LANS 401(k) Savings Plan

Summary Plan Description

June 1, 2006

This Summary Plan Description (SPD) is intended to provide a summary of the principal features of the LANS 401(k) Savings Plan ("Plan") and is not meant to interpret, extend or change the Plan in any way.

This SPD will continue to be updated. Please check back on a regular basis for the most recent version.

Nothing in the Plan and/or this SPD shall be construed as giving any member the right to be retained in service with LANS or any affiliated company, or as a guarantee of any rights or benefits under the Plan. LANS, in its sole discretion, reserves the right to amend or terminate at any time the Plan and SPD.

The Plan is governed by a Federal law (known as ERISA), which provides rights and protections to Plan participants and beneficiaries. Copies of the Plan document are on file with the Plan Administrator. You may obtain and/or read the Plan document at any reasonable time. You may also submit a written request to the Plan Administrator requesting a copy of the Plan document. The Plan document may provide additional details regarding the benefits and operation of the Plan. If there is a conflict between the terms of the SPD and the terms of the Plan document, the Plan document will govern.

For questions or to receive a paper copy of this SPD please contact the Los Alamos National Laboratory (LANL) Benefits Office at (877) 667-1806 or (505) 667-1806 or e-mail benefits@lanl.gov. SPDs are also available electronically at LANL Benefits Website for Employees http://int.lanl.gov/worklife/benefits/ or LANL Benefits Website for Retirees: http://www.lanl.gov/worklife/benefits/retirees/.

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This Summary Plan Description

This Summary Plan Description (SPD) summarizes the LANS 401(k) Savings Plan ("401(k) Savings Plan" or "Plan"). It has been written, to the extent possible, in non-technical language. If there is any conflict between this summary and the official Plan document, the terms of the Plan document will govern.

The LANS 401(k) Savings Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and the Internal Revenue Code of 1986, as amended ("the Code").

Participation in the Plan and/or receipt of this SPD is not a guarantee of employment or of any benefits under the LANS 401(k) Savings Plan.

The provisions described in this SPD are effective June 1, 2006.

Plan Highlights

Key Features of the Savings Plan

- To participate in the Plan:
  - You must be classified as a common law employee in the LANS payroll system. For example, if you are classified as an independent contractor, independent consultant, non-employee consultant or leased employee of LANS, you are *not* eligible to participate in the Plan.
  - Unless you have entered into a Special Employment Agreement with LANS pursuant to which you are working as a Laboratory Associate or Retired Fellow, you must be scheduled to work more than 832 hours in each 12-month period or you must earn 1,000 or more Hours of Service in a Plan Year or during your first 12 months of service for LANS.
  - Prior to joining LANS, you must have properly elected Total Compensation Package 1 (TCP1).
  - You must *not* have accepted employment with LANS under the terms of Total Compensation Package 2 (TCP2).
- You may contribute to the Plan on a before-tax or after-tax basis.
- You control how your savings are invested.

How the Plan Works

You may authorize before-tax or after-tax contributions to the 401(k) Savings Plan. You also may request that the 401(k) Savings Plan accept certain rollover contributions on your behalf.

You control how your savings are invested by directing your contributions into funds in the Plan's investment lineup. Keep in mind that participating in the 401(k) Savings Plan involves investment risk. If the value of your investments increases or decreases, so does the value of your 401(k) Savings Plan accounts.

This summary is not intended to provide personal tax advice. Because everyone's financial situation is different, you should consult a qualified tax or financial advisor before making decisions about your 401(k) Savings Plan benefits. Tax laws are complicated and often change, and it's important that you assess your situation in light of current laws.

Eligibility and Participation

Eligibility

To participate in the Plan:

- You must be classified as a common law employee in the LANS payroll system. For example, if you are classified as an independent contractor, independent consultant, non-employee consultant or leased employee of LANS, you are *not* eligible to participate in the Plan.
- Unless you have entered into a Special Employment Agreement with LANS pursuant to which you are working as a Laboratory Associate or Retired Fellow, you must be scheduled to work more than 832 hours in each 12-month period or you must earn 1,000 or more Hours of Service in a Plan Year or during your first 12 months of service for LANS.
- Prior to joining LANS, you must have properly elected Total Compensation Package 1 (TCP1).
- You must *not* have accepted employment with LANS under the terms of Total Compensation Package 2 (TCP2).

Enrolling in the Plan

If you want to take advantage of the opportunity to make employee contributions, you must contact Fidelity. You should contact Fidelity to name a beneficiary and to select your investments. For contact information, see "For More Information" at the end of this SPD. For beneficiary information see "If You Die" and for investment information see "Managing Your Investments."

When Participation Ends

If you are an eligible Plan participant, your participation in the 401(k) Savings Plan will continue until you die or until all your Plan benefits have been distributed, whichever occurs first.

Contributions

This section describes the allowable contributions to your account. All contributions to the 401(k) Savings Plan are 100% vested at all times.

Contributions to your account may include your:

- Before-tax contributions,
- After-tax contributions,
- Catch-up contributions, and
- Rollover contributions.

All contributions except for your rollover contributions are calculated based on your eligible compensation (see below for definition).

Definition of Eligible Compensation

For purposes of the 401(k) Savings Plan, "eligible compensation" means—for each pay period—only your base pay, overtime pay and shift differential. Other compensation, including incentive pay is not included in "eligible compensation." Eligible compensation only includes pay that you receive for work performed under Contract Number DE-AC52-06NA25396 between LANS and the Department of Energy related to the operation of the Los Alamos National Laboratory. Eligible compensation is determined before taxes, and before your contributions to the 401(k) Savings Plan and/or any other before-tax contributions to obtain welfare benefits are taken out.

Each year, federal law sets a limit on the amount of your eligible compensation that can be taken into account under the 401(k) Savings Plan. (See "Contribution Limits" for more information.)

Your Contributions

Your before-tax and after-tax contributions are deducted from your paycheck each pay period and change automatically when your eligible compensation changes. All contributions are subject to legal limits. (See "Contribution Limits" for details.)

Before-Tax Contributions

Once you're eligible to participate in the 401(k) Savings Plan, you may choose to contribute up to 75% of your eligible compensation on a before-tax basis in 1% increments, subject to legal limits (see "Contribution Limits") and less any amounts contributed as after-tax contributions.

Before-tax contributions are deducted from your eligible compensation before federal income taxes, and (in most cases) state and local income taxes are determined. By choosing the before-tax savings option, you pay no income taxes on your contributions or their investment gains while they remain in the 401(k) Savings Plan. However, your before-tax contributions are included in your gross earnings for purposes of calculating your Social Security and Medicare taxes and benefits.

Before-tax contributions and the associated investment gains or losses will be subject to income taxes when distributed from the Plan.

Before-Tax Contribution Limits

You can save on a before-tax basis up to the annual maximum dollar limit provided in federal law, unless you are a "highly compensated" employee, in which case a lower limit may apply due to nondiscrimination testing (See "Special Limitation for Certain Highly Compensated Employees" on page 10). The annual maximum dollar limit is $15,000 for 2006. Thereafter, increases in the contribution limit may be linked to cost-of-living increases pursuant to federal law. (See "Contribution Limits" on page 9) for more information about other limits that may apply to you.)

Catch-Up Contributions

If you'll turn age 50 by the end of any calendar year, you may elect to make additional before-tax contributions—known as "catch-up contributions"—in that year and following years. "Catch-up contributions" allow you to increase your savings in order to help your retirement savings catch up with your retirement needs. In order for before-tax contributions you make to be designated as catch-up contributions, your before-tax contributions must exceed the maximum before-tax contribution allowed by the 401(k) Savings Plan and applicable law—in 2006, that is generally the lesser of 75% of your eligible compensation or $15,000. (See "Contribution Limits" for details.)

Catch-up contributions are deducted from your paycheck on a before-tax basis, the same as your regular before-tax contributions. Catch-up contributions are **in addition to** your regular 401(k) Savings Plan before-tax contributions, and are deposited into the same before-tax contribution account.

Once you have contributed the maximum regular before-tax contribution allowed, catch-up contributions will automatically be deducted from your paycheck until you change your before-tax contribution election or you reach the annual catch-up contribution limit.

Annual Catch-Up Limits

Your catch-up contributions will be made through payroll deductions and can't exceed $5,000 for calendar year 2006. After 2006, the annual limit may be indexed for cost-of-living increases pursuant to federal law.

If you're eligible to make catch-up contributions and are making before-tax contributions under more than one plan, your total before-tax contributions to all plans in a calendar year can't exceed the annual deferral limit for that year ($15,000 for 2006) plus the annual catch-up for that year ($5,000 for 2006). Thus, for 2006, your total before-tax contributions cannot exceed $20,000 ($15,000 annual deferral limit plus $5,000 catch-up limit).

These limits are set by federal law. (See "Contribution Limits" for more information about other limits that may apply to you.)

After-Tax Contributions

After-tax contributions are deducted from your salary after applicable taxes are withheld. You may elect to contribute up to 75% of your compensation in 1% increments on an after-tax basis, less any contributions you elected to make on a before tax basis.

The investment gains or losses on your after-tax contributions are subject to the same tax treatment as your before-tax contributions and investment gains or losses on those contributions. For example, investment gains are tax-exempt while they remain in the Plan, and taxed when distributed to you.

After-Tax Contribution Limits

You can save on an after-tax basis up to the annual maximum dollar limit provided in federal law, unless you are a "highly compensated" employee, in which case a lower limit may apply due to nondiscrimination testing. (See "Special Limitation for Certain Highly Compensated Employees" on page 10) (See "Contribution Limits" on page 9 for more information about other limits that may apply to you.)

Rollover Contributions

You may choose to roll over money into the 401(k) Savings Plan from another eligible retirement plan. (See "Eligibility" for information on eligibility rules.) Rollover contributions are deposited into your rollover account, and you may invest them on a tax-favored basis just as you do other contributions.

To make a rollover contribution, you must be entitled to receive a distribution from an eligible retirement plan, such as a traditional IRA (not a Roth IRA) or another employer's plan.

The other employer's plan may be a:

- Tax-qualified section 401(a) plan, including a section 401(k) plan,
- Section 403(a) annuity plan,
- Section 403(b) tax-sheltered annuity plan, or a
- Section 457(b) plan maintained by a state or local government.

The amount must be payable to you as an employee, alternate payee or surviving spouse, not a non-spouse beneficiary.

If your rollover contribution is approved, your rollover contribution may be transferred directly from the trustee of the other plan or IRA to the 401(k) Savings Plan trustee. Alternatively, if the other plan or IRA makes a distribution payable to you, you may roll over the amount within 60 days of receiving that distribution.

If you make a rollover contribution to the 401(k) Savings Plan, it will be deposited in your rollover account and tracked separately from your other contributions. You'll also need to decide how you want your rollover contributions invested. (For more information, see “Managing Your Investments.”) Your rollover account will be distributed to you or your beneficiary according to the terms of the 401(k) Savings Plan. (See “Receiving a Final Distribution” for details.) Once deposited into the 401(k) Savings Plan, rollover contributions are eligible for withdrawal or loans while you’re actively employed by LANS.

If you’re considering making a rollover contribution, be sure that you understand how the 401(k) Savings Plan works. For example, loan, withdrawal and distribution provisions may be different from those of your previous employer’s tax-favored retirement plan. If you would like to make a rollover contribution, you should call Fidelity or log on to the Fidelity Web site. For contact information, see “For More Information” at the end of this document.

Changing Your Contributions

You may increase, decrease, stop or resume your before-tax contributions or after-tax contributions at any time by calling Fidelity or logging on to the Fidelity Web site (See “Contribution Limits” for maximum contribution amounts permitted under the 401(k) Savings Plan; for contact information, see “For More Information” at the end of this document.)

Your request will be processed as soon as administratively practicable. Generally, the change will take effect the first payroll period following the date Fidelity processes your request. A confirmation statement will be sent to you within seven business days after the date of your request. If you do not receive your confirmation, please contact the Plan Administrator (for contact information, see “For More Information” at the end of this document).

When Your Contributions Must End

You won't be able to continue contributing to the Plan while you are on an unpaid leave of absence of if your employment with LANS ends.

If You Take a Military Leave of Absence

If you take a military leave of absence that qualifies as a leave under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and you return to covered employment, you will be eligible to make up contributions to the 401(k) Savings Plan as if you had actually received your regular eligible compensation from LANS during your leave.

For more information about establishing service credit for a military leave and applicable time limits, contact the Plan Administrator. For contact information, see “For More Information” at the end of this document.

Contribution Limits

The IRS imposes several annual limits on contributions to tax-qualified plans, including the following that apply to the LANS 401(k) Savings Plan:

Feature	LANS 401(k) Savings Plan
Section 401(a)(17) Compensation Limit	In 2006, limit is $220,000, subject to future indexing.
Section 402(g) Limit Applies to all employee before-tax contributions in all 401(k) and 403(b) plans in which the employee participates.	In 2006, limit is $15,000 (higher limits in future years).
Section 415 Total Contribution Limits Applies to all employee contributions, including after-tax contributions.	In 2006, limit is the lesser of $44,000 or 100% of compensation, subject to future indexing.
Age 50 Catch-Up Amounts	In 2006, an additional $5,000 (higher amounts may apply in future years) elective salary deferral permitted.

Compensation Limit

In 2006, the maximum amount of compensation on which your contributions can be based is $220,000. This amount may increase in the future based on cost-of-living adjustments.

Limits on Before-Tax Contributions

Maximum Before-Tax Contributions for all Participants

In 2006, this limit is $15,000.

If you determine that your before-tax contributions to the LANS 401(k) Savings Plan and other plans will exceed the annual IRS limit, you should inform LANS in writing no later than March 1 of the following year. Upon receipt of written notice on or before March 1, the excess contributions (adjusted for investment gains and losses) will be distributed to you. If LANS does not receive written notification by March 1, the excess contributions will be held by the 401(k) Savings Plan until you are eligible for a withdrawal or distribution. You will owe tax on this amount in the year in which the excess contribution was made, and you will be taxed again on this same amount at the time it is distributed from the 401(k) Savings Plan.

If you made before-tax contributions to any other plans (such as your former employer's plan) in the same calendar year, you should adjust your before-tax contributions to the LANS 401(k) Savings Plan so you do not exceed the annual IRS 402(g) limit. Note that you may elect to increase your before-tax contribution to the 401(k) Savings Plan effective the start of the following calendar year, in order to make the maximum annual before-tax contribution that year.

Special Limitation for Certain "Highly Compensated" Employees

In addition, the IRS requires that before-tax and after-tax contributions to the 401(k) Savings Plan meet certain non-discrimination tests. This limitation does not apply to catch up contributions. Failure to meet such tests may result in the contributions of higher-paid participants being further limited, reduced or forfeited. In 2007, for example, an individual who received $100,000 in compensation in 2006 and is among the top paid twenty percent highest paid LANS employees would be considered highly compensated.

Limits on After-Tax Contributions for Certain "Highly Compensated" Employees

In addition, the IRS requires that after-tax contributions to the 401(k) Savings Plan meet certain non-discrimination tests. Failure to meet such tests may result in the contributions of higher-paid participants being further limited, reduced or forfeited. An employee is considered "highly-compensated" for a plan year if his or her compensation from LANS in the prior plan year exceeded the IRS limit and he or she was in the top-paid twenty percent of LANS employees.

Total Contribution Limit

There is also an IRS limit on total combined employer and employee contributions that can be made to the 401(k) Savings Plan. This includes before-tax contributions and after-tax contributions; however it does not include rollover contributions, loan repayments or catch-up contributions.

Total contributions on your behalf must not exceed the lesser of:

- A stated dollar amount ($44,000 in 2006), or
- 100% of your compensation.

For purposes of this limit, compensation is generally defined as all amounts received for personal services rendered to LANS that are includable in gross income, plus before-tax 401(k) contributions and certain other before tax contributions to obtain welfare benefits. The dollar limit may be increased in future years if the IRS announces cost-of-living adjustments.

Age 50 Catch-Up Limits

Your catch-up contributions will be made through payroll deductions and cannot exceed $5,000 for calendar year 2006. After 2006, the annual limit may be indexed for cost-of-living increases pursuant to federal law.

Vesting

Vesting refers to your ownership of 401(k) Savings Plan contributions. You are automatically 100% vested in all contributions (adjusted for investment gains and losses) to the 401(k) Savings Plan.

Managing Your Investments

As a participant in the 401(k) Savings Plan, you can determine not only how much to save, but also how that money is invested. All contributions made to your account will be credited with investment gains and losses based on the performance of the investment funds you select.

With the 401(k) Savings Plan, you have the advantage of tax-deferred investment growth on your before-tax contributions (including rollovers) and your after-tax contributions. You'll pay no taxes on the value of any investment gains posted to your accounts as long as this money remains in your accounts.

Investment Responsibility

Important!
You're responsible for the results of your own investment decisions. The 401(k) Savings Plan is intended to meet the requirements of Section 404(c) of the Employee Retirement Income Security Act of 1974 (ERISA) and Title 29 of the Code of Federal Regulation Section 2550.404c-1. This means that the 401(k) Savings Plan's ERISA fiduciaries may be relieved of liability for any losses that are the direct and necessary result of investment instructions given by plan participants or beneficiaries.

Your Investment Choices

For a description of the currently available funds you may log on to the Fidelity Web site. For contact information, see "For More Information" at the end of this document. In the future, new investments funds may be added and funds currently available may be changed or withdrawn. (For a description of your investment options, see "A Look at Your Fund Choices.")

Prospectuses for each available fund are available on the Fidelity Web site. If you wish, you may also log on to the Web site or call Fidelity and request a paper copy, which will be mailed to you. Before making any investment decision, be sure to read the prospectus or offering statement for each fund. You may also speak directly with a representative of the fund company. The phone number and service hours can be found in the prospectus or offering statement.

When you enroll in the Plan, you must specify how you wish to invest your contributions. How you split your investments is your choice, as long as the investment elections total 100%. You can invest your contributions in one or more available funds, in 1% increments—for example, if you want to invest in two funds, you could invest 66% of your contributions in one fund and 34% in the other.

If you don't make any investment elections, or if your elections don't equal 100%, undirected contributions will be automatically deposited into the Targeted Maturity Fund. You cannot invest your accounts in funds that are not offered as part of the 401(k) Savings Plan.

Important!
LANS does not recommend any particular investment or investment strategy. No one at LANS is authorized to provide you with investment advice. Successful investment results aren't guaranteed by LANS, the U.S. government or anyone else. This means that your accounts may experience a drop in value, which could result in the loss of some or all of your principal investment.

A Look at Your Fund Choices

The Plan offers the following investment option categories:

- Stable Value
- Core Fixed Income (passive)
- Inflation-Protected Fixed Income
- Targeted Maturity Funds
- Large Capitalization Value Equity
- Large Capitalization Core Equity (passive)
- Large Capitalization Core Equity
- Large Capitalization Growth Equity
- International Large Cap Value Equity
- International Large Cap Growth Equity
- Mid Capitalization Value Equity
- Mid Capitalization Growth Equity
- Small Capitalization Value Equity
- Small Capitalization Growth Equity

Changing Your Investment Elections

You may change your investment elections at any time. You can make two types of investment changes:

- **Future contributions.** You can change the way your future contributions are invested, while maintaining your 401(k) account balances in the current investment mix.
- **Existing account balance(s).** You can change the investment mix for your existing account balances in either of two ways:

- You may transfer some or all of your existing account balances from a specific investment fund into one or more specific replacement funds (this is called a "fund-to-fund transfer"); or
- You may rebalance your entire existing account balances by specifying the percentage you want in each fund (this is called a "reallocation").

You may change your investment elections at any time by calling Fidelity or logging on to the Fidelity Web site. Please note that changes may be subject to restrictions by the Plan Administrator or the investment fund provider with respect to the frequency and/or timing of trades. See the prospectus for the particular investment fund for more information. For contact information, see "For More Information" at the end of this document.

Balancing Risk and Reward

As you consider your 401(k) investment options, it's important that you carefully evaluate the combination of potential risk and reward that each option represents. There's no guarantee that any of the investment options offered by the 401(k) Savings Plan will achieve their stated objectives.

When thinking about investment risk, you should think about the risk of losing money — that is that the value of an investment will go up or down from time to time ("market risk") — and the risk of not accumulating enough money to meet your retirement savings goals or to even keep up with inflation ("inflation risk"). The stock market is a good example of an investment with market risk. The Stable Value fund is a good example of an investment with inflation risk.

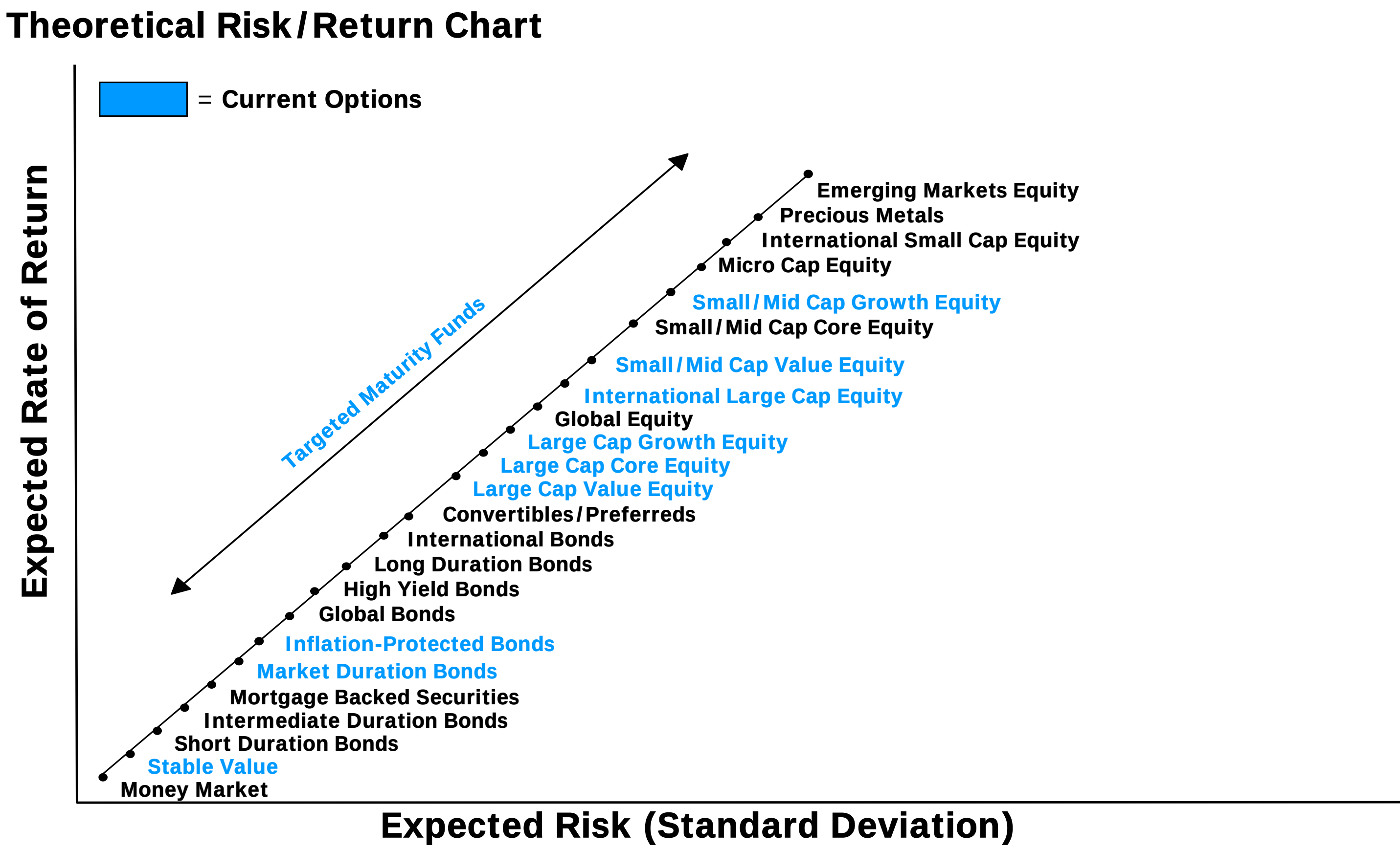
No one investment or mix of investments is appropriate for everyone. As an investor, you'll need to strike a balance between market risk and inflation risk that fits with your retirement goals. Your preferred investment choices will depend on many personal factors, including:

- Your tolerance for risk,
- The number of years until you retire,
- Your life expectancy,
- Whether you need to provide for a spouse or other dependents while you're alive and after you die, and
- Other assets owned by you and your spouse (if applicable) and how they're invested.

Consider how long you have until you need your 401(k) distribution — for example, the time you have to weather the ups and downs of the stock market can limit your market risk.

You may wish to consult a personal investment or financial adviser to help you review the fund prospectuses and make your investment decisions. In addition, there are independent services that provide ratings and other asset and return information about stocks and mutual funds which may be helpful to you in making your 401(k) investment decisions. Some periodicals also rate mutual funds. (But you should never make an investment decision solely in reliance on these ratings.) Keep in mind that past investment return is no guarantee of future performance.

This chart shows the theoretical risk of the various 401(k) fund offerings v. the theoretical rate of return. Funds in blue type are those offered by the Plan.



Diversification

"Diversifying" your investments means spreading your assets among several different types of investments. When you diversify your investments, you may reduce the risk of suffering a major loss in your overall accounts in the event that any one investment performs poorly.

There are two ways to diversify your investments:

- **Diversify across asset classes.** You can diversify by choosing a mix of investments from all three investment types — stocks, bonds and conservative fixed-income investments.
- **Diversify within each asset class.** The more diversified your investment portfolio, the less likely you'll be hurt by the poor performance of a single stock or bond. As a result, you may choose a mix within each type of investment, including a selection of both U.S. and foreign stocks.

Valuing Your Accounts

The value of your accounts depends on the number of units you hold and the current value of each unit. The unit value is determined each business day based on changes in prices in the underlying investments. On a typical business day, your accounts are valued as of 4:00 p.m. Eastern time, coinciding with the normal closing time of the New York Stock Exchange on each day the Exchange is open.

Investment Management Expenses

Investment management fees are taken directly from the investment funds before they credit dividends or investment gains or losses to the 401(k) Savings Plan.

Keeping Track of Your Accounts

When you enroll in the 401(k) Savings Plan, you'll have a number of tools to help you keep track of your investments.

Account Statements

You'll receive a personalized statement of your account balances at least once each calendar quarter. If you do not receive your quarterly account statement, please contact Fidelity. This statement will show the value of your accounts as of the last day of the previous quarter, together with the activity in your account during the previous quarter, including new contributions, loans, amounts withdrawn, and investment gains and losses.

It's important to review your quarterly account statements carefully. If there are any discrepancies between your records and the 401(k) Savings Plan's records, contact Fidelity (for contact information, see "For More Information" at the end of this document.

Automated Account Management Tools

You can also access the Fidelity Web site at any time to:

- Review and print a current summary of your account activity;
- Get fund information; and
- Perform investment transactions.

You also may request that an up-to-date account statement be mailed to you by calling Fidelity or logging on to the Fidelity Web site (for contact information, see "For More Information" at the end of this document.

Other Resources

When you're a 401(k) Savings Plan participant, you'll receive the following types of information about the investment funds, to the extent materials are available:

- An updated prospectus of any of the funds you may invest in through the 401(k) Savings Plan;

- Financial statements, reports or similar materials relating to the investment funds;
- A description of the annual operating expenses of each investment option, stated as a percentage of net assets;
- The value of the portion of your accounts invested in a particular fund;
- The current and past investment performance of each investment option, net of expenses.

To ask for these materials or for other information related to the investment funds, call Fidelity or log on to the Fidelity Web site.

Taking a Loan

If you need to access your money while you're still actively employed by LANS, you may be able to take the following loans from your Plan account balance:

- A home loan, or
- A general purpose loan.

An eligible home loan is one that is to be used to acquire your principal residence. A general purpose loan is any loan that is not a home loan.

Here's how the loan feature works:

- You may generally borrow between $1,000 and $50,000 from your Plan accounts (provided that the total balance of ALL loans must not exceed $50,000 or 50% of your account balance).
- Loans will be taken from all of your eligible Plan accounts, on a pro-rata basis.
- You repay the loan, plus interest, through after-tax payroll deductions in equal amounts.
- Repayments (principal and interest) are invested in your Plan accounts according to the current investment elections in effect for future contributions.
- You may have no more than one home loan AND one general purpose loan outstanding at any time.
- You may receive only one home loan OR one general purpose loan every 12 months.
- The repayment term depends on the type of loan, but will not exceed five years for a general purpose loan or 15 years for a home loan.

How to Apply for a Loan

To request a loan, contact Fidelity or log on to the Fidelity Web site to learn the amount available, the current interest rate, the repayment amounts and the required documentation (for contact information, see "For More Information" at the end of this document).

Once the loan is approved, a loan fund will be set up for you, and the amount used to fund the loan will be transferred from your account to the loan fund. Your loan check is typically sent to you within 7 to 10 business days after receipt of completed documentation, but the timing may vary, depending on the circumstances.

You'll receive the Promissory Note and Security Agreement and Truth in Lending Disclosure when you receive your loan check. Once you sign the Promissory Note and Security Agreement for your loan and/or your loan check, you're legally bound by the terms of the Promissory Note. You're also certifying that you've received the Truth in Lending Disclosure.

How Much You Can Borrow

Your loan is secured by your vested account balances. The minimum loan you may take is $1,000. The maximum loan you can borrow is $50,000 (up to a maximum of 50% of your account balance), reduced by the excess, if any, of:

- The highest outstanding loan balance you have from the 401(k) Savings Plan and any other plans maintained by LANS during the one-year period that ends on the day before the date of the current loan, minus
- The current outstanding loan balance(s) from the 401(k) Savings Plan and any other plan maintained by LANS on the date of the current loan.

Because of the limits on how much you can borrow from your 401(k) Savings Plan account, you may take part of the money you need through a loan and part through a hardship withdrawal. (See "Making a Withdrawal" for information.)

Loan Fees

If you take a loan from your 401(k) account:

- There is a loan set-up fee of $35.00 withdrawn from your account for each new loan you request.
- There's also a $3.75 administrative fee that is withdrawn from your account for each quarter your loan is outstanding.
- You must also pay interest on your loan. The interest rate is the prime rate plus 1% as published in the Wall Street Journal. The interest rate in effect on the date of the loan will not be adjusted during the repayment period, unless it is required by law.

Tax Consequences

You don't pay income tax on any loans you take. Loan repayments — principal plus interest — are always made on an after-tax (non-deductible) basis. If you default on your loan, the unpaid balance will be subject to income tax, and an early withdrawal penalty tax may apply. (See "If

You Default" for more information.) You may wish to consult a tax advisor before borrowing from your before-tax contribution account.

How to Repay a Loan

When you repay the loan, you repay your account the principal plus interest.

Loan repayments will be deducted from your paycheck each pay period, and deposited into your loan account. Payments are then invested in the same manner as your 401(k) Savings Plan contributions.

Repayment Period

The minimum repayment period for a general purpose loan is one year and the maximum repayment period is five years. The maximum repayment period for a home loan is fifteen years.

Prepayment

You may pre-pay your outstanding loan in full or in part at any time without penalty. To obtain a loan payoff amount and instructions for submitting a loan payoff, call Fidelity (for contact information, see "For More Information" at the end of this document).

If You Default

If, during any month, you fail to make a loan payment according to the terms of the loan, you will have 90 days to pay the outstanding amount. If you do not make this payment within 90 days, your loan will be considered in default.

If your loan is in default:

- The unpaid principal balance of your loan will immediately become due and payable.
- Any unpaid principal and any accrued but unpaid interest will be considered to be paid to you and will be offset against any future benefits from the account.
- If your accounts are not distributable, you will be ineligible to take another loan as long as the loan is in default.

Tax Implications of Defaulting on a Loan

If you default on a loan, you'll be taxed on the outstanding amount — the unpaid principal plus any accrued unpaid interest — in the year of default. In addition, if you're under age 59½, you may be subject to a 10% penalty tax for early withdrawal.

- **If you've left LANS at the time of default,** your account balance will be offset by the amount of the outstanding loan balance. This amount will be reported to the IRS, and you'll receive a Form 1099 following the end of the year in which your loan defaulted.
- **If you haven't left LANS at the time of default**, you'll be taxed on the outstanding amount as just described, but your before-tax contribution account balance won't be offset by the amount of the outstanding loan balance until you're entitled to a 401(k) Savings Plan distribution. However, interest will continue to accrue until you either repay the loan or have

your account balance offset by the loan. This will affect your ability to borrow from the 401(k) Savings Plan in the future, since the defaulted loan is taken into account in determining your eligibility for a new loan.

If Your Employment Ends

If your employment ends and you have one or more outstanding loans, you may either:

- Pay your loan in full, or
- Continue to make repayments under the procedures established by the Plan Administrator.

If you do not pay your loan in full or make the agreed-upon payment arrangement, your loan will be placed in default. (For details, see "If You Default.")

If You Take a Leave of Absence

If loan repayments can't be made in full through payroll deduction because you're on a leave of absence, you may make your loan payments through electronic fund transfer or any other means approved by the Plan Administrator.

Your loan will be placed in default if you don't make the loan repayments when due. (See "If You Default" for more information.)

Special rules apply while you're on an active military leave under the Uniformed Services Employment and Reemployment Rights Act (USERRA) or any other unpaid leave. (For example, if you are on a leave that qualifies under USERRA, you may elect to suspend or continue your loan payments during your leave and the interest charged during certain military leaves may not exceed 6% per annum). For more information, contact Fidelity (for contact information, see "For More Information" at the end of this document).

Making a Withdrawal

Although the 401(k) Savings Plan is designed to help you save for retirement, you may be eligible to take a withdrawal from the Plan while you are still an active employee. Any withdrawal amount you receive is subject to federal withholding taxes, except for a withdrawal of your after-tax contributions. Before withdrawing money from the 401(k) Savings Plan, be sure to review the tax consequences, as explained in a special notice that you will receive with your distribution packet.

You can obtain a copy of the special tax notice and/or apply for any of the distributions described below by calling Fidelity (for contact information, see "For More Information" at the end of this document).

The following types of withdrawals are available under the 401(k) Savings Plan:

- Hardship withdrawals,
- Age 59½ withdrawals,

- Withdrawals of after-tax contributions, and
- Rollover withdrawals.

Hardship Withdrawals

If you have certain financial hardships, you may be eligible to withdraw all or part of your before-tax contributions. You may not, however, withdraw earnings generated by these contributions. The purpose of the withdrawal must be to satisfy an immediate and heavy financial need, and you may not withdraw more than the amount required to satisfy the financial need. This amount may include an amount required to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution.

To be eligible for a distribution, you must show that your need cannot be relieved through any other resources, including:

- Reimbursement of payment from insurance or other sources,
- Reasonable liquidation of assets,
- Canceling elective deferrals,
- Canceling after-tax contributions,
- Taking any available loans, including commercial loans and loans available to you from this 401(k) Savings Plan or any other retirement plan, or
- Withdrawal of any available funds from this 401(k) Savings Plan or any other retirement plan.

Hardship withdrawals are available for the following situations:

- Costs (excluding mortgage payments) directly related to the purchase of your principal residence,
- To pay for post-secondary education expenses (tuition, related educational fees, room and board) for the next 12 months for you, your spouse (within the meaning of Federal law), your children, or certain of your dependents as defined in federal law,
- To prevent the employee’s eviction from or foreclosure on your principal residence,
- To pay medical expenses for you, your spouse (within the meaning of federal law), your children, or certain of your dependents as defined in federal law,
- To pay for burial or funeral expenses for your parent, your spouse (within the meaning of Federal law), your children, or certain of your dependents as defined in federal law,
- To pay for damages to your principal residence (limits apply), and
- For any other events provided for in IRS guidance.

Age 59½ Withdrawals

Once you reach age 59½, you may withdraw all or a portion of your account balance for any reason. You should contact Fidelity in order to determine precisely which of your accounts will be affected by your withdrawal.

Withdrawals of After-Tax Contributions

If you made after-tax contributions to the 401(k) Savings Plan, you may withdraw all or a portion of these amounts, adjusted for investment gains and losses at any time.

Rollover Withdrawals

If you made one or more rollover contributions to the 401(k) Savings Plan from an eligible retirement plan or IRA, you may withdraw all or a portion of these amounts, adjusted for investment gains and losses at any time.

How to Request a Withdrawal

If you wish to make a withdrawal, call Fidelity to find out the amount available and what documentation you'll need to show to qualify. The appropriate Withdrawal Application and instructions will be mailed to you. You should carefully review the Tax Information Notice so that you are aware of the federal income tax consequences of taking a withdrawal from the Plan.

The application form and all required documentation must be submitted to Fidelity. Assuming you submit all required documentation, you'll receive a check within 5 to 7 business days. The timing may vary depending on extraordinary circumstances.

For Fidelity's contact information, see "For More Information" at the end of this document.

Receiving a Final Distribution

Eligibility to Receive Benefits

When you reach age 59½, retire or otherwise have a "severance from employment" with LANS as determined by LANS in accordance with federal tax rules, you're eligible to receive the total value of your 401(k) Savings Plan accounts, less any outstanding loan(s) that haven't been repaid. (See "How to Repay a Loan" for details.)

How to Request a Distribution

You may apply for a distribution by calling Fidelity; for contact information, see "For More Information" at the end of this document. When you request a distribution, you will receive more information about your distribution options and a special notice about the tax implications of 401(k) Savings Plan payments. If you do not receive this information, please contact the Plan Administrator (for contact information, see "For More Information" at the end of this document).

Before you request a distribution, you should consult with your tax advisor to determine the financial impact of your situation.

Receiving Your Benefit

Your payment options depend on the value of your account balance.

If Your Total Plan Benefit Is Less than $2,000

If the value of your 401(k) Savings Plan benefit is $2,000 or less when you have a severance from employment with LANS, you will receive a single sum payment of your total benefit. You may choose to receive this benefit in cash, roll it over to another employer's eligible 401(k) retirement plan, or roll it over to an IRA.

You must make this choice within 30 days of the date you are notified that your benefit will be cashed out. If you do not make an election, your benefit will be distributed as follows:

- **If the value of your 401(k) Savings Plan benefit is $1,000 or less,** it will be distributed to you in a single sum payment, less the 20% mandatory withholding.
- **If the value of your 401(k) Savings Plan benefit is more than $1,000, but equal to or less than $2,000,** the Plan Administrator will roll this amount into an IRA established in your name. After the amount is rolled over, you are responsible for all fees and expenses on the account.

If Your Total Plan Benefit Is More Than $2,000

If the total amount of your vested account balances is more than $2,000, you have two decisions to make:

- First, when to take your distribution; and
- Second, how you want to receive your distribution.

When to Take Your Distribution

You may leave your money in the 401(k) Savings Plan until your "required beginning date" — generally, April 1 of the calendar year following the year you reach age 70½ or, if later, the year you have a severance from employment with LANS. If you want to receive a distribution before reaching your required beginning date, you may request payment at any time after attaining age 59½ or leaving LANS. If you reach your required beginning date before requesting a distribution, the total amount of all your vested account balances will be paid to you in a single sum payment.

Form of Distribution Payment

Unless your account balance is $2000 or less, you may elect from the following distribution options after you have a severance from employment or anytime on or after you attain age 59 ½:

- Partial distributions;

- Single sum distribution;
- Periodic payments over a specified term, or
- Rollover, full or partial.

Partial or Single Sum Cash Distribution

You may request a cash distribution of all or a part of your account balance. You should contact Fidelity in order to determine precisely which of your accounts will be affected by your distribution request.

Amounts drawn from your after-tax account and after-tax rollover account will include a pro-rata portion of taxable investment gains.

Periodic Payments

You may elect to take periodic withdrawals directly from your account for a specified period or at a fixed dollar amount. Periodic payments may be set up to occur annually, quarterly, semi-annually, or monthly. During the payout period, your remaining account balance will stay invested in the manner you have chosen. You should contact Fidelity in order to determine precisely which of your accounts will be affected by distribution of your periodic payments.

Amounts drawn from your after-tax account and after-tax rollover account will include a pro-rata portion of taxable investment gains.

Here's how it works:

- You elect the total number of payments you wish to receive. For example, if you want monthly payments to last 10 years, you would indicate 120 monthly payments. Each payment amount will most likely vary with this method since your payment amount is determined by dividing the current account balance by the number of payments remaining.
- Once you reach age 70½, minimum distribution requirements apply. (See "Minimum Distribution Requirements" for details.)
- If you are age 70½ or older and have terminated your employment with LANS, the period remaining may not exceed your life expectancy or the joint life expectancy of you and your designated beneficiary.

Important!

The LANS 401(k) Savings Plan does not offer an annuity payment option. If you are interested in a third-party annuity, you would need to select an annuity company, then request a direct rollover from Fidelity to the annuity company. For more information, consult your tax or financial advisor.

Rollover Distribution

You may roll over a portion or all of your full or partial single sum distribution into a traditional Individual Retirement Account (IRA) or another employer's eligible retirement plan provided that plan accepts rollover contributions. You cannot roll over periodic payments scheduled over a period of more than 10 years, or amounts distributed because you reached your required beginning date.

Rolling over your distribution allows you to continue deferring taxes. (Keep in mind, though, that if you roll over only a portion of your distribution, the amount not rolled over is taxed accordingly.) Generally, you have 60 days to roll your distribution over into another tax-favored plan. Be sure to check with the plan receiving the rollover for specific details.

Your spouse (within the meaning of Federal law), former spouse or surviving spouse generally may request a direct rollover if he/she is entitled to receive a distribution, either under the terms of a qualified domestic relations order (QDRO) or because of your death. (See "Assigning Benefits" for details.) Non-spouse beneficiaries aren't eligible to make direct rollovers.

There are two ways you can make a rollover to an IRA or another employer's eligible retirement plan:

- To make a direct rollover, call Fidelity or log on to Fidelity's Web site and provide the information on the other plan into which your balance will be rolled over (for contact information, see "For More Information" at the end of this document).
- For other rollovers, you receive your distribution from the 401(k) Savings Plan and handle the rollover yourself. Bear in mind that you must complete the rollover within 60 days of receiving your distribution or the money from your account is considered a distribution rather than a rollover, and is subject to all applicable taxes, which may include penalty taxes.

You should review the Tax Information Notice for federal income tax consequences of electing or not electing a direct rollover distribution.

When Distributions Begin

Generally, you must request a distribution in order for payments to begin. In the absence of an affirmative election, the plan administrator will consider you to have elected to defer receiving payment of your accounts to your required beginning date (see "Minimum Distribution Requirements")..

Minimum Distribution Requirements

You are required by law to receive a distribution from the 401(k) Savings Plan no later than April 1 of the calendar year following the calendar year that you turn 70½ or have a severance from employment, whichever is later. If you are a five percent owner of LANS, you must receive your distribution no later than April 1 of the calendar year following the calendar year you turn 70½.

Interests Not Transferable

Your 401(k) Savings Plan benefits can't be paid to anyone other than you or your beneficiary (unless required by law). For example, these amounts can't be used as collateral for a commercial loan or payment of debts.

- Except as otherwise required by law, your rights and benefits under the Plan are not subject to attachment, garnishment, or execution, or to transfer by operation of law in the event of bankruptcy or insolvency. The Plan Administrator will comply with tax liens and qualified domestic relations orders..

Qualified Domestic Relations Orders

The 401(k) Savings Plan will pay benefits according to a valid qualified domestic relations order (QDRO) if properly served on the Plan and accepted by the Plan Administrator. A QDRO is a state court order, decree or judgment that directs a plan administrator to pay all or a portion of a participant's 401(k) Savings Plan benefits to a former spouse or a dependent. The terms of the 401(k) Savings Plan control all questions of benefit entitlement and calculation. The Plan Administrator (or its delegate) will supply former spouses and dependents with Plan and benefit information and suspend Plan benefit payments when the Plan Administrator is notified that a domestic relations order is being sought. For more information or for a copy of the procedures governing QDROs (provided at no charge), contact the Plan Administrator.

Duty to Keep Plan Administrator Informed

You or your beneficiary (if you die) must notify the Plan Administrator if you (or your beneficiary) move or change mailing addresses.

How to Obtain More Information

You may want to consult with a professional tax advisor regarding federal, state and local tax issues and your personal financial situation before you take a payment of your benefits from the 401(k) Savings Plan. Also, you can find more specific information on the tax treatment of payments from qualified employer plans in IRS Publication 575, *Pension and Annuity Income and IRS Publication 590, Individual Retirement Arrangements*. These publications are available from your local IRS office, on the IRS website at www.irs.gov or by calling 1-800-TAX-FORMS.

If You Die

Designating a Beneficiary

You may designate any living person or persons as your beneficiary. This is who will receive your 401(k) Savings Plan benefits if you die. You must designate your beneficiary(ies) according to the procedures established by the Plan Administrator and the Plan Administrator must receive your designation before you die.

If you are married, you must designate your spouse as beneficiary unless your spouse consents to the non-spouse beneficiary designation in writing, and the spouse's consent is notarized or witnessed by a Plan representative or notary.

If you do not name a beneficiary, your 401(k) Savings Plan benefits will be paid as follows:

- First, to your spouse (within the meaning of Federal law), then
- If none, to your child or children, including adopted child or children, (a child or children of a deceased child shall take the share of such child by representation), then
- If none, to your parent or parents, then
- If none, to your sibling or siblings, then
- If none, to your estate.

Your beneficiary may also designate a beneficiary to receive any amounts remaining in your account if he or she dies.

Death Benefits

If you die, the designated share of your accounts will be immediately payable to your beneficiary at the time of death. If your beneficiary dies before receiving his or her designated share of your accounts, the beneficiary's share shall be immediately payable to the beneficiary's beneficiary. Payment of death benefits will be subject to procedures established by the Plan Administrator.

Payment to a beneficiary will be made in a single sum distribution. If the beneficiary is your surviving spouse (within the meaning of Federal law), he/she may elect to roll over all or part of the accounts to an eligible retirement plan.

If the beneficiary of a beneficiary does not provide distribution instructions within nine months of his or her death, payment will be made to the beneficiary's beneficiary in a single sum distribution.

If You Die Before Benefits Begin

If you die before benefits begin, your beneficiary is entitled to receive your account balances, minus any outstanding loans.

- **If your surviving spouse is your only beneficiary,** he or she will receive a single sum distribution by December 31 of the calendar year immediately following the calendar year in which you died, or by December 31 of the calendar year in which you would have turned 70½, whichever is later.
- **If your beneficiary is someone other than your spouse or if there is no designated beneficiary** as of September 30 of the year following your death, the beneficiary will receive

a single sum distribution no later than December 31 of the calendar year that is the fifth anniversary of your death.

- **If your surviving spouse is your only beneficiary and he or she dies after you but before distributions begin**, the surviving spouse's beneficiary will receive a lump-sum distribution no later than December 31 of the calendar year that is the fifth anniversary of the surviving spouse's death.

If You Die After Benefits Begin

If you die on or after beginning a series of periodic payments begin and you have designated a beneficiary, federal law requires that at least a minimum amount will be distributed to your beneficiary for each calendar year.

Rules, Regulations and Administrative Information

Your Rights under the Employee Retirement Income Security Act of 1974 (ERISA)

As a participant in the LANS 401(k) Savings Plan, you're entitled to certain rights and protections under ERISA. ERISA provides that all 401(k) Savings Plan participants are entitled to:

- Receive Information about Your Plan and Benefits
  - Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites, all documents governing the 401(k) Savings Plan, including insurance contracts, if any, and a copy of the latest annual report (Form 5500 Series) filed by the 401(k) Savings 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 401(k) Savings Plan, including insurance contracts and 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 401(k) Savings Plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.
  - Obtain a statement telling you whether you have a right to receive a retirement benefit at normal retirement age (age 59½) and if so, what your benefits would be at normal retirement age if you stop working under the 401(k) Savings Plan now. If you do not have a right to a retirement benefit, the statement will tell you how many more years you have to work to get a retirement benefit. This statement must be requested in writing and is not required to be given more than once every 12 months. The 401(k) Savings Plan must provide the statement free of charge.

- Prudent Actions by Plan Fiduciaries
  - In addition to creating rights for 401(k) Savings Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the 401(k) Savings Plan. The people who operate your 401(k) Savings Plan, called "fiduciaries" of the 401(k) Savings 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 retirement benefit or exercising your rights under ERISA.
- Enforce Your Rights
  - If your claim for a retirement benefit is denied or ignored, in whole or in part, you have a 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 401(k) Savings Plan documents or the latest annual report from the 401(k) Savings Plan and don't receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials weren't sent because of reasons beyond the administrator's control. If you have a claim for benefits which is denied or ignored, in whole or in part, after exhausting the Claims and Appeals Procedures described in this SPD, you may file suit in a state or federal court. In addition, if you disagree with the 401(k) Savings Plan's decision or lack thereof concerning the qualified status of a domestic relations order, after exhausting the Claims and Appeals Procedures you may file suit in a federal court. If it should happen that 401(k) Savings Plan fiduciaries misuse the 401(k) Savings Plan's money, or if you're 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're 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 401(k) Savings Plan, you should 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, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or:

  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.

Claims and Appeal Procedures

Claims Procedure

A "claim" occurs when a participant or beneficiary either (i) makes an application for a benefit under the Plan, or (ii) disputes a determination by the Plan Administrator (or a person authorized by the Plan Administrator) of the amount of any benefit or the resolution of any matter affecting a benefit under the Plan. A claim or appeal may be filed by an authorized representative of the participant or beneficiary who is the claimant. A participant or beneficiary may not submit a dispute with respect to a benefit under this Plan more than one year after the date the individual has knowledge of all material facts that are the subject of the dispute.

Claims for benefits under the Plan should be filed with the Plan Administrator (or its delegate) using, if required by the Plan Administrator, forms provided for that purpose. The Plan Administrator will give you written notice of the disposition of a claim within 90 days after the claim has been filed, unless special circumstances require an extension of time for processing, in which case such notice of disposition shall be given within 180 days after the application has been filed.

If your claim is denied in whole or in part, the Plan Administrator shall give you a written explanation stating the reasons for the denial. The written notification will include:

The specific reason for the denial;

Specific references to the pertinent Plan provisions on which the denial is based;

A description of any additional material or information that you need to submit with an explanation of why such material or information is necessary;

An offer to provide you, on request, free of charge, reasonable access to and copies of all documents, records and other information relevant to your claim for benefits; and

A description of the Plan's review procedures and the time limits applicable to the claimant's right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

Appeal Procedure

If you want a review of a denied claim you may submit an appeal in writing in a manner acceptable to the Plan Administrator. The deadline for submitting any such appeal shall be 60 days after you receive the written notification of the denial of the claim, as described above. Within 60 days following the receipt of the notice of appeal, the Plan Administrator, or its delegate will give you either (i) a written notice of the decision of the reviewer, or (ii) if special circumstances require an extension of time for review, a notice of a 60-day extension of the review period. In the latter case, the notice of the decision of the reviewer shall be delivered to the claimant by the Plan Administrator (or its delegate) within 120 days after the application has been filed. The Plan Administrator's review will take into account all comments, documents, records, and other information you submit, without regard to whether that information was submitted or considered in the initial benefit determination.

If your appeal is denied, the notification will:

- explain the specific reasons and specific Plan provisions on which its decision is based;
- include a statement describing any voluntary appeal procedures offered by the Plan and the claimant's right to obtain information about these procedures;
- include a statement regarding your right to bring a civil action under ERISA 502(a); and
- offer to provide you, on request, free of charge, reasonable access to and copies of all documents, records and other information relevant to your claim for benefits.

The Plan Administrator has full and complete discretion to:

- Make findings of fact pertaining to a claim or appeal,
- Interpret the Plan as applied to the facts, and
- Decide all aspects of the claim or appeal.

The decision by the Plan Administrator (or its delegate) shall be the final and conclusive administrative review proceeding under the Plan. You are required to pursue all administrative appeals under the Plan as a precondition to challenging the denial of your claim in a lawsuit. You may not submit a dispute to a court with respect to a denied claim under this Plan more than one year after the date the Plan Administrator renders its final decision upon appeal.

General Plan Provisions and Plan Administration

Benefits Not Insured

Benefits provided under the 401(k) Savings Plan are not insured or guaranteed by the Pension Benefit Guaranty Corporation under Title IV of the Employee Retirement Income Security Act of 1974, as these ERISA provisions do not apply to this 401(k) profit-sharing plan. You will only be entitled to the vested benefits in your account based upon the provisions of the 401(k) Savings Plan and the value of your account will fluctuate with investment gains and losses.

Controlling Law

To the extent not superseded by the laws of the United States (in particular the Employee Retirement Income Security Act), the laws of New Mexico (without regard to its choice of law principles) shall be controlling in all matters relating to the Plan.

Costs of Administration

The costs of administration of the Plan shall be paid from the assets of the Plan, if they are not paid by the employer directly. Such expenses shall include, but are not limited to, expenses for professional, legal, accounting, record keeping, and investment services. The Plan Administrator may authorize certain costs, such as loan fees, to be charged directly against a Participant's or Beneficiary's accounts. If expenses are initially paid by the employer, the employer may be reimbursed from the Plan.

No Employment Rights

The Plan does not constitute a contract of employment, and participation in the Plan does not entitle you to a guarantee of employment or to any right or claim to any benefit under the Plan, unless such right or claim has specifically accrued under the terms of the Plan.

Plan Revision and Termination

LANS, by action of the LANS Executive Committee or its delegate, can amend, terminate, or partially terminate the Plan at any time. Any amendment or termination will be made in writing. The terms of the plan cannot be changed by oral statements of the Plan Administrator, Trustee or any other individual or entity with real or apparent authority with respect to the Plan.

"Top Heavy" Considerations

If the 401(k) Savings Plan becomes "top-heavy"—that is, if the value of benefits for key employees exceeds 60% of the total benefits—LANS will make changes necessary to satisfy the federal tax code rules for top-heavy plans. This may include making minimum contributions to your account in accordance with federal law. You will be notified if this applies to you.

Waiver of Notice

Any notice required under the Plan may be waived by the person entitled to such notice.

Plan Details

Plan Name
LANS 401(k) Savings Plan

Plan Type
The Plan is a profit sharing plan with a 401(k) feature.

Plan Identification
Employer Identification Number: 20-3104541
Plan Number: 002

Plan Year
Plan year generally means the 12-month period beginning on January 1 and ending on December 31; however, the first plan year will be a short plan year beginning on June 1, 2006 and ending on December 31, 2006.

Plan Administrator and Plan Administration
The Benefits and Investment Committee has full discretionary authority to administer and interpret the Plan, including discretionary authority to determine eligibility for participation and for benefits under the Plan, to appoint one or more investment managers, to correct errors, to make determinations under the Plan's claims and appeal procedures, and to construe ambiguous terms. The Benefits and Investment Committee may delegate its discretionary authority and such duties and responsibilities as it deems appropriate to facilitate the day-to-day administration of the Plan and, unless the Benefits and Investment Committee provides otherwise, such a delegation will carry with it the full discretionary authority to accomplish the delegation. Determinations by the benefits and Investment Committee or its delegate will be final and conclusive upon all persons.

The Plan Administrator’s address and telephone are:

Benefits and Investment Committee
Los Alamos National Security, LLC
TA-3 Otowi Building 261
2nd Floor
Mail Stop P280
Los Alamos, NM 87544
(877) 667-1806 or (505) 667-1806

Fidelity Investments Institutional Operations Company provides record keeping services.

Fidelity’s address is:

Fidelity Investments Institutional Operations Company
82 Devonshire Street
Boston, MA 02109

Plan Sponsor

Los Alamos National Security, LLC ("LANS")
Los Alamos Research Park
4200 West Jemez Road
Los Alamos, NM 87544
505 663 5340

Plan Trustee

Fidelity Management Trust Company

Fidelity's address is:

Fidelity Investments Institutional Operations Company
82 Devonshire Street
Boston, MA 02109

Agent for Service of Legal Process

The agent for service of legal process is:

Registered Agent
Attention: LANS Counsel
LANS, LLC
4200 West Jemez Road
Suite 200B
Los Alamos, NM 87544

Source of Funding

Fidelity Management Trust Company maintains a trust fund on behalf of the Plan. The operation of this trust fund is based on a trust agreement. All contributions will be paid into the trust, and all benefits under the Plan will be paid from the trust.

For More Information

This SPD describes highlights of the LANS 401(k) Savings Plan. The official Plan document governs and controls all rights and benefits in case of any conflict with the explanations given in this SPD or in any other oral or written statements made by the Plan Administrator, Trustee or any individual with real or apparent authority in maintaining the Plan. Some terminology in this SPD differs from that in the Plan document. If you would like to examine the Plan documents or ask questions about the Plan, contact your Plan Administrator.

Where to Get Information	
Los Alamos National Security, LLC	
Address	Los Alamos Research Park 4200 West Jemez Road, Suite 200B Los Alamos, NM 87544
Phone	(505) 663-5340
Web site	*For active employees:* *http://int.lanl.gov/worklife/benefits/* *For Retirees:* *http://www.lanl.gov/worklife/benefits/retirees/*
Fidelity	
Address	Fidelity Investments P.O. Box 770002 Cincinnati, Ohio 45277-0090
Phone	(800) 343-0860
Web site	fidelity.com/atwork For log in instructions, see your Fidelity enrollment guide in your enrollment kit.