The WSRC Team

Savings & Investment Plan

Issued January 2007

SRS®

INTRODUCTION

The benefits described in this Summary Plan Description are sponsored by Washington Savannah River Company, LLC and Bechtel Savannah River, Incorporated (WSRC/BSRI), and administered by Washington Savannah River Company, LLC (WSRC). Persons eligible to participate in the WSRC/BSRI Savings and Investment Plan include those as described herein who are connected by employment with the WSRC Team. Transferred employees of the WSRC Team are eligible for all transactions except current and company matched contributions. The WSRC Team includes WSRC, Bechtel Savannah River, Incorporated (BSRI), BWXT Savannah River Company (BWXT), BNG America Savannah River Corporation (BNG America), and CH2SRC.

The Savings and Investment Plan is a qualified retirement plan and provides a convenient and tax-effective way for you to build financial resources for your future— by saving today. And, when you work at saving for retirement, the WSRC Team will work with you by adding matching contributions to your savings account. These matching contributions are a second source of retirement income provided to you by the WSRC Team over and above the retirement benefits provided to you through the WSRC/BSRI Pension Plan.

Savings and Investment Plan Benefits at a Glance	
When Eligible	Immediately
How Much You Can Contribute	1% to 50%
Company Matching Contribution	$.50 for every $1 up to 6% of pay
Key Plan Provisions	Company match contributions begin after one year of Eligibility Service
	Your contributions can be deducted before or after taxes are withheld
	Company match contributions are vested after three years of Eligibility Service
	You determine how all contributions are vested
	Investments can be made in one or any combination of the funds available
	You are able to take a loan or early withdrawal in certain instances

This book provides a summary of the WSRC/BSRI Savings and Investment Plan (SIP). Please read it carefully and refer to it whenever you have a question about your SIP benefits.

This book is a summary of the official Plan Document for the WSRC/BSRI Savings and Investment Plan, a qualified retirement plan offered by the WSRC Team to all eligible employees. Every attempt has been made to describe the Plan as clearly and accurately as possible. If there is a discrepancy between this book and the Plan Document, the Plan Document will govern.

CONTENTS

SIP WEB SITE AND SIP SERVICE CENTER

SIP Web Site

The Internet allows convenient access to your account. Your Benefits Resources™ web link is **http://resources.hewitt.com/wsrc.** The site will give you instructions on how to get a password if you do not have one. The password is the same as for the SIP Service Center. You may also change your SIP User ID if you wish.

Once you receive your password you will be able to access your account and do most SIP transactions. The site will guide you through the available transactions and other features.

You may use your work computer to access the SIP Web site. During work hours, employees are expected to limit their time to a reasonable duration. Approval to review your SIP on-line is NOT AUTHORIZATION to connect to other financial or investment web sites.

SIP Service Center

In addition to the Web site, the SIP Service Center allows convenient access to your account. The SIP Service Center is staffed with knowledgeable Representatives who can answer your questions, help you initiate transactions and provide information.

The SIP Service Center guides you step by step through the process to initiate transactions and receive information about your account. Simply by dialing 1-800-360-2SIP (2747) and using the keypad on your touch-tone telephone, you can perform all transactions. Most transactions can be completed with a touch-tone phone and do not require you to speak with a Service Representative.

When you call the SIP Service Center, you will be prompted to enter the last four digits of your social security number, your date of birth, and password. You'll be connected instantly and will receive instructions if you do not have a password. If you are not calling from a touch-tone phone, just stay on the line and your call will be directed automatically to a Service Representative who can answer your questions and help you complete your transactions. If you are calling from a touch-tone phone, you may speak directly to a Service Representative by pressing "*0" (zero) after entering your personal information.

Hours of Operation

The SIP Service Center and the web site are available 24 hours a day Monday through Saturday and after 1 p.m. on Sunday.

SIP Service Representatives are available from 9 a.m. to 5 p.m. Eastern Standard Time Monday through Friday, excluding holidays recognized by the SIP Service Center.

Security Features and Transactions

To address increased concerns around identity theft and data privacy, the SIP has adopted an increased security measure. The new security model strengthens the security around your SIP User ID, password and other personal account information. While Social Security numbers are often an easy way for organizations to identify individuals, any system that relies on Social Security numbers can present security risks. Therefore, you are encouraged to select a SIP User ID other than your Social Security number. In addition, all calls to the SIP Service Center Representatives are recorded for your protection.

If you're logging on to the *Your Benefits Resources* Web site or calling the SIP Service Center for the first time, you'll be asked to enter some personal information to identify yourself. You'll then be prompted to create a password of your choice. You'll use the same password for the Web site and for the SIP Service Center. Additionally, if you're visiting the Web site for the first time, you'll be asked to create a SIP User ID to access the site , whereas you'll only need to verify your personal information to access the SIP Service Center.

If you have forgotten your password, the Web site will prompt you to answer a few security questions. If you answer them correctly, you'll be able to proceed immediately. If you answer incorrectly, you'll be prompted to request a new password, which will be sent to you. You can choose to receive the new password via e-mail—in which case, you'll receive it within 15 minutes. Or, if you choose to receive the password by mail, it will be mailed within two business days. Please allow an additional one to three business days for delivery. For you protection keep your user ID and password confidential.

Use the following address when mailing documents to the SIP Service Center: WSRC/BSRI SIP Service Center, 2300 Discovery Drive, Orlando, FL 32826-3712.

PARTICIPATING IN THE PLAN

Eligibility

You are eligible to participate in the Savings and Investment Plan (SIP) immediately (next available payroll following enrollment) if you:

- Are a full service employee of the WSRC Team and Option A Craft Employees

Enrollment

Participation in the Plan is voluntary. Upon your employment, you may elect to participate in the Plan and begin making contributions through regular payroll deductions.

If you are eligible, have never enrolled, and wish to enroll, log onto the SIP Web site, **http://resources.hewitt.com/wsrc** or contact the SIP Service Center at **1-800-360-2747**. Either system will guide you through the enrollment process. Refer to your SIP Handbook for deadlines relative to payroll deductions.

Enrollment Process

Completing the Enrollment Process is an important first step in plan participation. The process provides the plan with much-needed information for setting up your plan account:

- Participant's savings rate: The percentage of participants pay they want to contribute to their account, from 1% to 50% of pay
- The mix of participant's contributions: Before-tax, after-tax, or both
- Your investment choices
- Participants may make a separate choice for before-tax contributions, after-tax contributions, and Company match contributions
- Participants may elect to have ALL contributions follow the same election (your investment choices can be in 1% increments but must total 100%)

Completion of the enrollment process authorizes the WSRC Team to deduct contributions from your pay each payroll period.

Naming a Beneficiary

When you enroll in the Plan, you'll also be asked to designate a beneficiary to receive the balance of your account in the event of your death. Generally, you may name any beneficiary that you wish and you may name more than one. Your beneficiary may be anyone including your spouse, your children or grandchildren, or a trust. If you are married, however, federal law protects your spouse's interests by requiring that your spouse be designated as the sole primary beneficiary. In order to name someone else as your primary beneficiary(ies), your spouse must consent in writing by signing the waiver included on the Beneficiary Form. Your spouse's consent must also be witnessed by a notary public.

With regard to naming a trust, Treasury Regulation 1.401(a) (9), establishes the criteria for determining whether your naming a trust as a beneficiary of the SIP account balance is valid for designated beneficiary purposes. According to that Regulation, a trust, cannot be a designated beneficiary, but individuals who are beneficiaries of the trust are treated as designated beneficiaries if the trust meets the following requirements:

- It is valid under state law or would be valid but for the fact that there is no trust corpus
- It is irrevocable or will, by its terms, became irrevocable upon your death
- With respect to this trust's interest in your SIP account balance, its beneficiaries are identifiable under the trust instrument based on that Regulation's requirements, and
- Trust documentation as described in the Regulation, is provided to the plan

It is the employee's responsibility to determine that the beneficiary designation of a trust meets the above criteria. If, as of the date of the employee's death, the requirements set forth above are not satisfied, the employee will be treated as not having a designated beneficiary and the SIP account will be paid to the estate.

A charitable organization cannot be designated as a beneficiary for the SIP. The SIP requires that a designated beneficiary(ies) must be a person(s).

You may change your beneficiary at any time, as long as the above requirements are met, by completing a new Beneficiary Form and submitting it to: WSRC, Benefits Administration, 703-47A, Aiken, SC 29808.

CONTRIBUTIONS TO THE PLAN

Your benefits from the plan are provided by contributions from you and the Company.

Types of Contributions

There are three types of contributions which can be made to the Plan:

- Before-tax contributions,
- After-tax contributions, and
- Company match contributions.

When you enroll, separate accounts are opened in your name to receive each type of contribution.

Before-Tax Contributions

Before-tax contributions are deducted from your pay and go directly into the Plan **before federal and most state and local income taxes are calculated and withheld from your pay.** In effect, they reduce the amount of your pay subject to current federal and most state and local income taxes. As a result, you pay lower taxes — which means it costs you less to save. However, before-tax contributions are subject to Social Security (FICA) taxes.

When you make before-tax contributions, you defer paying income taxes on that money until you start to receive distributions from your SIP account.

As long as your before-tax contributions stay in the Plan, they will not be taxed. However, when you withdraw your before-tax contributions and their investment earnings from the Plan, they will be subject to taxes (unless you are able to directly roll them over to an IRA or other employer qualified plan). You can read more about withdrawals and the taxation of distributions on Pages 20 and 31.

After-Tax Contributions

After-tax contributions are deducted from your pay **after** federal, state and local income taxes have been withheld. The **earnings** on your after-tax contributions, however, are tax-deferred (are not taxed) while they remain in the plan. When you start to receive your after-tax contributions, you will only pay taxes on the earnings and not on the amount of your after-tax contributions.

Company Match Contributions

The Company match contribution is provided as an incentive for you to save money for your retirement. The Company matches 50¢ on every $1 you save in the Plan, up to 6% of your pay each pay period (either monthly or weekly). The match is money deposited to your account, by the Company, in addition to your own contributions. The match is made whether you save on a before-tax or an after-tax basis. If you save both ways, the match is applied first to your before-tax contributions, then to your after-tax contributions. Company match contributions and their investment earnings are tax-deferred until you withdraw them from the Plan. Company match contributions begin after you've completed one year of Eligibility Service. Company match contributions and earnings are vested (you own them) after you've completed 3 years of Eligibility Service.

Before-Tax Savings vs. After-Tax Savings

No matter how you decide to save, the earnings on your savings are not taxed while they are in the SIP. However, there are major differences between saving on a before-tax basis and saving on an after-tax basis. The following example highlights the differences.

Before-Tax Advantage: An Example

You earn $40,000 annually and you elect to save at a 6% contribution rate throughout the year ($2,400 a year). You are married, file jointly, and claim four exemptions. You do not itemize deductions on your federal income tax return and your Company pay is your only source of income.

Looking only at federal income taxes to keep things simple, the calculations below illustrate the advantage of before-tax savings.

	Percent if you save 6% on a Before-Tax Basis	Percent if you save 6% on an After-Tax Basis
Gross Pay	$40,000	$40,000
6% Before Tax Contribution	- 2,400	0
Taxable Pay	$37,600	$40,000
Federal Income Taxes	- 1,800	- 2,160
6% After Tax Contribution	0	-2,400
Take Home Pay	$35,800	$35,440
Difference in Take Home Pay	$360	$360

Within the SIP, you and the Company work together to build financial resources for your retirement. For every dollar you save, up to 6% of your pay each pay period, the Company adds 50 cents.

As you can see, whether you save on a before-tax basis or after-tax basis, the amount you save is the same ($2,400). However, choosing before-tax savings gives you an immediate tax advantage, resulting in greater take-home pay — $360, in this example. This does not include additional tax advantages on state income taxes.

With the advantage of before-tax savings, you can save at a discount. In the example, $2,400 goes into your account. But your pay is only reduced by $2,040 ($2,400 - $360 tax savings).

After-Tax Advantage

There are also advantages to after-tax savings. First, the earnings on your after-tax contributions accumulate in the Plan on a tax-deferred basis. Second, depending on your situation, you may want to have some money available to you at retirement that is not taxable. By contributing to the Plan on an after-tax basis, you ensure that some of your distribution is tax-free.

An Example: The Company Match...Another Advantage of Saving

In the example on Page 6, you were saving 6% throughtout the year of your $40,000 annual pay — or $2,400 a year. Here's what actually goes into your account.

- First, calculate the amount of the match:

$2,400	Your 6% Contribution
x .50	Company Match Factor
$1,200	Amount of Company Match Contribution

- Second, add the match to your account:

$2,400	Your 6% Contribution
+ 1,200	Company Match Contribution
$3,600	TOTAL TO YOUR SAVINGS ACCOUNT

By contributing $2,400 to the SIP during the year, you can "save" a total of $3,600 (plus earnings). That's a savings advantage.

Limits on Your Savings

When you join the Plan, you decide how much you'd like to save in the Plan. You may contribute 1% to 50% of your monthly pay (see Page 3). There are certain limitations required by federal law that affect the amount you can save. These limitations are explained below.

Annual Limit on Before-Tax Contributions

Federal law **limits** the amount you can contribute on a **before-tax basis.** This yearly maximum amount, currently $15,500 in 2007, may be adjusted each year for inflation by the Internal Revenue Service (IRS). If your before-tax contributions reach the limit, your contributions in excess of the limit will be either:

- Invested in your after-tax account, or
- Returned to you in your paycheck.

What happens in this situation depends on the choice you make when you enroll or change your contribution rate. The Enrollment Process contains a section that enables you to make this election. By default, if you fail to make an election, any excess contributions will be **returned to you in your paycheck.** Remember, if you reach your before-tax limit before the end of a year and you have no after-tax contributions, you will not receive any company matched contributions for those pay periods where you made no contributions.

You will be informed of any changes in this limit by the Savings and Investment Plan Administrator.

Highly Compensated Employees Limit

Federal law also requires the Plan to pass tests to assure a fair mixture of contributions from plan participants at all earnings levels. This non-discrimination testing is done on an annual basis and applies to before-tax and after-tax contributions, and the Company match. To meet these requirements, savings rates of certain employees may be reduced. As a result, limits on savings rates may be set for participants whose gross earnings (in the previous year) exceed the annual federal compensation limit (for 2006 this limit was $100,000). If participant's compensation is $100,000 or more in 2006, then the participant will be considered a Highly Compensated Employee in 2007 for non-discrimination purposes. This compensation limit may be adjusted annually. If you are subject to one of these limits, your excess contributions will be posted to the opposite account (before-tax account or after-tax account) or your catch-up account to the extent possible. If necessary, refunds for Highly Compensated Employees excess are done through refunds from the Plan trustee.

Maximum Compensation Limit

The maximum amount of compensation that a qualified plan, like the SIP, may take into account for contribution and benefit purposes is currently set at $225,000 for 2007 by the IRS. Once you reach the maximum compensation limit, your contributions to the Plan will stop for that year.

The Plan Administrator communicates general notification of changes in federal limits.

Catch-Up Contribution Limit

Beginning the year in which you turn 50, you may be able to contribute to a catch-up contribution account. For 2007 this amount is $5,000. Generally, catch-up contributions can only be made if a participant reaches the IRS limit on contributions to a 401(k). For 2007, this limit is $15,500. The catch-up contribution may be done simultaneously with your before-tax contributions, meaning, if you qualify, you can contribute a total of $20,500 in before-tax contributions to your SIP account in 2007.

You can change your contribution amount, switch between before-tax and after-tax savings, or suspend your contributions by accessing the Web site or by calling the SIP Service Center.

Changing Your Contributions

You may designate an increase or decrease to the amount you are contributing to your account daily. You may also designate a change to the before-tax and after-tax elections of your contributions. Each subsequent change made will negate the previous change for the pay period. For monthly paid employees, in general, if completed by the second Sunday of the month, the change will be effective for the current month's payroll. For weekly paid employees, if completed by Sunday, the change will be effective the second payroll following the Sunday completion. To make a change, you must access the SIP Web site at http://resources.hewitt.com/wsrc or call the SIP Service Center at 1-800-360-2SIP (2747). The Web site and the SIP Service Center provide you with the opportunity to review and either accept or cancel your requested contribution rate change.

Stopping Your Contributions

You may also stop contributing to the Plan by changing your contribution rate to zero. To make this change access the SIP Web site at http://resources.hewitt.com/wsrc/ or call the SIP Service Center at 1-800-360-2SIP (2747). Both provide you with the opportunity to review and either accept or cancel your requested contribution rate change. For monthly paid employees, in general, if completed by the second Sunday of the month, the change will be effective for the current month's payroll. For weekly paid employees, if completed by Sunday, will be effective the second payroll following the Sunday completion. Each subsequent change made will negate the previous change for the pay period. You may resume your contributions by increasing your contribution rate.

Rollover Contributions

If you are eligible to receive a payout from a qualified savings plan of a previous employer, you may continue to defer paying taxes on the payout by requesting a rollover contribution to this plan. The SIP will take only the **taxable** portion of the distribution for rollover. **The SIP will accept "direct rollovers" from another employer qualified plan or conduit IRA.**

After you call the SIP Service Center to request a rollover you will be sent a rollover package. This package includes instructions on what is needed to complete a rollover and the forms to be completed. You must also choose how your rollover should be invested in the Plan by completing a Rollover Contribution Form. Contact the SIP Service Center at 1-800-360-2SIP (2747) for a rollover package or if you have questions regarding a rollover into the Plan.

The rollover funds will be kept in a separate rollover account. Since the rollover amount is taxable, it will be subject to ordinary income taxes and a possible 10% penalty tax when you withdraw it from your SIP account.

YOUR INVESTMENT OPTIONS

The WSRC/BSRI Savings & Investment Plan is intended to constitute a 404(c) plan under ERISA and the Plan's fiduciaries may therefore be relieved of liability for losses resulting from the participant's investment instructions. Therefore, participants have control over their account and have responsibility for the consequences of their investment decisions. As a plan participant, you have a choice of several funds in which to invest your before-tax contributions, your after-tax contributions, and your Company match contributions.

The Funds

Saving is the first step toward building your retirement nest egg. But to make your money last a lifetime, you need to do more that just save. You need to invest appropriately so your money grows sufficiently to meet your retirement income goals. In order to help you meet your retirement goals, the following funds are available in the SIP. A Fund Prospectus is provided for each fund on the SIP web site. Some funds have redemption fees, purchase blocks, or revenue sharing. Please read each one carefully before investing.

Funds (Effective 1/17/2007)

Please refer to the SIP website for any future updates to this list.

- **INVESCO Stable Value:** The stable value fund is designed to provide a stable and predictable positive return. In most market environments, the fund should provide returns that are higher than money market returns while maintaining liquidity and safety of principal.
- **SSgA Intermediate Bond:** The fund seeks a high level of current income while preserving principal by investing primarily in a diversified portfolio of debt securities with a dollar-weighted average maturity between three and ten years.
- **Fidelity Puritan Fund:** Seeks income and capital growth consistent with reasonable risk
- **Vanguard Total Stock Market Index:** Seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.
- S**SgA Russell 1000 Value Index:** Seeks to gain exposure to large, value-oriented U.S. companies by replicating the returns and characteristics of the Russell 1000 Value Index.
- **SSgA S&P 500 Index:** The fund seeks to replicate the total return of the S&P 500 Index.
- **T. Rowe Price Large Cap Growth:** The fund seeks to provide long-term capital appreciation through investments in large capitalization growth stocks.
- **Vanguard Selected Value Fund:** Seeks to provide long-term capital appreciation and income.

- **Rainier Small/Mid Cap Equity:** The investment seeks long-term capital appreciation. Investments may include common stocks, American depository receipts, warrants, and investment grade convertible securities.
- **Vanguard Small Cap Value Index:** Seeks to track the performance of a benchmark index that measures the investment return of small-capitalization value stocks.
- **Cooper Rock Small Cap Growth:** Seeks to outperform the Russell 2000 Growth Index and rank in the top half of the appropriate peer group each year.
- **Barclays Global Investors MSCI World Ex-U.S. Index:** The BGI ACWI Ex-U.S. Index Fund is designed to replicate the total return of the broad international equity market. The fund invests in a cap-weighted index including 21 developed and 26 emerging equity markets.
- **Vanguard REIT Index:** Seeks to provide a high level of income and moderate long-term capital appreciation by tracking the performance of a benchmark index that measures the performance of publicly traded equity Real Estate Investment Funds (REITs).

Making Your Initial Investment Choices

When you enroll in the Plan, you can make investment elections for your before-tax contributions, for your after-tax contributions and for the Company match contributions. For each election, you may choose to invest in just one fund, or in any combination of two or more funds — in multiples of 1%. Your total investment allocation for each account — before-tax, after-tax and Company match— must equal 100%.

Statement of Your Accounts

You will receive statements four times each year summarizing the activity in your accounts for the preceding quarterly period. For each account your statement will show:

- Your account balance at the beginning of the period,
- Contributions to your account during the period,
- Loans or withdrawals from your account during the period,
- Net investment reallocations during the period,
- Interest, dividends or changes in the value of your investments during the period, and
- Your account balance at the end of the period,
- Your vested account balance.

This information, along with the prospectuses and performance information which can be requested for each fund from the SIP Web site or SIP Service Center can help you decide whether your investment choices are meeting your personal financial goals.

Changing Your Investments

You have the flexibility to change the investment mix of future contributions and your **existing** account balance daily. Reallocations and transfers of existing account balances are restricted to one every five business days and no more than two per month.

Changing Your Investment Election for Future Contributions

You may change how future contributions from your paycheck are invested daily. However, the last change made prior to the posting of contributions to your account will apply. Any changes may be made in 1% increments and must total 100% for each account (before-tax, after-tax or company match).

To change your investment election for your future contributions, you must access the Web site or call the SIP Service Center at 1-800-360-2SIP (2747). Investment election changes process immediately and are not subject to price changes or market cutoff.

Reallocating or Transferring Existing Balances

You can reconfigure the investment mix of your existing accounts (before-tax; after-tax; and company match) among the funds, by means of a reallocation or transfer. Reallocations and transfers of existing account balances are restricted to one every five business days and no more than two per month.

A reallocation of your existing balance means that you redistribute your existing account balance among the funds in which you wish to invest. You indicate your reallocation in 1% increments so that the total in each account (before-tax, after-tax, company match) equals 100%. Since this kind of transaction can be rather complex, it is suggested that you prepare for the reallocation before you call access the Web site or call the SIP Service Center. Having your investment plan already prepared will enable you to successfully enter your changes. Requests entered before 4:00 p.m. Eastern Time (or when the NYSE closes) will be valued at that day's closing prices.

A transfer allows you to move money from one fund to another fund without having to do a complete reallocation.

Making Your Account Grow: An Example

While no one can predict how the funds will perform, here is an example to show how

- Your contributions to the Plan,
- Company match contributions, and
- Tax-deferred growth

...could pay off in the long run. The following example compares the growth of two investments: one made to the SIP, the other made outside the Plan on your own.

Assume your annual pay is $36,000 and you decide to save 6% of that amount — $2,160 a year — on a before-tax basis. The Company match contribution of 50 cents on the dollar for the first 6% of pay you save adds $1,080 to your account.

As the chart on the next page illustrates, your money grows much faster in the SIP — through the dual advantage of Company match contributions and tax-deferred earnings.

How Your Money Grows (Based on 8% Annual Investment Return)

	If you save* on your own	If you save on a Before-Tax Basis under the SIP
After 10 years	$32,518	$48,775
After 20 years	$102,724	$154,080
After 30 years	$254,293	$381,425

** The example does not take into account taxation of your accounts. Keep in mind that the two accounts may be taxed differently, which affects the actual after-tax dollars you receive and when you pay taxes. When you save outside the SIP, the earnings on your investment may be taxed as current income. So, you may pay taxes on your earnings every year as part of your federal income tax return. Your before-tax contributions to the SIP, as well as the Company match contributions and the earnings on the contributions, are tax-deferred until distributed. (Read more about the taxation of your distribution on Page 31.)*

This example is designed to show how your account could grow over time. Your own account growth will depend on a wide variety of factors, including any increases in pay over the years, your savings rate, the funds' actual investment performance, and whether you withdraw or borrow any funds during your participation in the SIP.

VESTING

Vesting means you own the money in your accounts. You are always 100% vested in your own contributions and the earnings on your contributions. You become 100% vested in Company match contributions, and the earnings on those contributions, after you've completed three years of Eligibility Service recognized by the WSRC Team. For example, if you were hired as a full service employee on 8/15/96, you became 100% vested in Company match contributions on 8/15/99. If you leave the WSRC Team before you've completed three years of Eligibility Service, you will forfeit the non-vested Company match contributions and the associated earnings.

If you leave the WSRC Team after you've been with the WSRC Team for at least three years, you will own all the money that's in your SIP account. Also, if you transfer to an affiliated entity of your parent company that eligibility service may apply to vesting requirements.

LOANS FROM YOUR SIP ACCOUNT

While the SIP is a qualified retirement plan and is designed primarily to encourage long-term savings for your retirement, you do have access to your funds during your employment with the WSRC Team if an unexpected financial need arises before you retire. You can have up to two loans outstanding at one time.

Amounts Available to Borrow

When you borrow from the plan, you borrow directly from your own SIP accounts.

The maximum amount that you may borrow from your SIP accounts (as mandated by the IRS) is the lesser of

- 50% of your vested account balance, or
- $50,000 (this maximum may be affected if you have an outstanding loan or have had one in the previous 12 months).

The minimum amount that you may borrow is $1,000. All loans must be in increments of $1. Therefore, in order for you to obtain a loan from your SIP account, your vested account balance must be at least $2,000.

If you transferred to the WSRC Team from an Affiliated Entity of your parent company, and you have an outstanding loan from the Affiliated Entity's qualified plan, the maximum amount you may borrow from your SIP account may be further reduced by the amount of that outstanding loan.

Your loan reduces your investment fund balances on a pro-rata basis. Loan repayments will be applied to the investment funds indicated on your contribution investment direction selections.

If you are interested in a loan from your account, you must access the SIP Web site or call the SIP Service Center at 1-800-360-2SIP (2747) to receive information on the maximum amount you may borrow.

Loan Terms

The term, or length, determines how long you are going to take to repay the loan. You can take from 12 to 60 months to repay your loan. However, if the purpose of the loan is to purchase or build your primary residence, the loan term can be extended for up to ten years (120 months). You will be required to provide supporting documentation, such as a Good Faith Estimate or Sales Contract, to the SIP Service Center when you are requesting a residential loan repayment term of more than 60 months. **Please note that you may only have one residential loan outstanding at a time and the loan must be used for the purchase of your primary residence.**

When you request a loan, you tell the SIP Service Center the amount you wish to borrow and for what period of time. You also authorize payroll deductions as the method of loan repayment.

Applying for a Loan

To apply for a loan, you must access the Web site or call the SIP Service Center at 1-800-360-2SIP (2747). Unlike ordinary loans, personal financial information is not required. The information you will be asked to provide to the SIP Service Center is:

- Whether you have an outstanding loan from another Affiliated Entity's qualified plan,
- Whether you want a personal loan (loan term is between 12 and 60 months) or a residential loan (loan term is between 61 and 120 months),
- The amount of the loan,
- The term of your loan.

Your loan amount is taken from contribution amounts in the following order:

1. **Vested Company match Contributions —** and their earnings **—** made in the last two years.
2. **Matched After-Tax Contributions —** and their earnings **—** made in the last two years.
3. **Vested Company Match Contributions —** and their earnings **—** held for more than two years.
4. **Matched After-Tax Contributions —** and their earnings **—** held for more than two years.
5. **Unmatched After-Tax Contributions** and their earnings.
6. **Matched Before-Tax Contributions** made in the last two years and their earnings.
7. **Matched Before-Tax Contributions** held for more than two years and their earnings.
8. **Unmatched Before-Tax Contributions** and their earnings

The loan amount is taken pro rata from the investment funds within each of the above accounts.

Following your entries, the Web site or SIP Service Center will tell you the amount of your weekly/monthly payments. You may then apply for that loan or request the payments for a different loan amount. The Web site or SIP Service Center allows you the opportunity to review and either accept or cancel your Loan.

All loan requests completed by 4:00 p.m. Eastern Time (or NYSE closing if earlier) will be processed at the end of the business day. Checks should be received within 7 to 10 business days or may be direct deposited into the account of your choice. If you are applying for a residential loan, the proper documentation must be received and approved in order for the loan to be processed.

An advice will be attached to your check as confirmation of your transaction. Please review the advice and report any discrepancies to the SIP Service Center immediately.

If you have any questions about loans, access the SIP Web site or call the SIP Service Center to speak with a Service Center Representative.

While you are repaying your loan, the payroll deduction for your loan payment is a separate deduction from your SIP contribution.

Your Loan Interest Rate

The loan interest rate is set quarterly based on the prime interest rate published in the Wall Street Journal on the last day of the quarter + 1%. Once set, your loan interest rate will remain fixed for the term of your loan.

Repaying Your Loan

One advantage of taking a loan from the Plan is that when you repay your loan, you pay yourself back, with interest. That means all of the money you repay is put back into your own savings accounts.

You repay your loan through payroll deductions. The amount of your deduction depends on the amount of the loan, the loan term (length), and the interest rate charged. Repayments of principal and interest are reinvested in your SIP accounts according to your current investment elections. **You may request to prepay your total outstanding loan balance in a single lump-sum payment, without penalty,** at any time after at least two monthly payments have been deducted from your pay. Partial payments, other than normal payroll deductions, are not permitted. Please note that if you have two outstanding loans and you pay off one loan, you must wait at least one business day before you may take out another loan.

If you wish to prepay your total outstanding loan balance, you may access the SIP Web site or call the SIP Service Center. A coupon with the amount of your outstanding loan balance will be mailed to your home address. You must mail your coupon and **certified check, cashier's check or money order** for the amount shown on the coupon to "WSRC/BSRI Savaings and Investment Plan," so that **it reaches the SIP Service Center five business days prior to or before the payoff date listed on the coupon.**

Direct Payment of Your Loan

While payroll deduction is the normal method of loan repayment, under certain circumstances, payroll deduction is not possible. For instance:

- You may be transferred to an Affiliated Entity,
- You may go to an Affiliate less than 50 percent owned by your parent company,
- You may be granted a leave of absence without pay,
- You may retire **(see "When You Retire")** and your pension check is not sufficient to cover a loan payment deduction, or
- Your salary may be changed so that a full loan payment cannot be deducted.

In any of these circumstances, you may be permitted to make direct payments to continue the repayment of your loan. To request direct payments, you must call the SIP Service Center at 1-800-360-2SIP (2747) and speak with a Service Center Representative.

Please note that if you miss one full monthly payment your loan will be considered delinquent. You may not be eligible to initiate a new loan until the delinquent loan has been brought to a current status. If you miss three consecutive calendar full monthly payments, your loan will be defaulted. You may not be allowed to take any further loans from the SIP. In addition, the unpaid portion of your loan will be treated as a taxable withdrawal and may be subject to taxes and penalties.

If You Default on a Loan

You will be notified by the SIP Service Center if your loan is declared in default (failure to repay). If you fail to repay a loan, your unpaid balance will be classified as a withdrawal, unless the loan is reinstated. (This requires full repayment of the defaulted loan.) When the loan is classified as a withdrawal, any taxable money remaining in your loan balance will be subject to similar rules, limitations and tax consequences as a withdrawal.

WITHDRAWALS DURING EMPLOYMENT

While the primary purpose of the SIP is to help you prepare for a financially secure retirement, you also have access to money in your accounts through the Plan's withdrawal provisions. Because of the many tax advantages associated with this type of savings plan, there are some limitations on withdrawals. But, generally, funds are available to you if you need them. This section explains how and when you can withdraw from your accounts.

Withdrawal requests are processed daily.

Amounts Available for Withdrawal

The amount you can withdraw depends on what types of contributions are in your account. The **full** amount of any after-tax contributions you make to the Plan and their earnings, along with the **vested** portion of your Company match contributions and their earnings, are available for withdrawal at any time. Because of the favorable tax treatment of before-tax contributions, your before-tax contributions and the earnings on that money are not available for withdrawal except in either of two circumstances:

- If you are at least age 59½, or
- You experience an approved financial hardship. (Note: Earnings on before-tax contributions, credited to your accounts after December 31, 1988, can only be withdrawn after age 59½.)

All withdrawals are cash (check) withdrawals.

Withdrawing After-Tax and Company Match Contributions

Each year you can request up to three withdrawals from your after-tax and Company match accounts. To determine the amount you have available for withdrawal and to request a withdrawal, access the SIP Web site or call the SIP Service Center at 1-800-360-2SIP (2747). Both the SIP Web site and the SIP Service Center are designed to provide details you will need to successfully request your withdrawal.

All withdrawal requests completed by 4:00 p.m. Eastern Time (or NYSE closing if earlier) will be processed at the end of the business day. Checks should be received within 7 to 10 business days or may be direct deposited into the account of your choice.

Advices are attached to the checks confirming your withdrawal. Please review the advices and report any discrepancies to the SIP Service Center immediately. The withdrawal is taken pro rata from the investment funds within each of the accounts.

Any portion of your withdrawal which is **taxable** (Company match account and all earnings on after-tax contributions) will be subject to federal income, state income and local income taxes (see Pages 31 through 33). A withdrawal of post-1986 after-tax contributions will include some taxable earnings.

The Order of Withdrawal

A withdrawal from your SIP accounts will be taken in the following order:

1. **Unmatched after-tax contributions** and their earnings.
2. **Rollover contributions** and their earnings.
3. **Matched after-tax contributions** held for more than two years and their earnings.
4. **Vested Company match contributions** held for more than two years and their earnings.
5. **Matched after-tax contributions** made during the last two years and their earnings.
6. V**ested Company match contributions** made during the last two years and their earnings.

When you make a rollover eligible withdrawal or receive a distribution, the Company is required, by federal law, to automatically withhold 20% of the taxable portion (before-tax contributions and their earnings, earnings on after-tax contributions, and the Company match and earnings) for federal income taxes unless the amount is directly rolled over to another employer's qualified plan or an Individual Retirement Account (IRA). If you wish to make a direct rollover, speak with a SIP Service Center Representative for information.

Withdrawing Before-Tax Contributions

Once you reach age 59½, you are entitled to withdraw before-tax contributions and earnings for any reason. To request a withdrawal, access the SIP Web site or call the SIP Service Center at 1-800-360-2SIP (2747). You will be able to determine the amount you have available for withdrawal and request a withdrawal.

If any amounts are available to you from your after-tax account or your Company match account, **those funds will be withdrawn first, in the order outlined previously**. Once those funds have been depleted, the withdrawal amount will be taken from your before-tax account in the following order:

1. **Unmatched before-tax contributions** and their earnings.
2. **Matched before-tax contributions** held for more than two years and their earnings.
3. **Matched before-tax contributions** made during the last two years and their earnings.

The withdrawal is taken pro-rata from the investment funds within each of the above accounts.

Any portion of the withdrawal which is attributed to your before-tax contributions, Company match contributions, and earnings on your after-tax, before-tax, and Company match accounts, will be subject to federal income, state income and local income taxes (see Pages 31 through 33).

To request a withdrawal, access the SIP Web site or call the SIP Service Center. Either system will lead you through the steps, including tax consequences.

After requesting your withdrawal, the SIP Web site or the SIP Service Center allows you the opportunity to review and either accept or cancel your withdrawal.

All withdrawal requests completed by 4:00 p.m. Eastern Time (or NYSE closing if earlier) will be processed at the end of the business day. Checks should be received within 7 to 10 business days or may be direct deposited into the account of your choice.

Checks will have advices attached to them as confirmation of your transaction. Please review the advices and report any discrepancies to the SIP Service Center immediately.

Hardship withdrawals are subject to the same suspension and forfeiture rules as other withdrawals.

Financial Hardship Withdrawals

If you are under age 59½, you may withdraw your before-tax contributions only in the event of a financial hardship. A financial hardship means you have an immediate and heavy financial need for money that is not available from other sources.

There are federal guidelines that must be followed by the SIP Administrator to determine when a financial hardship exists. Examples are:

- Purchase of your principal residence,
- Payment of tuition for post-secondary education for 12 months for you, your spouse and/or dependents,
- Prevention of eviction from or foreclosure of a mortgage on your principal residence, or
- Medical expenses not covered by insurance.

Hardship withdrawals must be approved by the Plan Administrator or a designee. To request a hardship withdrawal, you may access the SIP Web site or call the SIP Service Center at 1-800-360-2SIP (2747). You will be able to determine the amount you have available for withdrawal and request a Hardship Withdrawal Application. Both systems will lead you through all the steps, including tax consequences.

After requesting your withdrawal, a Hardship Withdrawal Application will be mailed to your address on file. You should complete and return the application along with the required documentation within 30 days from the date you make your request. The required documentation must show proof of your financial hardship and show that you have no other resources available to meet your financial need. Approval or denial of your request will be determined following the review of your documentation. In order to adequately review hardship documentation, the time needed for final approval or denial may be lengthened.

If once your hardship withdrawal request is approved, your account will be valued and processed after the close of that business day, Checks should be received within 7 to 10 business days or may be direct deposited into the account of your choice.

If your request for a financial hardship withdrawal is approved, you may withdraw up to the full amount of your before-tax contributions and the earnings on before-tax contributions credited to your account before January 1, 1989. Earnings on before-tax contributions credited to your account after December 31, 1988 are not permitted to be withdrawn for financial hardship. In any case, you can only withdraw enough money to satisfy the financial hardship.

Before-tax contributions and their earnings withdrawn under a financial hardship may not be repaid to your account and are subject to federal income, state income; local income taxes and **early withdrawal tax penalties** (see Pages 31 through 33)

Hardship withdrawals do not count toward the three withdrawal maximum in a calendar year.

Suspensions and Forfeitures

Employees with less than 5 years of Eligibility Service, who make a withdrawal, may continue contributing to the SIP immediately after the withdrawal. However, Company match contributions on new contributions will be suspended for six months following the withdrawal if the withdrawal consists of any of the following amounts:

- Your matched before-tax contributions made during the last two years,
- Your matched after-tax contributions made during the last two years,
- Your vested Company match contributions made during the last two years, or
- The earnings on any of the above.

In addition, if the employee is not vested in the Plan, and a withdrawal of some or all of matched before-tax or after-tax contributions is completed, you will **forfeit**, or lose, Company match contributions on the amounts withdrawn. It may be possible to buy back some of these forfeited contributions under special conditions. (See "Buy-Back of Forfeited Company Contributions" on Page 34.)

The above does not apply to employees with 5 or more years of Eligibility Service.

PLAN PAYMENTS
AFTER YOUR EMPLOYMENT ENDS

You may request a total distribution of your accounts if your employment ends. However, you will forfeit Company match contributions in your account if you:

- Are not vested, and
- Your employment ends for any reason other than retirement, death, lack of work, Long-Term Disability or termination of the SIP.

However, if you are rehired, you may "buy back" any forfeited Company contributions by repaying the entire amount within a certain time limit.

To request a total distribution of your accounts, either access the SIP Web site or call the SIP Service Center at 1-800-360-2SIP (2747). Both systems will guide you through all the steps, including tax consequences. For a total distribution, you may request either:

- a cash distribution (check) or
- a direct rollover or
- a combination of both

Please note with a cash distribution the check will be made payable to you and 20% of the taxable portion will be withheld for federal income taxes. For a direct rollover, checks will be made payable to the receiving plan, but will be mailed to you. You must get the check to the receiving plan.

After requesting your distribution, either system will allow you the opportunity to review and either accept or cancel your total distribution. All total distribution requests completed by 4:00 p.m. Eastern Time (or NYSE closing if earlier) will be valued and processed at the end of the business day. Checks should be received within 7 to 10 business days.

Under certain circumstances, you are permitted to defer receipt of your distribution, or elect other forms of payment. They are described in the following sections.

If You Transfer to an Affiliated Entity

If you transfer from the WSRC Team to an Affiliated Entity of your parent company, your participation for plan purposes will continue. As of January 1, 2006 WSMS employees will be identified as transfers. You will not be able to make contributions to the SIP once you are transferred, but in all other respects you will continue as an active plan participant. That means you may...

- Request a loan from your accounts,
- Make up to three withdrawals a year,
- Request a financial hardship withdrawal, and
- Reallocate or transfer your money among the investment funds...

by accessing the SIP Web site or calling the SIP Service Center at 1-800-360-2SIP (2747).

To qualify as a transferred employee, there must be no break in service between the time you were a full service employee of the WSRC Team and when you became employed at the Affiliated Entity of your parent company.

Note: If you transfer to an Affiliate Entity of your parent company, you cannot do a direct rollover of your SIP account to a plan of the Affiliated Entity.

When Your Employment Terminates

If you terminate your employment with the WSRC Team, whether voluntarily or involuntarily (except reduction in force, death and Long-Term Disability), you forfeit (lose) the Company match contributions in your account if you are not yet vested. Remember, you are always vested in your contributions and earnings, but you must have three years of Eligibility Service to be vested in the Company match. When terminating employment, the following rules apply concerning your account balance:

- **$1,000 or less:** You must receive a full distribution of your vested account balance upon your termination. **This rule does not include retirees. Retirees may defer their account distribution regardless of the balance.**
- **More than $1,000:** You may choose to leave the money in your account, or receive a full distribution of your SIP account upon termination.

If you are receiving your total account balance, you can defer paying taxes by requesting a direct rollover of the taxable portion of your account balance into an IRA or other employer qualified plan (see Page 33). Total distribution of your account is only done on a cash (check) basis.

When you transfer to an Affiliated Entity, you can no longer contribute to the SIP, but you still have access to your account for loans, withdrawals and fund reallocations.

If you leave your money in the SIP after termination, no further contributions by you or the Company are permitted. Your continued participation in the Plan will not count toward participation credit in the SIP for purposes of ten-year forward averaging (see Page 32), but you will continue to have the advantage of your savings growing on a tax-deferred basis, until you elect to withdraw your money.

If you have a loan(s) at the time you terminate (except retirement, see "When You Retire") or if you go to an affiliate of your parent company, you must either pay off the loan in a lump sum or it will default. A defaulted loan will be treated as a taxable withdrawal and may be subject to taxes and penalties.

In addition, if you leave your money in the SIP, you may continue to reallocate or transfer your existing account balances among the investment funds once every five days but not more than twice a month.

Once you have elected to defer your distribution, you may later elect a total distribution at any time. If you have not elected to take a **total distribution** by April 1 following the year in which you reach age 70½, your entire account balance will automatically be distributed to you. As a terminated employee you are not eligible for the Minimum Required Distribution option.

If You Are Re-Employed

If you leave the WSRC Team after you were eligible to participate in the SIP and are later re-employed, you will be immediately eligible to participate in the Plan on your first day back at work. Your prior service may be restored for vesting purposes as a former WSRC Team employee. So if, for example, you left the WSRC Team after you had two years of Eligibility Service and are re-employed, on your return you will need only one additional year of Eligibility Service to become vested.

When You Retire

When you retire under the qualifications of the WSRC/BSRI Pension Plan (age 50 and 15 years of Eligibility Service, the minimum for an Early Retirement), the SIP provides a number of options. You may elect to:

- Defer distribution of your account until a later date,
- Receive your distribution in installment payments,
- Receive a total distribution payment of your account balance,
- Roll over an account balance from another qualified employer plan to this plan.

Deferring Your Payments

At the time of your retirement, you may not need to use the money from your SIP account. In that case, you can continue to defer taxation by deferring receipt of your distribution. You may defer payment up to April 1st of the year following the year in which you reach age 70. However, you must start receiving a minimum required distribution at that time. You will be contacted at the time that you must start receiving a minimum required distribution. You must contact the SIP Service Center to make arrangements to start receiving a minimum required distribution.

While your money remains in the Plan, you continue to have access to your account. You may request up to three withdrawals a year and make one reallocation or transfer every five days, but not more than two per month. However, you cannot request a SIP loan after retirement.

If you have an outstanding SIP loan at the time you retire, you may:

- Prepay the loan in a single lump-sum payment, or
- Authorize regular pension check deduction to continue making loan payments, or
- Make direct payments if your pension check is not sufficient to make loan payments, or
- Let your loan(s) default (taxes and penalties may apply).

If you wish to prepay your loan, you may access the SIP Web site or call the SIP Service Center at 1-800-360-2SIP (2747).

Your Installment Options

There are two installment options available when you qualify for retirement. These options are also available to you later on, if you elect to defer payment when you retire. You may elect **a fixed number of installments or lifetime installments.** However, you may not switch from one installment option to the other once your installment payments begin. With any option, you may elect at any time to receive the remainder of your account in a single cash payment (Total Distribution, see Page 28).

You can elect a lump sum payment at any time, even after your installment payments have begun.

Installment payments are taxed in the year you receive them. Each installment payment is treated as a pro-rata recovery of your after-tax contributions (non-taxable) and earnings, before-tax contributions and earnings, and Company match contributions and earnings.

- Fixed number of installments. Under this option, you may request that the value of your accounts be paid to you in monthly installments. The maximum number of monthly installments you may elect is based on your age when you retire, or on your age and the age of your primary beneficiary at the time you retire. The minimum number of installments is 24 and the maximum number is your life expectancy based on actuarial tables. Payments are recalculated each month. If your spouse is the only primary beneficiary, he or she may continue to receive the remaining installments after your death. (For more information on what happens to your remaining account balance after your death, refer to Pages 29 and 30.)
- Lifetime installment payments. Under this option, the value of your accounts is paid in monthly installments based on your life expectancy, or the life expectancies of you and your primary beneficiary. Payments are recalculated each month. Payments continue for your lifetime. If your spouse is the only beneficiary, and if your installment amounts were based on your joint life expectancies, your spouse may continue receiving installments for his or her lifetime after your death. (For more information about what happens to your remaining account balance after your death, refer to Pages 29 and 30.)

To request installment payments, you must call the SIP Service Center at 1-800-360-2SIP (2747) and speak with a SIP Service Center Representative. You will be able to determine the amount of your installment payment and have the opportunity to ask questions. **Please note that once you have accepted the installment payment option, there are restrictions placed on future available changes. If you want more information, please call the SIP Service Center at 1-800-360-2747 and speak with a SIP Service Center Representative.**

Installment payments begin the following month after the request has been made.

Even if you have elected to receive installment payments, you may still request up to three withdrawals per year, make fund reallocations and continue paying on an outstanding loan by having the deductions taken from your pension check.

If You Are Re-Employed After Installments Begin

If you are re-employed as a full-service employee after monthly installments have begun, your installments will stop. When you again retire, your plan balance will include any additional amounts contributed to your accounts while you were employed. At that time, you may again choose one of the payment options permitted by the Plan.

Total Distribution Payment

A total distribution payment is available to you at any time after you retire. Even if you are receiving installment payments, you can elect to have the balance of your account distributed in one total distribution at any time. If you do not elect a direct rollover of the taxable portion of your distribution, the amount of the check you receive will equal your total account balances less the required 20% federal income tax withholding on the taxable portion. After-tax contributions included in your distribution will not be subject to federal income tax withholding. A total distribution payment is taxable in the year you receive it if the taxable portion was not directly rolled into an IRA or other employer qualified plan. However, the total distribution payment may be eligible for favorable tax treatment (ten year forward averaging, see Page 32). All account distribution requests completed by 4:00 p.m. (or NYSE closing if earlier) will be valued and processed at the end of the business day. Checks should be received within 7 to 10 business days or may be direct deposited into the account of your choice

To determine the amount you have available for distribution and to request a distribution, you may access the SIP Web site or call the SIP Service Center at 1-800-360-2SIP (2747). Both systems are designed to provide the details you will need including tax consequences to successfully request your distribution.

An advice will be attached to your check as confirmation of this transaction. Please review your advice and report any discrepancies to the SIP Service Center immediately.

COVERAGE CONTINUATION IN SPECIAL SITUATIONS

If You Qualify for Long-Term Disability Benefits

If you are approved for Long-Term Disability under the WSRC/BSRI Disability Income Plan and accept the approval, you have the same options as a terminated participant (see "When Your Employment Terminates" on Page 25). Company match will not be forfeited if you are not vested.

If You Qualify for an Incapability Retirement

If you are approved for and accept an Incapability Retirement under the WSRC/BSRI Pension Plan, you have the same options as a retired participant (see "When You Retire" on Page 26).

In the Event of Your Death

If you die before receiving your entire account balance, your designated beneficiary (ies) will be eligible to receive the balance in your account. Federal law requires that if you are married, your spouse be designated as sole primary beneficiary of your plan assets upon your death unless:

- Your spouse has consented in writing to your naming another beneficiary (the law requires that the consent be witnessed by a notary public).

If you were repaying a loan through deductions from your regular paycheck or pension check, it is possible for your spousal beneficiary to repay any remaining loan balance with a single lump-sum payment. Otherwise the outstanding loan(s) balance will be satisfied as a deemed withdrawal (see section describing the taxability of distributions on Page 31).

If you do not have a surviving spouse and no beneficiary has been named, distribution is made to your estate.

When Your Spouse is Your Primary Beneficiary

A spousal beneficiary of an active employee or retiree has many of the same rights under the SIP as you had while you were employed or if you were retired. If your spouse chooses to defer a distribution from your account, he/she will be assigned a Personal Identification Number in order to use the SIP Web site or the SIP Service Center with a deferred account. Your spouse will be able to:

- Make three withdrawals per year (see Page 20),
- Reallocate or transfer balances among funds (see Page 13), and
- Repay outstanding loan balances with a single lump-sum payment.

Additionally, your spouse can defer a distribution up to the date you would have reached age 70. At that time, your spouse will be required to take a minimum required distribution to avoid paying a 50% excise tax (see Page 26).

If your spouse wishes to process a transaction, he/she should access the SIP Web site or call the SIP Service Center at 1-800-360-2SIP (2747).

If your death occurs after you began receiving installment payments under the"fixed number of installments" option (see Page 27), your spouse may:

- continue to receive the remaining installments after your death,
- may stop installment payments, or
- may elect a total distribution payment of the remaining account balance.

If you had elected the "lifetime installment payment" option, and the installments were based on your joint life expectancies, your spouse may:

- continue receiving installments for his or her lifetime,
- may stop installment payments or
- may elect a total distribution payment of the remaining account balance.

When Someone Other Than Your Spouse is Your Primary Beneficiary

If you are not married or have designated someone other than your spouse as your primary beneficiary, the non-spouse beneficiary may now roll over the inherited 401(k) into an IRA or take a total distribution of the account balance upon your death. The beneficiary(ies) will be contacted by Benefits Administration.

When Your Death Occurs After You Terminate Your Employment with The WSRC Team

If you terminate your employment and defer the distribution of your SIP account **and** your death occurs **before** you request a distribution, then your beneficiary has certain payment options available depending on the beneficiary's relationship to you. Your spouse beneficiary may continue to defer the balance or request a distribution with or without a rollover of taxable contributions. However, your non-spouse beneficiary can either roll the inherited 401(k) into an IRA or can accept an immediate distribution.

Remember, at any time, your spouse can request a lump sum payment if you or your spouse elected to defer distribution of your account.

TAXATION OF DISTRIBUTIONS

Taxable distributions, whether they are withdrawals (including financial hardship withdrawals), lump sum amounts or installment payments, are subject to federal income, state income, and local income taxes.

Federal Taxation Rules

There are three types of federal taxes that can affect a withdrawal or distribution from your SIP account: **income tax (ordinary and capital gains), 10% penalty tax, and 50% excise tax.**

Income Tax

Whenever you take money out of the plan, you may owe taxes to some degree. You will owe ordinary income tax on:

- Before-tax contributions,
- Rollover contributions,
- Company match contributions, and
- All investment earnings in your plan accounts.

If you have made after-tax contributions to the plan, you have already paid income tax on those contributions. However, income taxes will be owed on after-tax company matched contributions and investment earnings.

Note: The tax laws governing savings plans such as the SIP are complex and subject to change. While this description is based on the WSRC Team's general understanding of current tax laws, you should consult a professional tax advisor before you make a withdrawal or receive a distribution from your plan accounts.

10 Percent Penalty Tax

Because a plan like the WSRC/BSRI Savings and Investment Plan is meant to be used to meet long-term retirement goals, federal law imposes a 10% penalty tax to discourage early withdrawal of funds from this type of plan. In general, the 10% penalty tax will apply to the taxable portion of any withdrawal or distribution from your plan account taken before you reach age 59½.

However, a 10% penalty tax will not apply if — and to the extent that:

- A distribution is made to you after age 59½,
- A distribution is made due to your death or disability (as defined by the Social Security Administration),
- A payment is made to an alternate payee under the terms of a "Qualified Domestic Relations Order" (QDRO),
- A distribution is made after retirement or separation from service during the year in which you reach age 55 or are over 55.

- You roll over the taxable portion of a distribution to an Individual Retirement Account or another employer qualified plan,
- The distribution is used for unreimbursed medical expenses, as defined by IRC Section 213, that exceed 7.5% of your adjusted gross income,
- If substantially equal periodic payments are made in at least annual installments over the life (or life expectancy) of the participant or the joint lives of the participant and designated beneficiary.

50 Percent Excise Tax

Under federal tax law, you must begin to withdraw your SIP account by April 1st of the calendar year following the calendar year in which you attain age 70 or retire, whichever is later. If you do not, you must pay a 50% excise tax on the amount that should have been withdrawn.

Federal Tax Withholding

The taxable portion of a rollover eligible withdrawal or distribution that is not directly rolled over to an Individual Retirement Account or another employer qualified plan is subject to an automatic **20% federal income tax** withholding requirement. This amount may not cover all the taxes you owe.

Note: The IRS imposes a 10% penalty tax to discourage early withdrawals.

Forward Averaging Tax Treatment

Distributions paid in a single lump sum may be eligible for favorable forward averaging tax treatment.

Forward averaging allows you to pay taxes on your total distribution as if it were paid out over a 10-year period — if you were born before January 2, 1936 —reducing the taxes you owe. You may be able to use forward averaging once if you:

- Are at least age 59, and
- Have been a plan participant for at least five years. See a tax consultant for further information on forward averaging.

Deferring Taxation of Your Distribution

You should be aware that you can defer current taxation by rolling over the taxable portion of a withdrawal or distribution (which is in excess of your after-tax contributions) into an Individual Retirement Account (IRA) or another employer qualified plan. You may roll over the combined balance of your before-tax contributions, Company match contributions, any previous rollover contributions, and the earnings in each account. **The rollover must be made directly from this plan to the IRA or other employer qualified plan; otherwise, the taxable portion of the distribution will be subject to an automatic 20% withholding tax**.

If you wish to request a direct rollover of the taxable portion of a withdrawal or distribution to an IRA or other employer qualified plan, you may access the SIP Web site or call the SIP Service Center at 1-800-360-2SIP (2747).

All distribution requests with direct rollovers completed by 4 p.m. Eastern Time (or NYSE closing if earlier) of the last business day of the week will be included in the current week's processing. For example, if you make your request by 4 p.m. Eastern Time (or NYSE closing if earlier) Friday, your account will be valued as the close of business on Friday. Your check(s) will typically be mailed the following Tuesday. You will receive advices attached to your checks for confirmation of your transactions. Please review these advices and report any discrepancies to the SIP Service Center immediately.

Your direct rollover check will be mailed to your address of record and be made payable to the trustee of your IRA or qualified plan. It will be your responsibility to forward that check to the trustee of your IRA or employer qualified plan.

State and Local Income Taxes

While **before-tax contributions** in South Carolina and Georgia are generally treated the same way as by the federal government, and are not taxed until they are distributed, some states and municipalities tax these amounts. Check with a tax consultant to see how the state or city in which you live treats the taxable status of before-tax contributions.

Your after-tax contributions come out of compensation that has already been taxed by your state or local government; however, the earnings on your after-tax contributions and Company match contributions and earnings are subject to tax when withdrawn and/or distributed.

BUY-BACK OF FORFEITED COMPANY CONTRIBUTIONS

When you make a withdrawal that includes matched contributions, or you leave the WSRC Team before you are vested, you forfeit your non-vested Company contributions. Under certain circumstances, you may buy back some or all of these contributions at a later date (if you are a plan participant).

Contact the SIP Service Center at 1-800-360-2SIP (2747) and speak with a Service Representative for more detailed information on buying back your Company contributions.

IF YOU WORK PAST AGE 70½

The IRS no longer requires you to begin taking an annual distribution from your account by April 1 of the year following the year you reach age 70½ if you are still working for the WSRC Team or an Affiliated Entity.

HOW OTHER BENEFITS ARE AFFECTED BY SIP PARTICIPATION

Your contributions do not affect your other Company benefits or Social Security.

Some of the other Company plans, such as the WSRC/BSRI Pension Plan and Life Insurance plans, base benefits on annual pay. Those plans will continue to provide benefits based on your pay prior to the deduction of before-tax contributions. That way, the before-tax contribution feature has no effect on these other benefits. You will continue to pay Social Security taxes on your gross pay (including before-tax contributions). As a result, you will receive the same Social Security benefit as you would have received had before-tax contributions not been deducted.

ADMINISTRATION AND CLAIMS

To request a withdrawal, loan, fund reallocation or transfer, contribution amount change or information about your SIP account, you may access the SIP Web site or call the SIP Service Center at1-800-360-2SIP (2747). Both systems will guide you through all the details, including tax consequences.

Following your entries, you will have the opportunity to review and either accept or cancel your transaction.

The SIP is a daily valued plan. Consequently, withdrawals, loans, and distributions are valued as of the close of the business day in which the request is made. Checks are mailed within 7–10 business days. Direct Deposit is available within 3-4 business days. The amount of the withdrawal, loan or distribution does not receive any more earnings after the valuation date.

If a Claim is Denied

If benefits are denied under this Plan, you or your beneficiary will receive a written notice within 90 days.

You have a right to appeal any denied claim. To appeal, you must send a written notice to the Plan Administrator. For more information, please refer to the Benefits Overview and General Information book.

GLOSSARY OF HELPFUL TERMS

Affiliated Entities
In relation to each of the five companies — WSRC, BSRI, BNG America, BWXT, CH2SRC and their respective parent corporation and its affiliated corporations -- owned 50% or more by their respective parent corporations.

After-Tax Contributions
Contributions deducted from your pay which have already been taxed.

Before-Tax Contributions
Contributions that are deducted from your pay before federal income and most state income and local income taxes are deducted. Before-tax contributions reduce the amount of your pay subject to current federal income taxes and most state income and local income taxes. As long as these contributions and their investment earnings stay in the Plan, they will not be taxed. When these contributions and their earnings are withdrawn and not rolled over from the Plan, they will be subject to income taxes.

Beneficiary
The person or persons you choose to receive your account balance in the event of your death.

Company
The WSRC Team.

Eligibility Service
Service which determines when you are eligible for a benefit and includes recognized service with the WSRC Team and Affiliated Entities.

Loan Term
The time required to pay back a loan.

NYSE
New York Stock Exchange

Pay
Basic cash remuneration paid to an Employee for services rendered to an Employer including certain holiday, Sunday, shift premiums and differentials and certain overtime and work schedule premiums.

- For non-exempt employees, base pay plus estimated shift differential (determined on the basis of pay rate, assigned shift schedule and projected working schedule) plus reactor certification pay.
- For exempt employees, base pay plus a supplement based on average holiday pay and on the normal projected working schedule, plus estimated shift and Sunday premiums, plus reactor certification pay.
- Pay shall be calculated at the beginning of each pay period.

Pro Rata
Latin for "proportionally" or a "proportion of."

SIP
WSRC/BSRI Savings and Investment Plan.

SIP Service Center Phone Number/Address
1-800-360-2SIP (2747)
SIP Service Center Address:
WSRC/BSRI SIP Service Center
2300 Discovery Drive
Orlando, FL 32826-3712

SIP Web Site Address
http://resources.hewitt.com/wsrc/

Total Distribution
A distribution of the entire account balance plus earnings.

Vesting
An employee becomes entitled to the Company match contributions when he/she has completed three years of Eligibility Service with the WSRC Team.

WSRC Team
Washington Savannah River Company LLC (WSRC)
Bechtel Savannah River, Inc. (BSRI)
BNG America Savannah River Corporation, (BNG America)
BWXT Savannah River Company (BWXT)
CH2SRC

ERISA INFORMATION

As a participant in WSRC's, BSRI's, BNG America's, BWXT's or CH2SRC's benefits program, you are entitled to certain rights and protection under the Employee Retirement Income Security Act of 1974 (ERISA). The official Plan Document and trust agreement govern the operation of the WSRC/BSRI Savings and Investment Plan and payment of all benefits. For more information on this plan or your ERISA rights, refer to the Benefits Overview and General Information book.

Eligibility for benefits should not be viewed as a guarantee of employment. Also, while WSRC Team intends to continue providing a comprehensive benefits program, WSRC Team reserves the right to modify or terminate any of the benefit plans at anytime. For more information on the procedures to modify or terminate benefit plans, refer to the Benefits Overview and General Information book.

06H01580-kp