



Severance Plan

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Severance Pay is money paid by the Company to some Employees whose employment ends involuntarily.

The Severance Plan:

The Consolidated Nuclear Security, LLC Severance Plan (the “Plan”) for Non-Bargaining Unit Employees provides severance pay benefits to eligible non-bargaining unit Employees of the Company. The Company maintains the Plan as a means of providing eligible Employees with severance pay in the event their employment ends involuntarily in certain circumstances and in recognition of their years of service with the Company.

This document describes the Plan benefits as they apply to eligible Employees and serves as the summary plan description (SPD) for the Plan under the Employee Retirement Income Security Act of 1974 (ERISA). This SPD is not a substitute for the actual Plan document. The Plan document remains the final authority on the Plan’s terms; in the event of a conflict with this SPD, the Plan document will control in all cases.

You may review the official plan document upon request at the Plan Administrator’s office at a reasonable time. Upon written request, the Plan Administrator will give you a copy of the Plan document. The Plan Administrator may impose a reasonable charge for copying the Plan.

You should read this SPD carefully. Certain capitalized words have special meanings and are defined elsewhere in this SPD. If you have questions about the Plan or this SPD, contact the Plan Administrator. The Plan Administrator’s contact information is located at the end of this SPD.

The Company reserves the right to amend, modify, suspend, or terminate the Plan, in whole or in part, at any time at its discretion with or without advance notice to participants, for any reason, subject to applicable law.

Eligibility

Who Is Eligible?

To be eligible for severance pay benefits provided under this Plan, you must be categorized and paid by the Company as a regular non-bargaining unit Employee of the Company and your employment with the Company must be involuntarily terminated in a reduction in force. This means that the Company must initiate the termination, and the Company’s payroll records must reflect that you were terminated as part of a reduction in force.

To be eligible for participation in the Plan, you must also receive a Notification Letter from an authorized Company official immediately before or at the time of your termination of employment. The Notification Letter must indicate your anticipated Termination Date and must state that you are eligible for severance benefits.

Even if you receive this Notification Letter, you will not be eligible to receive severance benefits unless you satisfy all of the conditions for receiving a benefit under this Plan, including execution of a General Release and Waiver. These conditions are discussed below.

If you do not receive a Notification Letter, you will not be eligible to receive severance benefits under this Plan.

Who Is Not Eligible?

If you do not meet all of the Plan's eligibility requirements, including the Plan's conditions for receipt of a severance benefit, you will not be entitled to any severance pay when you terminate employment with the Company.

You are not eligible to receive severance pay and may not participate in the Plan if you are any one of the following:

- You are employed in a temporary position, as determined by the Company;
- You are categorized by the Company as a bargaining unit Employee;
- You have less than one year of Company Service (this term is defined in the Glossary);
- You are paid as an independent contractor or you are a leased employee;
- Your employment with the Company is terminated due to your death;
- You terminate your employment voluntarily or you initiate your termination of employment;
- You are terminated for Cause (this term is defined later in this section);
- You have an outstanding debt owed to the Company, unless you agree in writing that the Company may withhold the total amount of the outstanding debt from the severance payment to you;
- Your employment is terminated due to a temporary suspension of work;
- At the time you receive a Notification Letter, you are designated as in a Key Personnel position in the contract between the Company and the National Nuclear Security Administration (NNSA), you are an officer of the Company, or you are the facility security officer of the Company;
- You are employed by or receive an offer of employment with a contractor awarded a contract by the U.S. Department of Energy (DOE) or the NNSA for the management and operation of the Y-12 National Security Complex and/or the Pantex Plant, or any portion thereof;
- You are employed by, or receive an offer of employment with, an affiliated employer;
- You do not execute a General Release and Waiver; or
- You signed a waiver of benefits, whether or not the waiver was executed before or in connection with your termination of employment.

If you do not meet the Plan's eligibility criteria, you will not be entitled to any severance pay or similar benefits upon termination of employment.

The Plan Administrator has the absolute and exclusive discretionary right and final authority to make any necessary determinations concerning whether an Employee is eligible to receive benefits under the Plan. Any determination by the Plan Administrator shall be final and binding on all parties.

Severance Benefits

How the Plan Works

If you meet the eligibility requirements to participate in the Plan and you satisfy all of the conditions for payment of benefits, you will receive severance pay benefits based on your Company Service and pay at your Base Rate in effect on the date immediately preceding your Termination Date.

How Are Severance Benefits Calculated?

Severance benefits are calculated as follows:

Company Service	Severance Pay at Base Rate
One full year or greater	Severance equal to 1 week of Pay for each full year of Company Service up to 26 weeks
Total Maximum Benefits	26 weeks of Pay

The Company may change your Termination Date (making it earlier or later) if the Company determines that the circumstances require a change.

How Are Severance Benefits Paid?

Severance pay benefits will be paid in a lump sum as soon as administratively possible within 60 days following your Termination Date, providing you satisfy all of the conditions for payment of severance benefits. This includes signing (and not revoking within the revocation period) a General Release and Waiver. Deductions will be made for taxes and all other required or authorized deductions.

If you are rehired by the Company, an affiliated employer, or a successor contractor before the end of the period covered by the severance benefits, you must return to the Company the severance pay for the period following your rehire date before you begin to work again. For example, if you received 20 weeks of severance benefits in a lump sum and you are re-employed after 15 weeks, you must return to the Company 5 weeks of Pay.

Conditions for Payment of Severance Benefits

If you receive a Notification Letter, you will not be eligible to receive a severance benefit under the Plan unless you satisfy each of the following conditions:

- You must sign a termination statement provided by the Company.
- You must return all Company property that is in your possession, custody, or control. This "property" includes, but is not limited to, all materials, documents, plans, records or papers, or any copies of such documents which, in any way, relate to the Company's affairs. This property further includes all tools, vehicles, cards, manuals, and any money due the Company.
- You must sign a General Release and Waiver of all legal or contractual claims of any kind (with some exceptions as more fully explained in the Waiver) in a timely manner and deliver it to the Company as directed.
- You must agree in writing to allow the Company to withhold from your severance benefit the amount of any outstanding debt you owe the Company.

Important Terms Relating to Severance Benefits

This SPD uses certain terms to describe the Plan and the severance benefits that are provided to eligible Employees. Some of these terms are defined below. If you have any questions about a particular term and how it may apply to you, contact the Plan Administrator.

Base Rate

Your regular straight-time pay for your normal work schedule for your last regular pay period with the Company immediately preceding your Termination Date. Base Rate excludes overtime pay, bonuses, commissions, fees, incentive allowances, certification pay, pay premiums for participation in the Human Reliability Program or work in the Material Access Area, and all employer-provided benefits.

Cause

Your termination of employment by the Company for reasons which include, but are not limited to, poor performance, misconduct, commission by you of any felony or misdemeanor involving moral turpitude under applicable law, or a violation of or a failure to follow the Company's rules or policies, all as determined by the Company.

Company Service

For purposes of this Plan only, the continuous period or sum of continuous periods of employment with the Company.

- If you are a Company Employee who was employed by Babcock & Wilcox Pantex, LLC as of June 30, 2014, "Company Service" will include your continuous service with Babcock & Wilcox Pantex, LLC, as well as any continuous service with Mason & Hanger Co., Inc.
- If you are a Company Employee who was employed by Babcock & Wilcox Technical Services Y-12, LLC as of June 30, 2014, "Company Service" will include your continuous service with Babcock & Wilcox Technical Services Y-12, LLC, as well as any continuous service with Lockheed Martin Energy Systems, Inc., continuous service with Martin Marietta Energy Systems, Inc., and continuous service with Union Carbide Corporation Nuclear Division (but only with respect to service at one of the DOE facilities in Oak Ridge, Tennessee).

Your Company Service for purposes of the Plan will be determined as of your Termination Date under the Company's service rules. If you are or have been rehired, you will not receive any Company Service under the Plan for any period of service for which a severance benefit, layoff allowance, or similar payment previously paid to you by the Company or by any DOE or NNSA cost-reimbursement contractor.

ERISA

The Employee Retirement Income Security Act of 1974, as amended, and the regulations thereunder.

Key Personnel

Any individual listed in Section J, Appendix J of the contract between the Company and the NNSA, and any officer of the Company, including the facility security officer.

Notification Letter

Any formal notice from the Company that your employment with the Company will be involuntarily terminated.

Termination Date

The date designated by the Company as your last day of active employment.

Additional Rules that Apply to the Plan

Procedures for Filing and Appealing Claims

If a dispute arises concerning whether you are entitled to benefits under this Plan or as to the amount of your benefits, you must first file a claim for benefits in accordance with the following procedure. A claim for Plan benefits must be in writing and addressed to the Plan Administrator, c/o Director, Employee Benefits, at Consolidated Nuclear Security, LLC, P.O. Box 2115, Oak Ridge, TN 37831. In the event of a dispute, your claim for benefits must be received by the Plan Administrator within 6 months after your Termination Date.

You may file claims for Plan benefits and appeal adverse claim decisions yourself or through an authorized representative. An “authorized representative” means a person you authorize, in writing, to act on your behalf. You must follow the Plan’s procedures for appointing an authorized representative. The Plan will also recognize a court order giving a person authority to submit claims on your behalf. For additional information, contact the Plan Administrator.

You will be notified of the Plan’s determination regarding your claim no later than 90 days after the Plan’s receipt of the claim. This time period may be extended up to an additional 90 days due to circumstances outside the Plan’s control. In that case, you will be notified of the extension before the end of the initial 90-day period.

If a claim for Plan benefits is denied in whole or in part, you will receive written or electronic notification that will include:

- The specific reasons for the denial with reference to the specific Plan provisions on which the denial was based;
- A description of any additional information needed to complete the claim and an explanation of why the information is necessary;
- A description of the Plan’s claim review procedures and applicable time limits; and
- A statement of your right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review.

To have your claim reconsidered, you must file an appeal of an adverse benefit determination for a claim with the CNS Benefits Appeals Committee. The appeal must be submitted in writing to the attention of the Plan Administrator at 602 Scarboro Road, Oak Ridge, TN 37830. You will have 60 days following the receipt of an adverse benefit decision to appeal the decision. If you do not file an appeal, the initial decision will be deemed the final decision for time-limit purposes.

Ordinarily, you will be notified of the decision no later than 60 days after the appeal is received. If special circumstances require an extension of time of up to an additional 60 days, you will be notified of the extension during the 60 days following receipt of your request. The notice will indicate the special circumstances requiring an extension and the date by which a decision is expected.

You may submit written comments, documents, records, and other information relating to your claim, whether or not the comments, documents, records, or information were submitted in connection with the initial claim. You may also request that the Plan provide you, free of charge, copies of all documents, records, and other information relevant to the claim.

If your appeal seeking reconsideration of the denied claim under the Plan is again denied in whole or in part, you will receive written or electronic notification that will include:

- The reasons for the decision, again with reference to the specific Plan provisions on which that decision is based;

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- Notice that you are entitled to receive, upon request and free of charge, reasonable access to and copies of pertinent documents, records, and other information relevant to your claim for benefits; and
 - Notice of your right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review.

Exhaustion of Administrative Remedies and Limitations on Actions

You must use and fully exhaust all of your actual or potential rights under the administrative claims and appeals procedures for this Plan by timely filing an initial claim and then seeking a timely appeal of any denial before filing suit. The exhaustion requirement relates to claims for benefits, eligibility, and to any other issue, matter, or dispute (including any Plan interpretation or amendment issue).

Any such suit must be filed within one year after receiving a final adverse benefit determination on appeal. Failure to follow the administrative claims and appeals procedures in a timely manner will cause you to lose your right to sue regarding an adverse benefit determination.

Assignment of Benefits

Any rights and/or benefits that you may have under the Plan may not be assigned, transferred, or pledged to a third party, for example, as security for a loan or other debt, except to repay bona fide debts to the Company.

No Guarantee of Employment

Your participation in, eligibility for, or your right to benefits under the Plan is no guarantee of continued employment with the Company. Nothing in this SPD or the Plan itself will restrict the Company's right to terminate your employment.

Plan Administration

Plan Name and Type

The name of the Severance Plan is the Consolidated Nuclear Security, LLC Severance Plan for Non-Bargaining Unit Employees. The Plan is considered a "welfare plan" under ERISA.

Name and Address of Plan Sponsor and Employer

The Plan is sponsored by:

Consolidated Nuclear Security, LLC
P.O. Box 2115
Oak Ridge, TN 37831-2115
Telephone: (865) 574-1500 or Toll-Free (877) 861-2255
Employer Identification Number: 45-4482782

Plan Number

The number assigned to the Plan is 517.

Plan Administration

Consolidated Nuclear Security, LLC is designated as the Plan Administrator and named fiduciary for the Plan under ERISA and can be contacted at the address above. All communications to the Plan Administrator should be directed to the Director of Employee Benefits.

The Plan Administrator is responsible for the operation and administration of the Plan. The Plan Administrator has the absolute and exclusive discretionary authority to (i) construe and interpret the terms of the Plan, (ii) administer the Plan, and (iii) decide all questions of eligibility for benefits under the Plan and the amount of such benefits. Benefits under the Plan will be paid only if the Plan Administrator determines that the participant is entitled to the benefits. All decisions of the Plan Administrator are final, conclusive, and binding for all affected parties. Any interpretation or determination made pursuant to such discretionary authority shall be upheld on judicial review, unless it is shown that the interpretation or determination was an abuse of discretion (i.e., arbitrary and capricious). The Plan Administrator is authorized to delegate some or all of its administrative responsibilities regarding the Plan to a committee or individual.

Plan Year

The Plan and its records are kept on a plan-year basis. The plan-year is the 12-month period beginning January 1 of each year and ending the following December 31.

Agent for Service of Legal Process

Legal process can be served on the Plan Administrator by serving the Plan at:

C T Corporation System
800 S. Gay Street, Suite 2021
Knoxville, TN 37929-9710

Plan Funding

The Company pays the entire cost of the Plan from its general assets pursuant to the terms of the Company's Contract with the NNSA.

Plan Amendment and Termination

The Company in its sole discretion reserves the right to amend or terminate the Plan at any time, without notice. Any amendment will not affect the Plan benefits of those who have already been approved for Plan benefits. Benefits for other employees, however, may be reduced, modified, or eliminated at any time. Prior practices by any employer, any entity related to the Company, or any predecessor contractor shall not diminish in any way the rights granted to the Company under this section.

Oral and other informal communications made by the Company or the Company's representatives shall not give rise to any rights or benefits other than those contained in the Plan as described herein, and no oral or other communication may diminish the Company's rights to amend or terminate the Plan in any manner.

This Plan rescinds and supersedes any and all prior non-bargaining unit Employee layoff allowance or severance plan, including any severance plan or policy adopted by any predecessor contractor. No person shall have any vested right to any benefit under the Plan. The severance pay provided in accordance with this Plan is not a vested benefit and may be modified or terminated at any time upon amendment by the Company.

Statement of ERISA Rights

The following statement is required by federal law and regulations.

As a participant in the Plan, you are entitled to certain rights and protection under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to the following.

Receive Information about Your Plan and Benefits

Examine, without charge, at the Plan Administrator's office and at other specified locations, such as work sites, all documents governing the Plan, and a copy of the latest annual report (Form 5500 Services) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report (if one is filed for the Plan). The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Prudent 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 Employee benefit 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, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

Enforce Your Rights

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

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file a 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 \$110.00 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 which is denied or ignored, in whole or in part, you may file suit in a state or federal court. However, in no event will you be allowed to file suit in state or federal court until you have exhausted the administrative remedies available under the Plan, including following the Plan's claims procedure described above.

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.

Assistance with Your Questions

If you have any questions about your Plan, contact the Plan Administrator. 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, 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.

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