.
- Sign and return the application along with any other paperwork to the Recordkeeper within 60 days of the date on the note.

You will be mailed a check and loan disclosure statement, generally within three business days after your loan is approved. The check and the loan disclosure statement constitute your legal notification of your loan responsibilities and your promise to repay the loan within the agreed-upon period.

Loan Amounts

The maximum amount available for loans at any one time is the lesser of:

- 50% of your vested account balance at the time of the loan
- $50,000 minus your highest outstanding loan balance during the previous 12 months

Maximum total amount of all loans may not exceed $50,000 in a 12-month period.

Your account balance is based on the market value of the funds at the time the loan is requested. The minimum loan amount is $1,000.

For information about the maximum loan amount available to you, check your account online or call the appropriate Recordkeeper.

Loan Fee

There is a one-time, non-refundable loan origination fee of $75 for each loan. This fee will be deducted from your account balance after the loan has been granted, and will be taken from your most conservative investment fund for the Y-12 Plan (as determined by the Recordkeeper).

At Pantex, the $75 fee is deducted pro-rata from the Participant's investment funds.

Interest Rate

The loan interest rate used for the entire term of the loan is the Reuters Prime Rate plus 1%, as published in The Wall Street Journal on the first business day of the month preceding the month in which the loan is requested. The rate in effect when you take a loan is the rate you will pay for the term of your loan. Under current federal income tax law, none of the interest on a loan from the 401(k) Plan is tax-deductible.

Loan Funding

If your loan is approved, a loan account is set up in your name. At Y-12, the loan amount is taken proportionally from the investment funds in which you have elected to invest your different types of savings in this order:

1. From your vested Company matching contributions associated with before-tax accounts
2. From your vested Company matching contributions associated with after-tax accounts
3. From any before-tax rollover contributions and then any after-tax rollover contributions
4. From your Roth contributions and then your Roth rollover contributions

At Pantex, the loan amount is taken pro-rata from all Participant funds and all sources based on the balance in that fund/source to the total balance in the Participant's account.

Paying Your Loan

Loan payments will be automatically deducted from your paychecks. General loans must be paid within five years; residential loans must be paid within 15 years at both sites. The minimum loan payment period is one year at Pantex and six months at Y-12.

As you pay your loan, your savings will be restored in the reverse order from which your loan was taken. At the time each payment is made, balances will be restored proportionally in the 401(k) Plan investment funds you have chosen for your current contributions.

- At Pantex, your savings will be restored on a pro-rata basis to all sources.

- At Y-12, savings are restored starting with Roth rollover contributions and other Plan rollover contributions, followed by after-tax contributions and the Company matching contributions on those funds, then before-tax and Company matching contributions on those funds.
- If you notice that payments are not being deducted from your paycheck as expected, it is your responsibility to contact the Benefit Plans Office to determine why those payments are not being deducted. Failure to make timely payments will cause the loan to go into default.

You may pay off your outstanding loan at any time by sending a certified check to the Recordkeeper for the payoff amount. The outstanding balance must be paid off in full; no partial payments are allowed. You must contact the Recordkeeper to find out payoff amounts.

Any payments missed because of a short-term absence may be automatically deducted from your paycheck when you return to work.

If you take an unpaid leave of absence or are on Long-Term Disability, you must continue to make payments directly to the Recordkeeper. Any missed payments during your absence may be re-amortized upon your return to work.

Loan Default

A portion of your account balance, equal to the amount of your original loan, serves as collateral for the loan. If you default on your loan, the Recordkeeper will satisfy your unpaid loan balance by using the collateral in your account. Your loan will default if you:

- Leave the Company and do not pay the outstanding balance within six months
- Fail to make a scheduled loan payment by the end of the quarter following your last payment
- Do not pay your loan by the end of the term of the loan
- Are on an unpaid leave of absence or Long-Term Disability and stop making payments.

The first loan default warning will be sent when a loan payment is not received within 30 days of the next payment date. The second warning will be sent 60 days after the expected payment date. Loans are considered in default if payment is not received by the end of the quarter following the quarter in which the payment should have been received.

If your loan defaults, the outstanding balance of your loan will be treated as a taxable distribution. Your defaulted loan will be subject to tax law distribution rules such as a 10% penalty if you are under age 59½ and are not disabled. The amount payable to you from the 401(k) Plan will be reduced by the outstanding balance on the loan.

You may not take out a new loan while you have a loan that is in the default process.

Change in Payroll Frequency

If your payroll frequency changes from weekly to bi-weekly or vice versa, the payment of the remaining principal loan balance will be re-amortized for the new payroll frequency. Please contact the Benefit Plans Office to ensure the appropriate loan payment amount is deducted each pay period.

Withdrawals While You Are Employed

The 401(k) Plan allows you to take a withdrawal from your account while you are still employed by the Company within certain limits and rules, which are described in this section. You will be mailed a check generally within three business days after your withdrawal is approved.

Withdrawal of After-Tax Contributions and Related Company Matching Contributions – Y-12 Plan

You may initiate a withdrawal of your regular after-tax contributions and earnings once every six months by logging into your account or by calling Participant Services.

You may also withdraw Company matching contributions associated with your regular after-tax contributions as long as they have been in your account for at least 24 months. Earnings on the Company matching contributions associated with after-tax contributions may also be withdrawn.

Withdrawal of Before-Tax and Roth Contributions

It is important to remember that withdrawals of your before-tax contributions are restricted by the Internal Revenue Code while you are working. Roth contributions are generally treated like before-tax contributions for withdrawal limitations. You may not withdraw your before-tax or Roth contributions before you reach age $59^1/_2$ unless you have a hardship as discussed below. Investment earnings on these contributions may not be withdrawn in the case of a hardship withdrawal. You must include withdrawals of before-tax contributions in your income in the year of withdrawal. In some cases, distributions of before-tax and Roth contributions may also be subject to a 10% premature withdrawal tax penalty, so consider these tax implications before making a withdrawal of your before-tax or Roth contributions.

Hardship Withdrawals before Age $59^1/_2$

Because the emphasis is on long-term savings, the government limits withdrawals of your before-tax and Roth contributions before age $59^1/_2$ to financial hardship situations.

To qualify for a hardship withdrawal, you must have a documented “immediate and heavy financial need” that cannot be met by “other reasonably available resources.” Hardship withdrawals are allowed under the IRS guidelines as follows:

- Purchase of your primary residence (but not mortgage payments)
- Tuition payments for a year of post-secondary education for you, your Spouse, or Dependent Child(ren); the amount may also include room and board expenses for the year
- Expenses not covered by insurance for you, your Spouse, or Dependent Child(ren) that would qualify as deductible medical expenses (not taking into account income limitations)
- Expenses to prevent eviction from or foreclosure on your primary residence
- Funeral expenses of your deceased parent, Spouse, Child, or dependent
- Expenses for repair of damage to your principal residence that would qualify as deductible casualty expenses (not taking into account income limitations)

“Other reasonably available resources” include after-tax contributions at Y-12 and 401(k) Plan loans. You must request a maximum withdrawal of after-tax savings at Y-12, plus associated Y-12 Plan matching contributions made at least 24 months prior to the withdrawal and any other amounts available for withdrawal, as well as take the maximum loan amount available to you, before you request a hardship withdrawal. You will only be required to take a loan to the extent that taking the loan will not result in increasing the amount of the hardship withdrawal.

At Pantex, withdrawals are also available from the vested portions of your Company contributions and earnings thereon in the case of financial hardship before amounts are withdrawn from your before-tax and Roth contributions. Rollovers to both Plans and earnings thereon are also available for withdrawal. Therefore you must also take a withdrawal from these accounts prior to any withdrawal of before-tax and Roth contributions. The amount of your hardship withdrawal from your before-tax and

Roth contributions is limited to your own contributions (regardless of when they were made) up to the amount needed to satisfy your financial need. Earnings on those contributions may not be withdrawn.

If you take a hardship withdrawal, you may not make contributions for six months. Hardship withdrawals are not eligible to be rolled over to another qualified plan or IRA at either locations.

You may log on to your account or contact the Recordkeeper for a hardship withdrawal request form. Hardship withdrawals must be approved by the Recordkeeper.

Withdrawals after Age 59$^1/_2$

When you reach age 59$^1/_2$, you may withdraw your before-tax contributions, Roth, and after-tax (at Y-12), vested Company matching contributions, enhanced Employer contributions, and any investment earnings at any time for any reason. These withdrawals are limited to once per quarter at Pantex.

Withdrawal during Military Leave

You may be able to withdraw your before-tax or Roth contributions if you go on military leave for more than 30 days. If you think this applies to you, contact Participant Services. If you take a withdrawal of before-tax or Roth contributions while you are on military leave, you may not make contributions to the 401(k) Plan for six months after the withdrawal.

To request a withdrawal, log on to your account or call Participant Services.

Withdrawal of Rollover Contributions

You may withdraw your rollover contributions, as adjusted for investment earnings and losses, at any time for any reason without causing a suspension of Company contributions under the 401(k) Plan. To request a withdrawal, log on to your account or contact the Recordkeeper.

Plan Payouts

You are eligible to receive the full vested value of your 401(k) Plan account when you leave the Company, and:

- Reach normal retirement age (age 65),
- Are Totally and Permanently Disabled, or
- Are an Alternate Payee under a Qualified Domestic Relations Order.

If you voluntarily resign (or are discharged for cause) before achieving 100% vesting, you will forfeit any Company matching contributions and Enhanced Defined Contributions in which you are not vested, adjusted for investment gains and losses.

Forfeitures will be used for corrective allocations, contributions, plan expenses, restorations if permitted by law or administrative guidance, to reduce matching contributions due from the participating employers for such Plan year, and for such purposes in succeeding Plan years.

Timing of Payouts

When you leave the Company, you may request an immediate payout or choose to defer payment. If you choose to defer payment, your savings will be invested in the 401(k) Plan funds you direct.

Mandatory Distributions

Under IRS required minimum distribution rules, you may not defer payment beyond April 1st of the year following the year in which you reach age $70^1/_2$ or the date you retire if you work for the Company beyond age $70^1/_2$. Your Roth contributions and earnings are also subject to this rule unless you rollover the Roth account into a Roth IRA.

If your vested account balance (not including rollovers to the 401(k) Plan) is less than $1,000 when you leave the Company and you do not request a payout method or rollover, your entire vested account balance, including your rollover amount, will be distributed to you in a single lump sum payment.

If your vested account balance (not including rollovers to the 401(k) Plan) is between $1,000 and $5,000 when you leave the Company and you do not request a payout method or rollover, your entire vested account balance, including your rollover amount, will automatically be rolled into an Individual Retirement Account (IRA) managed by the Recordkeeper.

Payout Methods

Distributions from the Pantex Plan may only be made in the form of a lump sum payment.

Under the Y-12 Plan, in addition to a lump sum payment of your entire vested interest, you may elect payment in the following optional forms:

- A partial payment.
- Monthly installment payments of a fixed period of 10, 15, or 20 years (as long as this method meets the IRS minimum distributions requirements), with monthly recalculations based on market value and the remaining payment period.
- Monthly installment payments over a period equal to your life expectancy or the joint life expectancy of you and your spouse (as long as your Spouse is your designated Beneficiary).
- A fixed dollar installment amount that you choose. You may change the fixed amount at any time.

If you elect installments over your life expectancy, the number of monthly installments will be determined using the uniform life expectancy table with monthly recalculations based on market value and the remaining payment period. Life expectancies are recalculated each year. Partial payments and installments will be distributed from your after-tax contributions first. You will also have the option of requesting a total distribution from your Roth account.

If you are a Participant in the Pantex Plan and die, your Beneficiary will receive the full amount of your 401(k) Plan account balance in a lump sum.

If you are a Participant in the Y-12 Plan and have not commenced payment upon death, your account balance will be distributed to your Beneficiary in a lump sum unless your Beneficiary elects to receive installments over a five-year period. If you had begun payments, the remainder of your account will be distributed to your Beneficiary in a lump sum unless you were receiving payments over the joint life expectancy of you and your Spouse. In that case, the remaining amount will be paid in installments over the Spouse's life expectancy.

Electing a Payout Method

If you leave the Company, the Recordkeeper will send a letter to you describing your payout options.

If you are eligible for installment payments, you will also receive the applicable forms. You may make your payout election over the telephone.

Request a Payout

To apply for a 401(k) Plan payout, call1-877-267-8692. If you elect a lump sum payout, you will be mailed the payout generally within three business days from the date Participant Services receives the request.

At Y-12, if you elect to receive installment payments, you will receive the required forms to complete and return. The installment payments will begin as soon as administratively possible after Participant Services receives your properly completed forms.

If you die with a remaining balance in the Plan, your Beneficiary(ies) should contact the Recordkeeper for information on obtaining a distribution.

Taxation of Withdrawals and Final Payouts

In general, your before-tax contributions, Company matching contributions, Enhanced Defined Contributions, and investment earnings on all types of contributions, other than Roth contributions, are taxable when you receive them. The actual tax treatment will depend on your age at the time of receipt. Additional information about tax treatment of 401(k) Plan distributions can be found in the "Special Tax Information Notice" section. Information is also available online or by calling Participant Services.

Distributions or Withdrawals before Age 59½

If you make a withdrawal or receive a 401(k) Plan distribution before age 59½, you will pay a 10% penalty in addition to ordinary income tax on the taxable portion of the payment, including a hardship withdrawal unless you qualify for one of the exceptions to this penalty, as listed in the "Special Tax Information Notice" section. You can avoid the income and additional taxes if you roll over the taxable portion of your payment into an IRA or other eligible retirement plan within the time period permitted by law. Hardship withdrawals are not eligible for rollover.

Your Beneficiary(ies) are never subject to the 10% tax penalty, regardless of your age at death.

Distributions or Withdrawals at Age 59½ or Later

If you make a withdrawal or receive a 401(k) Plan distribution after age 59½, you will not have to pay the 10% penalty; however, you will be responsible for the payment of any taxes due.

Roth Contributions

Special rules apply to payments of Roth contributions and earnings on those contributions. Payments of the Roth contributions are not subject to federal income tax because the contributions were made on an after-tax basis. Earnings on your Roth contributions will be subject to federal income tax unless the distribution occurs at least five years after you made your first Roth contribution or roll over Roth contributions from a former employer and the distribution is made after you turn 59½, upon your death, or upon your disability. Employer match contributions and earnings on Roth contributions are taxable upon distribution.

Rollovers and Withholding

Withdrawals and lump sum distributions of your before-tax contributions, Roth contributions, Enhanced Defined Contributions, and Company matching contributions, as well as regular after-tax contributions to the Y-12 Plan, as adjusted for investment earnings and losses, can be rolled over to an IRA, a Roth IRA, or other eligible retirement plan. Required minimum distributions to Employees who have terminated and reached age 70½, retired from the Company after age 70½, or distributions paid out in installments over a period of at least ten years are not eligible for such a rollover.

You can rollover all or a portion of your eligible plan payouts either directly or indirectly to an IRA, a Roth IRA, or other eligible retirement plan. With a direct rollover, the Recordkeeper will send you a check payable to the trustee of the eligible IRA, Roth IRA, or plan you designate. If you elect a direct rollover, no federal tax withholding will apply to your rollover amount. Any portion that is not rolled over will be subject to mandatory 20% federal tax withholding.

If you want to rollover your eligible distribution yourself – an indirect rollover – there are some important facts to keep in mind:

- Mandatory 20% tax withholding will apply to the taxable portion of the distribution when the payout is made to you.
- Your rollover must be made within 60 days of the day you receive your payout.
- Any portion of the taxable part of your payout not rolled over will be subject to income and penalty taxes (if applicable).

Other withholding rules apply to distributions that are not eligible for a rollover. You will be provided with information on those rules prior to the distribution.

To ensure you are using your benefits to their full advantage, check with a tax advisor regarding the specific requirements for using these and other forms of favorable tax treatments that may apply to your distribution. Neither the Benefit Plans Office nor Participant Services can provide tax advice.

Severance from Service and Re-Employment

Severance from service is important because it determines when your Credited Service ends for purposes of 401(k) Plan vesting. Severance from service occurs:

- The day you quit, retire, are discharged, or die.
- One year after your first day of absence due to layoff, or, if earlier, the first day after recall if you fail to return to work.
- One year after your first day of leave of absence, or, if earlier, the first day after the final day of leave if you fail to return to work.
- Two years after your first day of absence for a parental leave due to pregnancy, birth, or adoption, and for child care immediately following the birth or adoption or, if earlier, the first day after the final day of leave if you fail to return to work.

If you are re-employed within one year of your date of severance, you will receive Credited Service for your period of severance and your prior Credited Service will be restored.

If you are re-employed more than one year after your date of severance and you had any vested interest in Company contributions to your account in the Y-12 Plan or any vested interest in any account in the Pantex Plan on your date of severance, your prior Credited Service will automatically be restored upon re-employment, regardless of your period of severance.

At Y-12, if you were not vested in Company contributions as of your date of severance, your prior Credited Service will be restored if you are re-employed more than one year after your date of severance, provided you have one year of service after the period of severance and the length of your severance is less than five years. In any event, you will not earn Credited Service during a period of severance lasting one year or more.

Pantex may grant Credited Service for any time previously worked for rehired non-bargaining employees.

Other Important Information

Change of Address

It is important to notify the Company of any change in address while you are a Participant in the 401(k) Plan to ensure you receive Company communications about the 401(k) Plan. If you are retired, contact Benefit Plans Office.

Voting Your Shares

The investment manager for each investment option will decide how to exercise any voting rights applicable to stock held in that particular fund.

Investment Fees and Expenses

In addition to considering risk and return, time, diversification, and your other savings vehicles, you may also want to consider that some of the funds may have accompanying investment management fees besides redemption fees. For example, fund and management expenses for a particular fund may be charged against your investment returns. The fees may, in effect, reduce your actual investment return. For more information about the fees, please log on to http://cns.voya.com.

The 401(k) Plan incurs administrative fees including recordkeeping, accounting, trustee functions, and legal services. The administrative fees may be charged to participant accounts or paid by the Company. More information about the fees is included in the annual fee disclosure statement distributed by the Plan Recordkeeper to Participants. Fees for items directly related to your account, such as loan processing, hardship withdrawal processing, or domestic relations order processing may be charged to your account. Administrative fees will be shown on your quarterly statement or the Plan website.

ⓘ **Call Participant Services or use the Internet for:**

- **Financial information** – prospectuses and fund fact sheets, to the extent they are available and provided to the 401(k) Plan
- **Investment performance** – past and current investment performance of each fund as it becomes available
- **Account value** – value of each investment fund within your personal account

Responsibility for Investment Decisions

You choose how to invest your money in the 401(k) Plan. The 401(k) Plan trustee will follow your directions without reviewing your investment decisions.

The Company, the trustee, the Committee, and the other 401(k) Plan Administrators are not responsible or liable for the investment choices you make or investment losses that are the direct and necessary result of your investment choices. This is because the 401(k) Plan is intended to satisfy the requirements of Section 404(c) of ERISA and Section 2550.404c-1 of the Code of Federal Regulations. Nothing contained in this document is intended to constitute investment advice.

Confidentiality of Investment Directions

Your investment directions for all 401(k) Plan funds are administered by the Recordkeeper. The trustee handles all purchases and sales in the name of the 401(k) Plan without identifying individuals, so your transactions remain confidential.

The Committee is responsible for monitoring compliance with the procedures that ensure confidentiality. You may contact the Committee at:

ATTN: 401(k) Savings Plan Administrator
602 Scarboro Road, MS-8258
Oak Ridge, TN 37830-8258

Other Benefits

Before-tax savings under the 401(k) Plan reduce your taxable income – that is, they are not reported as taxable income on your W-2 earnings statement. However, they are included in determining your Social Security taxes and benefits.

Savings with before-tax dollars have no effect on your other pay-related benefits – such as life insurance, disability coverage, and retirement income. These benefits provide financial protection and security based on your basic rate of pay.

Plan Funding and Investment Management Fees

The 401(k) Plan is funded by Participants who designate a part of their Eligible Earnings to be contributed on their behalf and by the Company through Company matching contributions and Enhanced Defined Contributions. The assets of the 401(k) Plan are held in a trust fund maintained by the trustee. All 401(k) Plan investment management fees are paid from the investment funds and will be deducted from Participants' account(s).

Tax Treatment

The Company intends to operate the 401(k) Plan so it will qualify under Sections 401(a) and 401(k) of the Internal Revenue Code. Accordingly, your before-tax savings will not be taxed until you withdraw them. Your after-tax and Roth contributions are taxed prior to the contribution to the 401(k) Plan. The earnings of the trust fund, which holds the 401(k) Plan assets, will not be taxable to you, the trust fund, or to the Company at the time earnings are credited to the trust fund. Earnings may be taxable to you when you receive a distribution. However, earnings on Roth contributions will not be taxable either in the trust fund or when distributed if you meet IRS requirements. Amounts rolled over to a Roth IRA may be taxable to you at the time of the rollover if they were not already held in the Plan as Roth or regular after-tax contributions.

Termination or Amendment of the Plan

The Company reserves the right to terminate the Plan in its entirety or for any group of eligible Participants, as well as to amend the Plan, but such termination or amendment of the Plan shall require the approval of the Company's Board of Managers or authorized delegate.

The substitution of a successor contractor by the U.S. Department of Energy for a participating employer will not be treated as a termination or partial termination of the Plan. Upon complete or partial termination or a complete discontinuance of contributions, the accounts of all Participants will be fully vested to the extent not already fully vested. The amendment or termination of the Plan will not cause or permit any part of the trust fund to be diverted to purposes other than for the exclusive benefit of the Participants, or cause or permit any portion of the trust fund to revert to or become the property of the Company at any time prior to the satisfaction of all liabilities with respect to the Participants and Beneficiary(ies).

Upon termination of this Plan, the Plan Administrator will continue to act for the purpose of complying with the preceding paragraph and will have all power necessary or convenient to the termination and dissolution of the Plan.

Pension Benefit Guaranty Corporation

The Plan is a defined contribution plan, providing contributions to you in specific amounts with your vested Plan account value payable to you when you leave or retire. Defined contribution plans are not eligible to be insured by the Pension Benefit Guaranty Corporation (PBGC).

Rights of Participants and Beneficiaries under ERISA

ⓘ Under the Employee Retirement Income Security Act of 1974 (ERISA), as amended, you have the following rights:

Receive Information about Your Plan Benefits

- You may examine, without charge, all documents that describe the Plan. These documents may include Summary Plan Descriptions, Summaries of Material Modifications, other Employee communications relating to the Plan, the latest annual report (Form 5500 Series), and other official Plan documents filed with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration at:

  Public Disclosure Room
  Employee Benefits Security Administration
  U.S. Department of Labor
  200 Constitution Avenue, NW, Room N 15
  Washington, DC 20210

- The Plan Administrator makes these documents available for examination, free of charge, at specified sites, such as Company work locations. For information, write to the Plan Administrator at:

  Consolidated Nuclear Security, LLC
  ATTN: 401(k) Savings Plan Administrator
  602 Scarboro Road
  Oak Ridge, TN 37830

- You may also obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator at the above address. Please include the full name of the Plan in your written request, along with your name, mailing address, and telephone number. You may be charged a small copying fee per page for documents that you request.
- Additionally, you may receive a summary of the Plan's annual financial report. The Plan Administrator is required, by law, to furnish you with a copy of this Summary Annual Report.
- For questions about Plan benefits or requests for Summary Plan Descriptions, Summaries of Material Modifications, or other Plan-related communications, call 1-877-861-2255 or 1-865-574-1500 or write to:

Consolidated Nuclear Security, LLC
ATTN: 401(k) Savings Plan Administrator
602 Scarboro Road
Oak Ridge, TN 37830

Prudent Actions by Plan Fiduciaries

- In addition to creating rights for Plan Participants, ERISA imposes duties upon the persons who are responsible for the operation of the Plan. The persons who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and Beneficiary(ies).
- No one, including the Company or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Enforce Your Rights

- If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done and to obtain copies of documents relating to the decision without charge.
- You have the right to have your claim reviewed and reconsidered on appeal, but your appeal must be timely. Under ERISA, there are steps you can take to enforce the above rights.
- For instance, if you request materials from the Plan Administrator that you have a right to receive and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.
- If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court after you have exhausted all administrative remedies. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court after you have exhausted all administrative remedies. 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 to be frivolous).

Time Limits and Lawsuits

When you make a claim for benefits, you must notify the Plan Administrator. The Plan Administrator provides you with a copy of the form that must be completed in order to process your claim for benefits.

After your claim for benefits is processed, you must notify the Plan Administrator in writing, if you have questions or disagree with the calculation of your benefit or other decision regarding your claim. The Plan Administrator will, within 90 days (or within 180 days if special circumstances exist), notify you in writing of its decision.

If your claim for a Plan benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. That notification will include:

- How your benefit was calculated
- The specific reason your claim was denied (in whole or in part) if it is denied
- Specific references to Plan provisions on which the denial is based
- A description of any additional material or information necessary for you to perfect your claim and an explanation of why such information is necessary
- An explanation of the Plan's claim review procedures

Within 60 days after you receive notice of the denial of part or your entire claim for benefits, you may file a written appeal with the Benefits Appeals Committee, which will review the original determination, the Plan document, and the information you submit supporting your appeal. You may seek representation by an attorney to assist in your appeal. You may submit written or oral evidence of your claim. You may review all documents relevant to your claim. The Benefits Appeals Committee generally makes a final decision within 60 days of your appeal, but special circumstances may require additional time up to another 60 days.

The Benefits Appeals Committee will include the specific reasons for its decision and specific references to Plan provisions on which the determination was made. If you are not satisfied with the decision and have exhausted all administrative remedies, then you may file a lawsuit in federal court. The suit must be filed within one year of the date of the final decision on your appeal by the Benefits Appeals Committee.

Assistance with Your Questions

ⓘ If you have any questions about the Plan, contact Benefit Plans Office at 1-877-861-2255 or 1-865-574-1500. The Plan Administrator has established this service for purposes of administering benefits and responding to Participant and Beneficiary questions. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, or write to:

Division of Technical Assistance and Inquiries
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

ⓘ You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publication hotline of the Employee Benefits Security Administration at 1-866-444-3272.

Administrative Information

Plan Administrative Information at Pantex – Bargaining Unit

Plan Administrative Information at Pantex	
Plan Name	Consolidated Nuclear Security 401(k) Plan for Bargaining Pantex Location Employees
Plan Number	012
Plan Year	The records of the Plan are kept on a calendar year basis (January 1 through December 31)
Effective Date of this SPD	January 1, 2016
Plan Administrator	Benefit Investment Committee Consolidated Nuclear Security, LLC 602 Scarboro Road Oak Ridge, TN 37830
For Appeals	Benefit Appeals Committee Consolidated Nuclear Security, LLC 602 Scarboro Road Oak Ridge, TN 37830
Plan Sponsor & Employer Identification	Consolidated Nuclear Security, LLC 602 Scarboro Road Oak Ridge, TN 37830 45-4482782
Agent for Service of Legal Process	Consolidated Nuclear Security, LLC 602 Scarboro Road Oak Ridge, TN 37830
Plan Type	A defined contribution plan (a 401(k) plan) subject to the provisions of ERISA
Third-Party Administrator	Payment of benefits and the non-discretionary administration of investment direction, enrollment and participant questions and requests have been delegated to the Recordkeeper
Recordkeeper Information	Voya Financial P.O. Box 55772 Boston, MA 02205-5772

Plan Administrative Information at Pantex – Non-Bargaining

Plan Administrative Information at Pantex	
Plan Name	Consolidated Nuclear Security 401(k) Plan for Non-Bargaining Pantex Location Employees
Plan Number	013
Plan Year	The records of the Plan are kept on a calendar year basis (January 1 through December 31)
Effective Date of this SPD	January 1, 2016
Plan Administrator	Benefit Investment Committee Consolidated Nuclear Security, LLC 602 Scarboro Road Oak Ridge, TN 37830
For Appeals	Benefit Appeals Committee Consolidated Nuclear Security, LLC 602 Scarboro Road Oak Ridge, TN 37830
Plan Sponsor & Employer Identification	Consolidated Nuclear Security, LLC 602 Scarboro Road Oak Ridge, TN 37830 45-4482782
Agent for Service of Legal Process	Consolidated Nuclear Security, LLC 602 Scarboro Road Oak Ridge, TN 37830
Plan Type	A defined contribution plan (a 401(k) plan) subject to the provisions of ERISA
Third-Party Administrator	Payment of benefits and the non-discretionary administration of investment direction, enrollment and participant questions and requests have been delegated to the Recordkeeper
Recordkeeper Information	Voya Financial P.O. Box 55772 Boston, MA 02205-5772

Plan Administrative Information at Y-12 Bargaining Unit and Non-Bargaining

Plan Administrative Information at Y-12	
Plan Name	Savings Program for Employees of Consolidated Nuclear Security, LLC at the U.S. Department of Energy Facilities at Oak Ridge, Tennessee
Plan Number	009
Plan Year:	The records of the Plan are kept on a calendar year basis (January 1 through December 31)
Effective Date of this SPD	January 1, 2016
Plan Administrator	Benefit Investment Committee Consolidated Nuclear Security, LLC 602 Scarboro Road Oak Ridge, TN 37830
For Appeals	Benefit Appeals Committee Consolidated Nuclear Security, LLC 602 Scarboro Road Oak Ridge, TN 37830
Plan Sponsor & Employer Identification	Consolidated Nuclear Security, LLC 602 Scarboro Road Oak Ridge, TN 37830 45-4482782
Agent for Service of Legal Process	Consolidated Nuclear Security, LLC 602 Scarboro Road Oak Ridge, TN 37830
Plan Type	A defined contribution plan (a 401(k) plan) subject to the provisions of ERISA
Third-Party Administrator	Payment of benefits and the non-discretionary administration of investment direction, enrollment and participant questions and requests have been delegated to the Recordkeeper
Recordkeeper Information	Voya Financial P.O. Box 55772 Boston, MA 02205-5772

Official Plan Document

This SPD describes the main provisions of the Plan, but not every detail is included. Your rights and benefits are governed solely by the official Plan documents. It is important, therefore, to ask questions and get clarification on any matters about which you are uncertain. If there is ever a conflict between this SPD and the Plan document, the Plan document will govern.