



NTESS SAVINGS AND INCOME PLAN

Summary Plan Description

Effective January 1, 2020



Sandia National Laboratories is a multimission laboratory managed and operated by National Technology and Engineering Solutions of Sandia, LLC, a wholly owned subsidiary of Honeywell International, Inc., for the U.S. Department of Energy's National Nuclear Security Administration under contract DE-NA0003525. SAND2019-1344 O

Contents

Introduction.....	1
Summary of 401(k) Plan Changes	2
1. Who Is Eligible to Participate in the 401(k) Plan?.....	3
2. Who Is an Eligible Employee?.....	3
3. What Circumstances Would End My Eligibility for Contributions to the 401(k) Plan?	3
4. How Is Compensation Defined for 401(k) Plan Contribution Purposes?.....	4
5. How Do I Enroll and Elect Contributions To the 401(k) Plan?	4
6. What Is My 401(k) Plan Account?	4
7. What Contributions May I Elect to the 401(k) Plan?.....	5
8. May I Convert Balances Within Other Contribution Sources in the 401(k) Plan Into Roth Amounts?	7
9. What Contributions May the Company Make to the 401(k) Plan on My Behalf?	7
10. What Limits Apply to the Amount of Contributions I May Make to the 401(k) Plan?	8
11. What Is the IRC Annual Additions Limit?	8
12. What Is the IRC Limit on the Amount of Compensation That May Be Considered in Calculating My 401(k) Plan Contributions?.....	9
13. What Nondiscrimination Tests May Limit My Contributions to the 401(k) Plan?.....	9
14. What Happens if the 401(k) Plan Becomes Top-Heavy?.....	10
15. How Is My 401(k) Plan Account Invested?	10
16. What Happens if I Do Not Make Investment Option Selections?	11
17. What Investment Advice Is Available to Me Through the 401(k) Plan?	11
18. May I Change My Investment Option Selection or Exchange Balances Between the Investment Options?	12
19. Are There Any Expenses Associated with My 401(k) Plan Account?	12
20. When and How Will I Receive Account Statements?	13
21. When Do I Vest In or “Own” My Account?	13
22. May I Take a Loan From the 401(k) Plan?	14
23. May I Take a Withdrawal From My 401(k) Plan Account While I Am Still Working for the Company?	14
24. May I Withdraw From My Account if I Suffer Financial Hardship?.....	16
25. What Limitations and Restrictions Apply to Hardship Withdrawals?	17

26.	How Does a Leave of Absence Affect My 401(k) Plan Eligibility and Benefits?.....	17
27.	What Happens if I Take a Military Leave?.....	18
28.	When Am I Eligible to Receive or Required to Receive a Distribution From the 401(k) Plan Following Retirement or Termination of Employment?	19
29.	Are There Special Distribution Rules on Money Purchase Balances?.....	21
30.	What Happens if I Die Before Receiving Distribution of My Vested Account?.....	21
31.	How Do I Choose or Change a Beneficiary?.....	22
32.	What Taxes Apply to Withdrawals and Distributions?.....	22
33.	May My Account Be Reduced or Assigned?	24
34.	Can the 401(k) Plan Be Changed or Terminated?	24
35.	How May I Appeal a Decision About My 401(k) Plan Account?	24
36.	Statement of ERISA Rights	24
37.	Other Important Information	26
Appendix A:	28	
Definitions.....	28	
Appendix B:	32	
Claims and Appeal Procedure	32	
Appendix C:	34	
Loan Policy.....	34	
Appendix D:	40	
Coronavirus Aid, Relief and Economic Security (CARES) Act Distributions	40	

SUMMARY PLAN DESCRIPTION

NTESS SAVINGS AND INCOME PLAN

Introduction

National Technology & Engineering Solutions of Sandia, LLC (NTESS) is pleased to sponsor the NTESS Savings and Income Plan (401(k) Plan), formerly known as the Sandia Corporation Savings and Income Plan, which is designed to help you build financial resources for the future. The 401(k) Plan can be an important part of saving for your retirement.

This Summary Plan Description (SPD) explains how to determine if you are eligible to participate in the 401(k) Plan by saving directly from your wages, if you are eligible to receive employer contributions, when you may make withdrawals from your 401(k) Plan Account, and other important information about the 401(k) Plan. More detailed information is contained in the official NTESS Savings and Income Plan document, which governs the operation of the 401(k) Plan. In the event there is or appears to be any discrepancy between the terms of the 401(k) Plan document and this SPD, the terms of the 401(k) Plan document control.

NOTE: Capitalized words and terms appearing in this SPD, which are not proper nouns, are defined in Appendix A.

IMPORTANT: The NTESS Savings and Income Plan is maintained at the discretion of NTESS and does *not* create a contract of employment and does *not* change the at-will employment relationship between you and NTESS. The NTESS Board of Managers (or its designated representative) reserves the right to change or amend (in writing) any or all provisions of the NTESS Savings and Income Plan and to terminate it (in writing) at any time without prior notice unless required by law.

Summary of 401(k) Plan Changes

This section contains a brief description of the 401(k) Plan changes that have been implemented since the previous SPD, which was effective January 1, 2019.

Effective January 1, 2020, the definition of Compensation for contribution purposes was modified to exclude taxable income from the Student Debt Contribution Program.

Effective January 1, 2020, the Modified Rule of Parity for Plan Service related to Enhanced Program Contributions applies to all Employees, regardless of prior vested benefits, who incur 5 or more consecutive one-year Breaks in Service.

Effective January 1, 2020, if an Employee has a one-year Break in Service, Years of Service before the one-year Break in Service will not be taken into account for any purpose, including Plan Service and Vesting, under the 401(k) Plan until the Employee has completed a Year of Service after his or her Reemployment Date.

Effective January 1, 2020, Required Minimum Distributions age is increased to age 72 for those who have not reached age 70 ½ on or before December 31, 2019.

Administrative procedures have been added to allow participants to set-up automatic, recurring distributions, for withdrawals for which they are eligible.

Provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act effective March 27, 2020, have been implemented to allow additional in-service withdrawals with special federal tax provisions, increased loan availability and deferment of loan payments through December 31, 2020. Required Minimum Distributions (RMDs) for the calendar year 2020 are waived.

Changes to the 401(k) Plan's investment options are not detailed in the SPD. You are encouraged to visit the Fidelity Investments® (Fidelity) NetBenefits® website at www.401k.com for information about the investment options. You can also obtain personalized independent investment advice by calling Financial Engines at 1-877-401-5762 or at www.FinancialEngines.com/forSandia.

1. Who Is Eligible to Participate in the 401(k) Plan?

You are eligible to participate in the 401(k) Plan if you are an Eligible Employee (see Question 2), you have attained age 21, and you are a:

- Regular Employee,
- limited-term Employee, or
- post-doctoral appointee.

2. Who Is an Eligible Employee?

An Eligible Employee for the 401(k) Plan is an Employee who works for the Company, *other* than the following:

- a Leased Employee,
- non-resident alien without any United States (U.S.) source income,
- individual whose earnings and conditions of employment are governed by the terms of a collective bargaining agreement, unless, and to the extent that, a written agreement between the Company and the relevant union makes such coverage available,
- an individual who is eligible to participate in another 401(k) plan sponsored by the Company,
- student intern,
- faculty sabbatical Employee,
- recurrent (on call) Employee, or
- an Employee who does not have a valid Social Security number.

3. What Circumstances Would End My Eligibility for Contributions to the 401(k) Plan?

Your eligibility for contributions to the 401(k) Plan continues until one of the following events occurs:

- You take an unpaid leave of absence (see Question 26), or change to an un-paid position, from your NTESS employment,
- You terminate employment with NTESS,
- You take a distribution after having been on active military duty for more than 30 days under the provisions of the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act), in which case you are suspended from contributing for 6 months following the date of distribution (see Question 27), or
- Your Employee status with NTESS changes to an ineligible category (see Question 2).

4. How Is Compensation Defined for 401(k) Plan Contribution Purposes?

For 401(k) Plan purposes, your Compensation includes your base salary or wages, plus certain non-base earnings. Non-base earnings include individual performance awards, advancement awards, NTESS awards for excellence, special recognition awards, spot awards, promotion awards, appointment awards, employment sign on awards, other awards and bonuses, and vacation donation pay for those on Military Leave (see Question 27).

Compensation does **not** include severance pay, shift differentials, overtime (except for the base rate of pay for overtime hours which are part of SPA represented Employee's standard work schedule) or premium pay, worker's compensation payments, royalty awards, the cash value of noncash benefits reported as earnings to the Internal Revenue Service (IRS) (even if such noncash benefit earnings are subject to tax withholding) and any taxable income from the Student Debt Contribution Program, or amounts paid as reimbursement for an Employee's expenses, including relocation reimbursements, automobile reimbursements, travel allowances, or tax allowances. Compensation does **not** include bonuses, incentive payments, variable pay, or other non-base amounts that are not allowable and reimbursable to NTESS by DOE/NNSA pursuant to the applicable M&O contract, site management contract, or subcontract provisions.

Compensation for any Plan Year will not exceed the Internal Revenue Code (IRC) Section 401(a)(17) limit (see Question 12).

5. How Do I Enroll and Elect Contributions To the 401(k) Plan?

As an Eligible Employee, you may request information regarding the 401(k) Plan by calling HR Solutions at (505) 284-4700. You are automatically enrolled for an Account when you are an Eligible Employee. You are automatically enrolled in the Enhanced Program Contributions when you are an Enhanced Program Employee.

You may elect to make contributions to the 401(k) Plan directly from your Compensation (see Question 4) by contacting Fidelity at 1-800-240-4015 or on NetBenefits® at www.401k.com. If you elect to make contributions from your Compensation, you are automatically enrolled to receive the applicable Company Matching Contributions.

You may select investment options, from the options available through the 401(k) Plan, by contacting Fidelity. You will receive a Qualified Default Investment Alternative (QDIA) Notice to inform you of how your contributions will be invested if you do not make investment option selections.

You may also designate, through NetBenefits® at www.401k.com, one or more Beneficiaries to receive the Vested balance of your Account upon your death (see Question 30 and 31).

You may make contribution elections, change investment options, or change Beneficiary designations at any time through Fidelity. Fidelity will confirm these changes via email. If you do not want to receive notices, confirmations and statements by email, you may elect to receive information by mail by contacting Fidelity.

6. What Is My 401(k) Plan Account?

Your Account is set up at Fidelity when you become an Eligible Employee. Your Account reflects the investment of contributions according to your investment option selection(s); exchanges you make among investment options; loans or withdrawals you may take; expenses or fees associated with administration and transactions; and net investment gains and/or losses.

7. What Contributions May I Elect to the 401(k) Plan?

You may elect to make contributions to the 401(k) Plan from your Compensation (see Question 4), and you may make rollovers from your benefits in other employers' qualified retirement plans or from Individual Retirement Accounts (IRAs). When you elect to make contributions, you must specify the total percentage of your Compensation that you wish to contribute, minimum of 2% and maximum of 75%, and the percentage to be contributed on a pretax, Roth and/or after-tax basis. Contributions may only be processed on Compensation up to the IRC annual compensation limit (see Question 12). Contributions from your Compensation are subject to Social Security and Medicare taxes, so your Social Security benefit will not be negatively affected by making contributions to the 401(k) Plan.

You may elect, change, discontinue or restart your contributions by contacting Fidelity at 1-800-240-4015 or via www.401k.com. Elections and changes will generally be effective by the second pay period following the date you input the change. Fidelity will generally mail or email a confirmation to you within three business days verifying your request. Review the confirmation notice carefully; if it is incorrect (or if you do not receive your confirmation), notify Fidelity immediately. Also, review your next few paycheck details to verify that the change has been implemented.

Contributions you may elect and rollovers you may make are as follows:

(a) **Pretax Contributions.** You may contribute a portion of your Compensation to the 401(k) Plan, in 1% increments, on a pretax basis for income taxes, subject to the IRC annual deferral limit (see Question 10). The IRC annual deferral limit is applied to pretax and Roth contributions combined. Pretax contributions lower your federal and state taxable income which, in turn, may lower your current income tax withholding.

Pretax contributions and investment earnings on these contributions are federal and state taxable income when they are paid out of the 401(k) Plan, or from the qualified retirement plan or IRA into which they are rolled over. The IRC restricts withdrawals from your pretax contributions and accumulated investment earnings while you are employed by NTESS or another Affiliated Company (see Questions 23 and 24).

(b) **Roth Contributions.** You may contribute a portion of your Compensation to the 401(k) Plan, in 1% increments, as Roth contributions, subject to the IRC annual deferral limit (see Question 10). Roth contributions are combined with pretax contributions for the IRC annual deferral limit. Roth contributions do not lower your federal or state taxable income in the year of contribution. Roth contributions are subject to the same distribution restrictions as pretax contributions (see Question 23).

You will not be taxed on distributions of your Roth contributions from the 401(k) Plan. The investment earnings on your Roth contributions will not be taxed when paid out of the 401(k) Plan, or from the qualified retirement plan or IRA into which they are rolled over, if the requirements of a Qualified Distribution are met. A Qualified Distribution generally is a withdrawal of the investment earnings on Roth contributions, Roth rollovers and Roth in-plan conversions (see Question 8) that is paid after:

- The 5-year period which begins on the first day of the year in which you first make a Roth contribution, Roth rollover, or Roth conversion in the 401(k) Plan, and
- The date you reach age 59½, your death or your disability.

(c) **Catch-Up Contributions.** If you are age 50 or older by the end of the calendar year, you are eligible to make pretax and/or Roth contributions in excess of the IRC annual deferral limit up to the IRC annual catch-up limit (see Question 10). You do not need to make a separate catch-up contribution

election. If you are catch-up eligible, your pretax and Roth contribution elections will be applied to your Compensation each pay period until the IRC annual deferral limit plus the catch-up limit, the IRC annual compensation limit, or the IRC annual additions limit is reached (see Questions 11 and 12).

(d) ***After-tax Contributions.*** You may contribute a portion of your Compensation to the 401(k) Plan, in 1% increments, on an after-tax basis. After-tax contributions do not lower your federal and state taxable income in the year of contribution, but allow you to contribute more than the pretax and Roth IRC annual deferral limit plus, if you are eligible, the catch-up contribution limit. After-tax contributions are limited by the IRC annual additions limit and IRC annual compensation limit (see Questions 11 and 12). After-tax contributions allow you to defer income tax on the associated investment earnings until they are paid out of the 401(k) Plan, or from the qualified retirement plan or IRA into which they are rolled.

In addition to after-tax contribution elections you make, if you reach the IRC annual deferral limit plus catch-up limit, if you are eligible, on pretax and Roth contributions, those contribution elections will automatically be changed to, or added to, after-tax elections for future pay periods for the remainder of the year until the IRC annual compensation limit or IRC annual additions limit is reached (see Questions 11 and 12). You may elect, up to four times per calendar year, to withdraw all or a portion of your after-tax contributions and associated investment earnings (see Question 23). You will not be taxed on the distribution of your after-tax contributions, but the distribution of investment earnings on those contributions are subject to federal and state income tax.

(e) ***Rollover Contributions.*** The 401(k) Plan accepts rollovers from other qualified retirement plans and certain other retirement vehicles listed below:

- 401(k) plans; including pretax, Roth, and after-tax amounts
- Profit Sharing plans, including Employee Stock Ownership Plans (ESOPs)
- Money Purchase Pension plans
- Defined Benefit (Pension) plans
- 403(b) plans; including pretax, Roth, and after-tax amounts
- Governmental 457(b) plans; including pretax and Roth amounts
- IRAs; pretax amounts only from a contributory IRA, pretax and Roth amounts from a rollover or conduit IRA (an IRA funded from a qualified plan rollover)

To roll a distribution into the 401(k) Plan, you must either:

- Transfer the funds within 60 days after you receive payment from your former employers' qualified retirement plan or your IRA, or
- Directly transfer the funds from your former employers' qualified plan or your IRA

Contact Fidelity at 1-800-240-4015 or at www.401k.com for rollover instructions and required rollover certification.

8. May I Convert Balances Within Other Contribution Sources in the 401(k) Plan Into Roth Amounts?

You may convert Vested amounts from non-Roth sources in your Account, except Money Purchase (see Question 29), into Roth amounts via an in-plan Roth conversion. Federal and state income tax will be payable for the year of conversion on the taxable amounts that are converted. You may want to consult your tax advisor to evaluate the tax implications before deciding on amounts and timing of an in-plan Roth conversion. Contact Fidelity at 1-800-240-4015 or at www.401k.com for information on your Vested sources and taxable amounts within those sources.

Amounts that are eligible for you to withdraw and rollover to another qualified retirement plan or IRA will be converted into an in-plan Roth conversion source that is also eligible for you to withdraw or rollover. Amounts that have distribution restrictions, such as pretax contributions, will be converted into in-plan Roth conversion sources that maintain the distribution restrictions. Contact Fidelity by phone to process a one-time in-plan Roth conversion.

9. What Contributions May the Company Make to the 401(k) Plan on My Behalf?

(a) ***Company Matching Contributions.*** If you are an Eligible Employee (see Question 2 and 3), you are immediately eligible to receive Company Matching Contributions. The Company will contribute or “match” 66-2/3 cents for every dollar that you contribute to the 401(k) Plan on a pretax, Roth, and/or after-tax basis up to the first 6% of your Compensation. Company Matching Contributions are determined each pay period. Therefore, the total annual Company Matching Contribution may be less than 4% of your annual Compensation depending on the amounts you actually contribute each pay period. NTESS does **not** match your contributions that are above 6% of your Compensation and does not recalculate matching contributions on an annual basis.

Company Matching Contributions are subject to Vesting requirements (see Question 21). Company Matching Contributions and their associated investment earnings are federal and state taxable income when they are paid out of the 401(k) Plan, or from the qualified retirement plan or IRA into which they are rolled over.

(b) ***Enhanced Program Contribution.*** If you are an Eligible Employee (see Questions 2 and 3) and are classified as an Enhanced Program Employee, you will automatically receive a service-based Enhanced Program Contribution. The Company will contribute according to the following schedule:

Plan Service	Enhanced Program Contribution
Less than 15 years of Plan Service	6% of Compensation each pay period
15 or more years of Plan Service	7% of Compensation each pay period

Enhanced Program Contributions are subject to Vesting requirements (see Question 21). Enhanced Program Contributions and their associated investment earnings are federal and state taxable income when they are paid out of the 401(k) Plan, or from the qualified retirement plan or IRA into which they are rolled over.

(c) ***Qualified Non-Elective Contribution (QNEC).*** The Company may make QNEC contributions to your Account as part of corrective processing. These contributions are immediately Vested (see Question 21); are subject to in-service distribution restrictions until you reach age 59½ (see

Question 23); and, may be included in nondiscrimination testing with pretax and Roth contributions (see Question 13).

Contribution Sources	
Snapshot	
Combined Pretax, Roth, and After-Tax Contributions	Combined Minimum: 2% of pay period Compensation with a minimum 1% to each elected contribution source Combined Maximum: 75% of pay period Compensation
Company Matching Contributions	66-2/3 cents for every dollar of pretax, Roth, and/or after-tax contributions up to 6% of each pay period's Compensation Maximum: 4% of Compensation
Enhanced Program Contributions	6% of Compensation each pay period for Enhanced Program Employees with less than 15 years of Plan Service 7% of Compensation each pay period for Enhanced Program Employees with 15 or more years of Plan Service

10. What Limits Apply to the Amount of Contributions I May Make to the 401(k) Plan?

If you make pretax, Roth and/or after-tax contributions, you must elect contributions in 1% increments by contribution source with a combined minimum of 2%. Your combined contribution elections cannot exceed 75% of your pay period Compensation (see Question 4). If your net Compensation after required withholdings for a specific paycheck are not enough to cover the full amount of your contribution elections, partial contributions up to the amount available will be processed.

Section 402(g) of the IRC limits the annual amount of your combined pretax and Roth contributions to the 401(k) Plan and all similar employer sponsored retirement plans. This is known as the IRC annual deferral limit. If you are catch-up eligible, age 50 or older by the end of the year, your annual deferral limit is increased by the IRC annual catch-up limit. Your pretax and Roth contributions will be processed each pay period until the IRC annual deferral limit plus catch-up, if eligible, the IRC annual compensation limit, or the IRC annual additions limit is reached (see Questions 11 and 12). NTESS is only able to calculate the IRC annual deferral limit on contributions you make to the NTESS 401(k) Plan. If you make, or have made, contributions to a similar employer's plan during the same calendar year, you may need to adjust your contribution elections to avoid exceeding the IRC annual deferral limit.

If you reach the IRC annual deferral limit on your NTESS contributions, but not the IRC annual compensation limit or IRC annual additions limit, your pretax and Roth contribution elections will be automatically changed to, or added to, after-tax contribution elections. After-tax contributions will be processed each pay period until the IRC annual compensation limit, or the IRC annual additions limit is reached. See table in Question 13 for a summary of IRC limitations.

11. What Is the IRC Annual Additions Limit?

Section 415(c) of the IRC limits the combined annual amount of your pretax and Roth contributions, excluding catch-up contributions; your after-tax contributions; your Enhanced Program Contributions; and your Company Matching Contributions. These contributions added together cannot exceed the limit or 100% of your earnings described in IRC Section 414(c)(3) for the year, whichever is

less. On the pay period when you reach the IRC annual additions limit, contributions will be limited in the order listed below and where applicable. Contributions will not be permitted on future pay periods in the calendar year but will automatically restart at your same elected amounts in the next calendar year.

- Enhanced Program Contribution
- Company Matching Contributions on after-tax contributions
- Company Matching Contributions on pretax contributions
- After-tax contributions
- Pretax contributions
- Company Matching Contributions on Roth contributions
- Roth Contributions

12. What Is the IRC Limit on the Amount of Compensation That May Be Considered in Calculating My 401(k) Plan Contributions?

Section 401(a)(17) of the IRC limits the amount of your Compensation that may be recognized for determining contributions to the 401(k) Plan each year. When your Compensation used for the calculation of your contributions during the year reaches the IRC annual compensation limit, no additional pretax, Roth, or after-tax contributions will be withheld from your paychecks for the remainder of the calendar year, and no additional Company Matching or Enhanced Program Contributions will be made on your behalf. If you are in this salary range, you may want to monitor your contribution elections so that you may maximize your deferral contributions and receive your maximum Company Matching Contribution before your Compensation reaches the IRC annual compensation limit.

13. What Nondiscrimination Tests May Limit My Contributions to the 401(k) Plan?

In addition to the individual limits (see Questions 10, 11 and 12), the 401(k) Plan must comply with two annual tests required to prevent discrimination in favor of Highly Compensated Employees (HCEs). The first test compares the average rate of combined pretax, Roth, and certain QNEC contributions, excluding catch-up contributions, of the HCEs to the average rate of the same contributions of the non-HCEs. The second test compares the average rate of combined after-tax and Company Matching Contributions of the two Employee groups. The HCEs average contribution rates may only exceed the average contribution rates of the non-HCEs by an amount specified in the IRC.

If at any time during the year it is projected that the 401(k) Plan is going to fail one of these tests, the Plan Administrator may place a limit on the contribution elections of the HCEs for the remainder of the Plan Year.

If testing fails when it is completed after the close of the Plan Year, the Plan Administrator will apply corrective processing, which may include the refund of contributions to some HCEs as required by the IRC.

IRC Limitations Snapshot	
IRC Annual Deferral Limit – Section 402(g) plus IRC Annual Catch-Up Limit	Combined Maximum of Pretax and/or Roth contributions to all employer retirement plans: 2020 – \$19,500 plus \$6,500 catch-up for those age 50 or older by the end of the year
IRC Annual Additions Limit – Section 415(c)(1)(A)	Combined Maximum of Employee and Company contributions (Matching and Enhanced), excluding catch-up contributions and rollovers: 2020 – Lesser of \$57,000 or 100% of earnings described in IRC Section 415(c)(3), excluding catch-up contributions
IRC Annual Compensation Limit – Section 401(a)(17)	Employees cannot make contributions to the 401(k) Plan after their annual Compensation has reached this limit, even if they have not hit any other limitations: 2020 – \$285,000
IRC Highly Compensated Employee Limit – Section 414(q)	All compensation from a single employer (including all members of an Affiliated Company) must be aggregated for the purpose of nondiscrimination testing: 2020 – Threshold for determining a Highly Compensated Employee is \$130,000.

14. What Happens if the 401(k) Plan Becomes Top-Heavy?

If the more than 60% of the assets in the qualified retirement plans of a company at the end of the year are held in the accounts of certain officers or owners, the plans are top-heavy for the next Plan Year. For each year that a company's plans are top-heavy, participants who are employed at the end of the year will receive a minimum employer contribution equal to the lesser of 3% of eligible compensation or the lowest percentage of compensation contributed to the accounts of those certain officers and owners. Due to the structure of NTRESS, it is unlikely the 401(k) Plan will be deemed top-heavy.

15. How Is My 401(k) Plan Account Invested?

You may choose the investment options in which to invest your contributions, including Company Matching and Enhanced Program Contributions, from the investment options available within the 401(k) Plan. The 401(k) Plan's current investment options are listed and described on Fidelity NetBenefits® website at www.401k.com. If you do not make investment option selections, your contributions will be invested in the QDIA which is also described on NetBenefits® (see Question 16).

You may direct all contributions made to the 401(k) Plan on your behalf to one investment option or to any combination of the available investment options in 1% increments, minimum total contribution of 2%. You may change your investment options for contributions and may move accumulated balances to other investment options by contacting Fidelity (see Question 18).

The value of the assets held in your Account will increase or decrease depending upon the performance of the investment options in which your contributions and accumulated balances are invested. Dividends and interest earned by the investments are reinvested into the same investment option. The

Company cannot and does not make any guarantees about investment option performance.

Fidelity values the investment option balances in your Account at the end of each day that the New York Stock Exchange is open for business. You may contact Fidelity 24 hours a day, seven days a week, at 1-800-240-4015 to request the value of your Account. You may also access your Account value online at www.401k.com. The value provided will be as of the close of the financial markets (4 p.m. ET) on the prior business day.

NOTE: The 401(k) Plan is intended to qualify as a plan described in Section 404(c) of the Employee Retirement Income Security Act of 1974 as amended (ERISA). This means that you are responsible for the investment option decisions for your Account within the 401(k) Plan, including the decision to not make other investment elections and allow your Account to be invested in the QDIA (see Question 16) or the decision to utilize investment advice and professional management services (see Question 17). The 401(k) Plan fiduciaries, including NTESS and the NTESS Investment Committee, are not responsible for any losses incurred as a result of your investment decisions. The NTESS Investment Committee reserves the right to add or terminate investment options and fiduciary advice providers at its discretion.

16. What Happens if I Do Not Make Investment Option Selections?

If you do not select investment options, contributions to your Account will be invested in the 401(k) Plan's QDIA. The QDIA is a target date fund with an asset allocation strategy designed for investors who will be retiring within 5 years of the date of the fund at their attainment of age 65. This investment option selection will apply until you make an affirmative election and indicate how you would like your contributions to be invested. The balance accumulated will remain in the QDIA until/unless you elect to exchange part or all of the balance to other investment options.

17. What Investment Advice Is Available to Me Through the 401(k) Plan?

No Employee of the Company is authorized to advise you on which investment options to choose or how to allocate your Account balance among the investment options. However, the 401(k) Plan has contracted with Edelman Financial Engines LLC ("Financial Enginestm"), a Registered Investment Advisor (RIA), to assist you with independent investment advice. Additionally, Financial Engines is available to provide professional investment management of your Account. Financial Enginestm as an RIA has a fiduciary duty to the NTESS 401(k) Plan participants, which means they have a fundamental obligation to provide investment advice that is in the best interest of the participant.

For participants who want advice, Financial Enginestm may be reached directly at www.FinancialEngines.com/forSandia or 1-877-401-5762. Financial Enginestm is able to take information you provide about your investments outside of the 401(k) Plan and information about your overall financial goals and situation into consideration in the recommendations provided. Financial Enginestm also provides a personalized evaluation and a step-by-step action plan with specific investment option recommendations. With the advice service, it is up to you to implement the investment option recommendations and monitor/adjust allocations going forward. There is no additional cost to use Financial Enginestm advice service.

For participants who prefer to partner with a team of experts who will actively monitor and adjust their Account's investment options for them, the 401(k) Plan offers Professional Management through

Financial Engines™. When you sign-up for professional management of your Account, Financial Engines™ will consider the information you provide about your investments outside of the 401(k) Plan and information about your overall financial goals when developing the investment strategy for your Account. Financial Engines™ will implement that strategy for you, monitor your Account on an ongoing basis, and make adjustments to the investment options for new contributions and rebalance accumulated assets among investment options as needed to keep your Account on track with your investment strategy. Your Account will be charged a quarterly fee for Professional Management, which is based upon the balance in your Account. For more information about the Financial Engines™ Professional Management program and the associated fee schedule, visit www.FinancialEngines.com/forSandia or call 1-877-401-5762.

NOTE: All investing is subject to risk, including possible loss of principal. Investment advice and Professional Management do not guarantee any level of performance or protection of principal.

18. May I Change My Investment Option Selection or Exchange Balances Between the Investment Options?

You may change your investment option selection for future contributions at any time. To make a change, contact Fidelity at 1-800-240-4015 or via www.401k.com. Changes will generally be effective within 1 to 2 pay periods following submission of the change.

You may exchange your investment option balances in total or specific to a contribution source (in 1% increments) to other investment options on any business day that the New York Stock Exchange is open. To make an exchange, contact Fidelity at 1-800-240-4015 or via www.401k.com. The exchange will generally be effective the same business day if you call or input the change before 4 p.m. ET or the next business day if you call or input the change after 4 p.m. ET or on a non-business day.

NOTE: While you are enrolled in Professional Management (see Question 17), Financial Engines™ will be monitoring and changing your investment option selections and exchanging investment balances on your behalf. You may unenroll from Professional Management by contacting Financial Engines™ at www.FinancialEngines.com/forSandia or 1-877-401-5762.

Frequent trading restrictions may apply to some investment options. Review the investment option descriptions and information on Fidelity's NetBenefits® at www.401k.com for details of any restrictions.

19. Are There Any Expenses Associated with My 401(k) Plan Account?

Yes, the following expenses are associated with the 401(k) Plan and may be charged to your Account:

(a) ***Investment Option Expense Ratios.*** Every investment option in the 401(k) Plan charges fees called expense ratios. These are management fees and other operating expenses paid to the management company of the investment option. The daily valuations of each option reflect these expenses (i.e., when you see the daily valuation of your investment option, these fees have already been deducted). Expense ratios may change from time to time. For more information on these expense ratios, log on to Fidelity's NetBenefits® at www.401k.com.

(b) **Professional Management.** If you choose to have Financial Engines™ manage the investments in your Account (see Question 17), you will be charged a fee based upon the balance in your Account. The fee is calculated and collected from your Account each calendar quarter. For the fee schedule, visit www.FinancialEngines.com/forSandia or call 1-877-401-5762.

(c) **Administrative Expenses.** You may be charged for other costs associated with the administration of the 401(k) Plan. When the fees are deducted from your Account, they will be noted on your Account statement. These fees generally fall into the following two categories:

- i. **Transactional.** These fees will be charged when the transaction is specifically requested or utilized and will be disclosed when you are beginning such a transaction; for example, loan set-up and maintenance fees.
- ii. **General administration.** When not fully paid by the Company, you may be charged fees associated with the administration of the 401(k) Plan.

NOTE: Refer to the Participant Disclosure Notice for investment expense ratios and administrative expenses currently being assessed to participant accounts. This notice is distributed annually and available on www.401k.com.

20. When and How Will I Receive Account Statements?

A statement of your Account is available at any time on NetBenefits® www.401k.com. Following each calendar quarter, Fidelity will email you a notice with a link to your quarterly Account statement. Fidelity will also email you a confirmation for certain Account transactions. You must contact Fidelity at 1-800-240-4015 or www.401k.com to request to receive your Account statements by mail. If Fidelity does not have a valid email address on record for your Account, or if you have elected to receive notices and statements by mail, Fidelity will mail your Account statement each quarter to the address of record on your Account. Notify Fidelity of changes to your email or mailing address as soon as possible. If you are currently employed by NTESS, you must change your address of record through NTESS' HR Self-Service. After separation from NTESS, you may change your address of record directly with Fidelity.

Review all quarterly statements and confirmations as soon as you receive them to compare the information to your records. Report any discrepancy (or missed quarterly statement or confirmation) to Fidelity as soon as possible.

21. When Do I Vest In or “Own” My Account?

Vesting describes the portion of contribution source balances within your Account that are owned by you when you retire or when you leave employment with NTESS and all other Affiliated Companies. Your contributions and rollovers into the 401(k) Plan, and their associated investment earnings, are always 100% Vested. QNECs are also immediately Vested.

For the Company Matching Contributions and associated investment earnings, Employees that became Eligible Employees on or before December 31, 2017, are immediately Vested. Effective January 1, 2018, the Company Matching Contributions and associated investment earnings of all non-represented Employees and Employees represented by MTC that become Eligible Employees on or after this date shall become Vested when the they are credited with three Years of Service.

For the Company Matching Contributions and associated investment earnings, Employees represented by OPEIU or SPA on or before December 31, 2018, are immediately Vested. Effective January 1, 2019, the Company Matching Contributions and associated investment earnings of Employees represented by OPEIU and SPA that become Eligible Employees on or after this date shall become Vested when the they are credited with three Years of Service.

The Enhanced Program Contribution portion of your Account will become Vested after you are credited with three Years of Service.

For Vesting, Years of Service include only Hours of Service after your 18th birthday. Full-time Employees are credited with 45 Hours of Service for each week they are paid for one or more hours. Part-time Employees, or Employees who are employed for no more than three consecutive weeks and for no more than a total of 30 days in a calendar year, are credited with 10 Hours of Service for each day they are paid for one or more hours.

If you terminate from NTESS and all other Affiliated Companies before Vesting in all of your Account sources, the non-Vested sources of your Account will be forfeited at the earlier of when you withdraw all of the Vested balance of your Account or after five consecutive one-year Breaks in Service. If you have no Vested balance, your Account will be forfeited following termination.

Forfeited amounts may be restored to your Account if you are reemployed as an Eligible Employee within 5 years and you return the full amount of the original distribution that triggered the forfeiture, including any rollover sources that were distributed. If your Account had no Vested balance, you are reemployed within five years, and you complete one year of Plan Service, your forfeited amounts will automatically be restored. The 401(k) Plan will restore the amount that was forfeited with no adjustment for gains, losses or interest. Please contact HR Solutions at (505) 284-4700 for information on how to repay a prior distribution to restore forfeited amounts.

22. May I Take a Loan From the 401(k) Plan?

You may borrow against your Account if you are an active Employee with a Vested balance sufficient to meet the minimum loan requirement. Former Employees, or Employees on a leave of absence, are not eligible to take loans from their 401(k) Plan Account, but they may continue to repay any outstanding loans directly to their Account through Fidelity. Loans are administered in accordance with the NTESS Savings and Income Plan Loan Policy (see Appendix C). If a loan is not repaid, the outstanding loan and accrued interest will be reported as either a withdrawal, if you are eligible to take a withdrawal, or as a defaulted loan resulting in current year taxable income and possible tax penalties (see Question 32).

Contact Fidelity at 1-800-240-4015 or go to Fidelity NetBenefits® at www.401k.com to verify your balance available for a loan and current interest rate. A Fidelity representative will review (or the website will present) various loan terms. You may set up an electronic funds transfer to have your loan proceeds sent directly to your bank account, or you may request a check be mailed to your address of record. You do not have to provide a reason for requesting the loan.

23. May I Take a Withdrawal From My 401(k) Plan Account While I Am Still Working for the Company?

Although the 401(k) Plan helps you save for retirement, you may take certain withdrawals during your working years (referred to as in-service withdrawals) subject to the following restrictions:

- Minimum withdrawal is \$300
- Maximum number of withdrawals is four during a calendar year
- Military active duty for more than 30 days may provide additional in-service distribution options under the provisions of the HEART Act (see Question 27).

NOTE: The Coronavirus Aid, Relief, and Economic Security (CARES) Act added options to in-service distributions for “Qualified Individuals” for withdrawals processed between January 1, 2020 and December 31, 2020. See Appendix D for more details.

The following contribution sources, including allocable investment earnings, are available for withdrawal at any time (subject to the restrictions listed above):

- After-tax contributions
- After-tax rollovers
- Roth rollovers
- Pretax rollovers
- Vested Company Matching Contributions and related earnings that have been in your Account for two full years
- In-plan Roth conversions that are not subject to restrictions (see Question 8)

You may select the contribution source from available Vested balances in the list above from which to take your withdrawal. If a contribution source is not selected, your withdrawal will be processed from the available sources in the order they are listed above. Your investments within the source will be withdrawn pro-rata by investment option balance.

If you are age 59½ or older, you may withdraw all or a portion of the Vested balance in your Account, excluding the Money Purchase source (see Question 29), which is available at age 65. If you only withdraw a portion of your Account, you may select the contribution source from which to take your withdrawal. If you do not specify a contribution source, the withdrawal will be taken from your contribution sources, including investment earnings, in the order listed above and continued below. Your investments within the source will be withdrawn pro-rata by investment option balance.

- Vested Company Matching Contributions
- Vested Enhanced Program Contributions
- In-Plan Roth conversions restricted (Vested Enhanced Program Contributions)
- Pretax contributions
- Pretax catch-up contributions (closed to new contributions)

- In-plan Roth conversions restricted (pretax contributions)
- Roth contributions
- Roth catch-up contributions (closed to new contributions)
- QNECs

You may want to consult a tax advisor regarding the tax consequences before you request a withdrawal from the 401(k) Plan. The taxable portion of your withdrawal is usually subject to mandatory federal income tax withholding of 20% and may be subject to required withholding by some states. The actual amount of income tax owed is based upon your tax situation. Withdrawals prior to age 59½ may be subject to an additional 10% federal tax on early distributions (see Question 32). Generally, these taxes may be deferred if you roll over the withdrawal into an IRA or another qualified retirement plan.

Contact Fidelity at 1-800-240-4015 or go to NetBenefits® at www.401k.com to verify the amount available and request an in-service withdrawal. You may set up an electronic funds transfer to have your distribution sent directly to your bank account, or you may request a check be mailed to your address of record. You do not have to provide a reason for requesting an in-service withdrawal.

24. May I Withdraw From My Account if I Suffer Financial Hardship?

After you have taken the maximum allowable in-service withdrawals (see Question 23) and still have a qualifying hardship need, you may withdraw your pretax, Roth, and/or QNEC contributions, including investment earnings on those contributions, if you can demonstrate financial hardship as defined in accordance with IRC safe-harbor regulations.

In general, a financial hardship is a defined event that creates an immediate and heavy financial need that cannot be relieved by all other readily available financial resources (including in-service withdrawals). For details of the IRC safe-harbor regulation allowable hardship reasons, contact Fidelity at 1-800-240-4015 or go to NetBenefits® at www.401k.com.

Examples of IRC safe-harbor hardship reasons include:

- Uninsured medical expenses for you, your Spouse, your dependents, or primary beneficiary under the 401(k) Plan
- Purchase of your primary residence (not including mortgage payments)
- Post-secondary education expenses for the next 12 months, including tuition, educational fees, and room and board, for you, your Spouse, your children, your dependents, or primary beneficiary under the 401(k) Plan
- Preventing foreclosure on, or eviction from, your primary residence
- Certain repairs or renovations to your principal residence due to a catastrophic, unforeseeable event (e.g., fire or natural disaster)
- Expenses incurred by participants with a primary residence in a federal disaster area

- Funeral or burial expenses for your parents, Spouse, children, dependents, or primary beneficiary under the 401(k) Plan

25. What Limitations and Restrictions Apply to Hardship Withdrawals?

The following limitations are imposed on hardship withdrawals:

- The amount of the withdrawal may not exceed the amount required to satisfy the need created by the hardship event (including federal, state, or local income taxes and penalties reasonably anticipated to result from the withdrawal).
- Federal and applicable state income tax are owed on the amount of the hardship withdrawal for the year of the distribution if the withdrawal includes any taxable amounts.
- The 10% federal additional tax on early distributions, before age 59½, may apply unless certain conditions are met (see Question 32).
- The withdrawal may not be rolled over into an IRA or qualified retirement plan.

Contact Fidelity at 1-800-240-4015 or go to NetBenefits® at www.401k.com to verify the amount available for a hardship withdrawal and request an application form. You may set up an electronic funds transfer to have your distribution sent directly to your bank account, or you may request a check be mailed to your address of record. You must return the application with documentation proving the hardship reason and amount needed. Fidelity, on behalf of the Plan Administrator, will determine whether your request for a hardship withdrawal meets the legal and Plan requirements.

You may want to consult a tax advisor regarding the tax consequences before you request a withdrawal from the 401(k) Plan. The taxable portion of your withdrawal is usually subject to mandatory federal income tax withholding of 20% and may be subject to required withholding by some states. The actual amount of income tax owed is based upon your tax situation. Withdrawals prior to age 59½ may be subject to an additional 10% federal tax on early distributions (see Question 32).

26. How Does a Leave of Absence Affect My 401(k) Plan Eligibility and Benefits?

If you take a Company-approved leave of absence, your contributions, Company Matching Contributions, and Enhanced Program Contributions will generally be suspended during the leave. Your Account will continue to experience investment gains and/or losses based on your investment option choices, and you may exercise all options available to an active participant except taking new loans (see Question 22 and Appendix C).

When you return from your leave, your contribution rate in effect at the time the leave commenced resumes automatically. Your contribution percentage and mix between pretax, Roth and/or after-tax will be the same as before the leave of absence. There is no make-up of missed contributions for the period of your leave of absence unless you were on a Military Leave of absence (see Question 27).

If you have an outstanding loan when you start your leave (see Appendix C), your loan repayments will automatically be suspended during the leave but may not be suspended for more than one year (see Question 27 for Military Leave differences). When you return from leave, Fidelity will automatically adjust the bi-weekly payroll deduction payments for the remaining term of the loan to collect for the missed payments plus accrued interest. If you prefer to make loan payments during the time you are on leave,

please call Fidelity at 1-800-240-4015 to initiate direct monthly payments.

If the term of your loan ends during your leave of absence, you have the option of immediately paying the remaining loan balance, with accrued interest, or having the outstanding balance be reported as either a withdrawal, if you are eligible, or as a defaulted loan resulting in current year income tax and possible penalties on the taxable portion (see Question 32 and Appendix C).

If you are on leave for more than one year, at the end of the loan suspension period, you may initiate monthly payments directly to Fidelity to pay off the loan by the end of the original term. If you do not initiate loan payments, the outstanding loan balance will be reported as either a withdrawal, if you are eligible, or as a defaulted loan resulting in current year income tax and possible penalties on the taxable portion (see Question 32 and Appendix C).

27. What Happens if I Take a Military Leave?

Qualified military service as defined in IRC Section 414(u) means military duty on a voluntary or involuntary basis in a U.S. uniformed service. Military duty includes active duty, active duty training, inactive duty training, full time National Guard duty, and examination to determine fitness for such duty. For purposes of the 401(k) Plan, Military Leave means a period of absence from performance of employment service due to qualified military service.

If you have been on military active duty for more than 30 days, regardless of your age and not subject to the 401(k) Plan's in-service withdrawal restrictions (see Question 23), you may request a distribution of the balance of the Vested sources in your Account under provisions of the HEART Act. If you receive a distribution under the HEART Act, you may not make pretax, Roth and/or after-tax contributions (and will not receive Company Matching Contributions as a result) for 6 months beginning on the distribution date.

While on Military Leave, you may have loan payments suspended for the full period of Military Leave (see Appendix C). If you prefer to make loan payments during the time you are on Military Leave, please call Fidelity at 1-800-240-4015 to initiate direct monthly payments. When you return from Military Leave, Fidelity will extend the loan term for the period you were on Military Leave and will initiate the bi-weekly payroll deductions. The payments will be adjusted for accrued interest for the period of leave at the lesser of 6% or the rate of the loan.

If you timely return to NTESS employment from Military Leave as provided under the Uniformed Service Employment and Reemployment Rights Act of 1994 (USERRA), you are eligible to contribute "make-up contributions" to the 401(k) Plan for the period of your Military Leave. Make-up contributions are contributions that you make from your current paychecks but are attributable to a prior period or year. The make-up contributions are subject to the limits on contributions that were in place during the period of Military Leave. You will receive Company Matching Contributions on the make-up contributions. You have a limited period of time after you return from Military Leave to make-up contributions and receive the associated Company Matching Contributions. To request make-up contributions, please contact HR Solutions at (505) 284-4700.

In addition, upon your return as provided under USERRA, you will automatically receive the Enhanced Program Contributions if you are an Enhanced Program Employee for the period of Military Leave. Compensation for purposes of calculating the Enhanced Program Contributions and the Company Matching Contributions on make-up contributions will be determined according to the requirements of USERRA.

If you are not Vested (see Question 21) in the Company Matching and Enhanced Program

Contributions when your Military Leave commences, you will be credited with 501 Hours of Service for each year during the Military Leave to avoid forfeiture of your non-Vested sources. A participant who dies while on Military Leave will be credited with Hours of Service as if they had been employed on a full-time basis from the beginning of the Military Leave to the date of death.

28. When Am I Eligible to Receive or Required to Receive a Distribution From the 401(k) Plan Following Retirement or Termination of Employment?

When you terminate employment, whether due to retirement or other circumstances, with NTESS and all other Affiliated Companies, you are eligible to elect a single lump sum distribution of the Vested balances in your Account. You are also eligible to request partial distributions up to 13 times each Plan Year, in amounts of not less than \$500 each distribution. If your Account includes a Money Purchase source, you have additional distribution options and restrictions for that portion of your Account (see Question 29).

You may select the contribution source from available Vested balances in the list below from which to take your partial Account withdrawal. If a contribution source is not selected, your partial Account withdrawal will be processed from the available Vested balance in each source in the order they are listed below. Your investments within the source will be withdrawn pro-rata by investment option balance.

- After-tax contributions
- After-tax rollovers
- Roth rollovers
- Pretax rollovers
- Vested Company Matching Contributions
- In-plan Roth conversion, not subject to restrictions
- Vested Enhanced Program Contributions
- In-plan Roth conversions restricted (Vested Enhanced Program Contribution)
- Pretax contributions
- Pretax catch-up contributions (closed to new contributions)
- In-plan Roth conversions restricted (pretax contributions)
- Roth contributions
- Roth catch-up contributions (closed to new contributions)
- QNECs

You may want to consult a tax advisor regarding the tax consequences before you request a

withdrawal from the 401(k) Plan. For general information regarding taxation of distributions, see Question 33.

It is recommended that you wait a few weeks following separation from employment prior to requesting a full distribution to allow for NTESS to notify Fidelity of your termination date and for the processing of your final paycheck. Contact Fidelity at 1-800-240-4015 or go to NetBenefits® at www.401k.com to request a partial or full distribution of your Account. You may set up an electronic funds transfer to have your distribution sent directly to your bank account, or you may request a check be mailed to your address of record. You may also set up automatic periodic withdrawals from your Account by contacting Fidelity at 1-800-240-4015.

The following additional distribution rules apply upon retirement or termination:

- If you have not requested a full distribution and the Vested balance in your Account is \$5,000 or less, or if it subsequently falls below \$5,000, excluding the balances in rollover sources, a lump sum distribution of your entire Vested Account will be processed automatically. If the Vested balance in your Account is greater than \$1,000, but does not exceed \$5,000, excluding the balances in rollover sources, the automatic distribution of your entire Vested Account will be rolled over to a Fidelity IRA. If the Vested balance in your Account is \$1,000 or less, required income tax withholding will be applied and a check for the net Vested balance will be mailed to your address on record with Fidelity.
- If the Vested balance in your Account at termination is greater than \$5,000, excluding balances in rollover sources, and you do not elect a distribution, payment of your Account will automatically be deferred until you make a distribution election, your Required Beginning Date, or when your Account falls below \$5,000.
- At your Required Beginning Date and during each calendar year thereafter, Fidelity will calculate and process a distribution based upon the IRC required minimum distribution (RMD) tables for your life expectancy or joint life expectancy with your spouse if your spouse is your named Beneficiary and more than 10 years younger than you. The first RMD is calculated for the later of the year you attain age 72 (increased from age 70 ½ effective January 1, 2020) or you terminate employment but is not required to be paid until April 1st of the next year. The second RMD is payable during the calendar year following the year you attain age 72, essentially requiring two distributions within the same calendar year if you postpone the first distribution.

NOTE: The CARES Act waives RMDs due to be paid in calendar year 2020, including those not taken by the end of 2019 for individuals who attained age 70 ½ in 2019 (see Appendix D).

- If you elect a partial distribution, which is not rolled into a qualified retirement plan or IRA, by December 1st of any year in which a RMD is required and the amount of the distribution is more than the calculated RMD amount, Fidelity will not process a RMD for that year.

You may want to consult a tax advisor regarding the IRC regulations on timing and amount of RMDs and associated penalties.

29. Are There Special Distribution Rules on Money Purchase Balances?

If your Account includes a Money Purchase source transferred from a previously Affiliated Company's Money Purchase plan, you have additional distribution options and restrictions for that portion of your Account. The Money Purchase source is subject to certain qualified joint and survivor annuity rules. Under these rules, if you are married, your Money Purchase source will be distributed in the form of a "joint and survivor annuity" which provides payments over your lifetime and, if your Spouse survives you, continuing payments to your Spouse for the rest of his or her life. You may elect, with your Spouse's written and notarized consent, to receive your Money Purchase source in the form of a single life annuity or in a lump sum. If you are unmarried, your Money Purchase source will be distributed in the form of a single life annuity unless you elect to receive a lump sum.

If you are married, you may not select a Beneficiary for your Money Purchase balance other than your Spouse or the distribution of the Money Purchase balance following your death to be paid to your Spouse in any form other than an annuity for their lifetime until the first day of the Plan Year in which you reach age 35 or are no longer employed by NTESS and all other Affiliated Companies. Prior to this time, the Plan Administrator will provide you a written explanation of the death benefit for your Spouse and the rules for you and your Spouse to waive this death benefit. Contact HR Solutions at (505) 284-4700 to request a waiver form. Following proper completion of the waiver, your Money Purchase balance will be payable as a lump sum to the Beneficiary(ies) you designate for the other sources in your 401(k) Plan Account.

The Money Purchase balance is included to determine the maximum loan amount available but is not available for processing of loan proceeds (see Appendix C). The Money Purchase source is not available for in-service distributions prior to age 65 or hardship distributions (see Questions 23 and 24).

30. What Happens if I Die Before Receiving Distribution of My Vested Account?

If you die before receiving distribution of your entire Vested Account, the general rule for distribution to your Beneficiary (see Question 31) requires that the entire balance of your Account be distributed within ten years of your death. There is no requirement that distributions be taken annually even if you were already subject to RMDs. If your Spouse is your Beneficiary, they may elect a lump sum distribution, excluding any Money Purchase source (see Question 29) or may retain the Account in the 401(k) Plan as an inherited Account and defer RMDs until you would have attained your Required Beginning Date (see Question 28). When your Spouse begins RMDs, they will be calculated using his/her life expectancy.

If at the time of your death, you are not married, you do not have a designated Beneficiary (see Question 31), or the Beneficiary is your estate, a charity, or another non-individual, the entire account balance must be distributed by the end of the fifth year following the year of your death. If you die after your Required Beginning Date, annual RMDs must be paid based upon your life expectancy at the time of your death reduced by one year for each subsequent year during the 5-year period until the Account is fully distributed.

If your surviving Spouse dies before distribution of your full Account, distribution will be made to your Spouse's Beneficiary in a single sum upon request but must be distributed by the end of the calendar year containing the fifth anniversary of your Spouse's death or by the 10th anniversary of your Spouse's death depending on the Beneficiary named by your Spouse.

Your Beneficiary should contact Fidelity at 1-800-240-4015 for information on distributions and rollover options available to IRC defined “Eligible Designated Beneficiaries”.

31. How Do I Choose or Change a Beneficiary?

You may designate one or more Beneficiaries to receive the Vested balance of your Account upon your death. You may revoke or change this designation at any time before your death. Special rules apply to the Beneficiary designation for the Money Purchase source (see Question 29). Any new designation will revoke all prior designations.

To designate a Beneficiary, go to the “Profile” page on NetBenefits® at www.401k.com. You may also request a paper Beneficiary Designation Form from Fidelity at 1-800-240-4015. In all events, no designation of Beneficiary or change of Beneficiary shall be effective unless received by the Fidelity on behalf of the Plan Administrator prior to your death. Fidelity will send confirmation of any Beneficiary change.

Please consider the following when you choose a Beneficiary:

- If you are married and have not designated a Beneficiary, your Spouse (to whom you are married when you die) automatically becomes your Beneficiary.
- If you are married and designate someone other than your Spouse as your primary Beneficiary (including a trust), your Spouse must waive his or her right to your Account and consent to the non-Spouse Beneficiary designation in a written, notarized statement (the Beneficiary Designation Form includes a consent section).
- If you are not married at the time of your death and do not have a designated Beneficiary (or your designated Beneficiary predeceased you), the Vested balance of your Account will be paid to your estate upon your death. State law will then apply to the disposition of the 401(k) Plan assets paid to your estate.
- If you designate a minor as a Beneficiary, the Plan Administrator may direct that the distribution be paid to the legal guardian, parent, responsible adult with whom the minor resides, or custodian for the minor.

NOTE: A divorce will **NOT** automatically void your designation of your former Spouse as your Beneficiary. If you wish to remove a former Spouse whom you designated as your Beneficiary, you must make a new Beneficiary designation.

32. What Taxes Apply to Withdrawals and Distributions?

Due to the complexity and frequency of changes in the federal laws that govern benefit distributions, penalties and taxes, the following is only a brief explanation of the IRC regulations as of the date of this SPD. State taxation is not addressed as the regulations are state specific. Before Fidelity can process your request for a distribution, you must acknowledge receipt of the Special Tax Notice (IRC 402(f) Notice) on NetBenefits® at www.401k.com, which outlines the tax consequences of taking a distribution in more detail.

NOTE: You may want to consult a tax advisor regarding tax consequences before you request a withdrawal from the 401(k) Plan. The taxable portion of your withdrawal is usually subject to mandatory federal income tax withholding of 20% and may be subject to required withholding by some states. The actual amount of income tax you will owe is based upon your tax situation and may be subject to a 10% additional federal tax on early distributions. Generally, income taxes and the early distribution penalty tax may be avoided if you roll the withdrawal into an IRA or to another qualified retirement plan.

You do not owe federal or state income taxes on your pretax contributions, Company Matching Contributions, Enhanced Program Contributions, and their associated earnings until they are distributed to you from the 401(k) Plan and are not rolled over to an IRA or another qualified retirement plan.

You do not owe income taxes on your after-tax or Roth contributions and rollovers when they are distributed to you since you paid income taxes on these in the year they were contributed by you. You do not owe income tax on amounts distributed from in-plan Roth conversion sources (see Question 8) as you paid any required income taxes in the year of conversion. The investment earnings on your Roth sources will not be taxed when withdrawn if the requirements of a Qualified Distribution are met or they are rolled over (see Question 7(b)). You will be considered to have withdrawn a proportionate share of contributions and investment earnings on partial distributions of after-tax and Roth sources.

If you are under age 59½ when you receive a distribution, you may be subject to a 10% additional federal tax on early distributions. Refer to the Special Tax Notice (IRC 402(f) Notice) for information on exceptions to the 10% additional tax on early distributions.

20% Withholding on Taxable Distributions

When a distribution that is eligible for rollover is paid directly to you, the 401(k) Plan is required to withhold 20% of the taxable portion of the payment and remit it to the IRS as payment toward federal taxes you may owe. You may still rollover all or a part of the 80% of the distribution that you receive by putting it into an IRA or a qualified retirement plan within 60 days of receiving the payment. If you want to rollover 100% of the eligible distribution, you must have other funds to replace the 20% that was withheld.

The following distributions that are available from this 401(k) Plan are not eligible to be rolled over and are exempt from this required withholding rule:

- Minimum required distributions at and after age 70½
- Substantially equal periodic payments made to you on an annual basis for your life or the joint lives of you and your Spouse (only available on Money Purchase, see Question 29)
- Hardship withdrawals

Some states may also require tax withholding on distributions paid to you.

NOTE: The CARES Act revised federal tax and withholding requirements on qualifying “coronavirus-related distributions” made during calendar year 2020 (see Appendix D).

33. May My Account Be Reduced or Assigned?

Amounts held in your Account are subject to increases and decreases in value depending upon the performance of the investment option(s) you select. In addition, professional management fees, transaction fees and administration expenses may be paid from your Account (see Question 19). Certain circumstances, such as limits on contributions or required nondiscrimination testing (see Questions 10 and 13), may require that contributions be returned to you or be forfeited. In certain circumstances, contributions may be returned to the Company if made on the basis of a mistake of fact.

Your 401(k) Plan Account is for your benefit or the benefit of your Beneficiary(ies). Amounts held in your Account may not be attached, garnished, assigned, or used as collateral for a loan outside of this 401(k) Plan. Your Account may not be assigned or pledged to others and is not subject to the claims of creditors, except in the case of a Qualified Domestic Relations Order (QDRO) or an IRS tax levy.

A QDRO is a special order issued by a court in a divorce, child support, or similar proceeding. In this situation, your Spouse, or former Spouse, or someone other than you or your Beneficiary(ies), may be entitled to a portion of your Account based on the court order. You may obtain a written description of the 401(k) Plan's QDRO procedures at no charge from the QDRO processor:

Alight Solutions
NTESS Qualified Order Team
P.O. Box 1433
Lincolnshire, IL 60069-1433
QDRO Specialist Line – (866) 310-8042, FAX Line – (847) 554-1963.

QDRO processing fees for orders submitted are deducted from your Account and will be noted on your Account statement.

34. Can the 401(k) Plan Be Changed or Terminated?

The 401(k) Plan may be amended or terminated at any time as required by federal law or as the Company determines in its discretion, subject to legal restrictions.

35. How May I Appeal a Decision About My 401(k) Plan Account?

If you believe an error has been made in determining the value of your 401(k) Plan Account, such as amount of contribution, Vesting percentage of sources, or distribution options, then you (or a duly authorized representative) may submit a written request to the Plan Administrator claiming the benefits to which you believe you are entitled. See the 401(k) Plan's Claims and Appeal Procedure in Appendix B.

36. Statement of ERISA Rights

As a participant in the 401(k) Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 as amended (ERISA). ERISA provides that you are entitled to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the 401(k) Plan, including insurance contracts, collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the 401(k) Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit

Administration.

- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the 401(k) Plan, including insurance contracts and collective bargaining agreements, 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 Plan's annual financial report. The Plan administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a benefit at normal retirement age (the later of age 65 or the date you are credited with 5 years of service), and what your benefit would be if you stop working now. This statement must be requested in writing, is not required to be provided more than once in a year, and must be provided free of charge.

In addition to creating rights for 401(k) Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the 401(k) Plan. The people who operate your 401(k) Plan, called "fiduciaries" of the 401(k) Plan, have a duty to do so prudently and in the interest of you and other 401(k) Plan participants and Beneficiaries. No one, including your employer, your union if applicable, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit under the 401(k) Plan or exercising your rights under ERISA.

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, 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) Plan documents or the latest annual report from the Plan Administrator and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the 401(k) Plan Administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the 401(k) Plan's decision concerning the qualified status of a domestic relations order, you may file suit in federal court. If it should happen that 401(k) Plan fiduciaries misuse the 401(k) Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees of the party either bringing or defending the suitor proceeding. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about this 401(k) Plan, contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline for the Employee Benefits Security Administration.

37. Other Important Information

Plan Sponsor

National Technology & Engineering Solutions of Sandia, LLC (NTESS)

Direct inquiries to:

NTESS
Retirement Investment Management Dept.
P.O. Box 5800, MS 1302
Albuquerque, NM 87185-1302
(505) 845-9222

Plan Administrator

Employee Benefits Committee of NTESS (EBC)

Direct inquiries to:

Employee Benefits Committee
P.O. Box 5800, MS 1021
Albuquerque, NM 87185-1021
(505) 284-4700

Agent for Service of Legal Process

Corporation Service Company (CSC)

Direct inquiries to:

Main Office:
Corporation Service Company
251 Little Falls Drive
Wilmington, DE 19808

Local Offices:
Corporation Service Company
123 East Marcy Street, Suite 101
Santa Fe, NM 87501
(505) 989-7500

Corporation Service Company
2710 Gateway Oaks Dr., Suite 150N
Sacramento, CA 95833
(916) 641-5100

Identification Numbers

Employer Identification Number of NTESS:

85-0097942

Plan Identification Number of NTESS Savings and Income Plan:

008

Plan Type

Defined contribution plan, IRC Section 401(a), with IRC Section 401(k) feature

Plan Funding Arrangement

All assets of the 401(k) Plan are held in trust.

The Trustee is:

Fidelity Management Trust Company

Plan Year

The period beginning each January 1 and ending December 31

Appendix A: **Definitions**

401(k) Plan	NTESS Savings and Income Plan, see also Plan
Account	All transactions and values are separately tracked for each participant and Beneficiary within the 401(k) Plan. The presentation of separate record-keeping is the individual's Account. Within each Account, activity for each contribution source are further separately tracked to allow for differences, such as Vesting and distribution restrictions.
Affiliated Company(ies)	NTESS and, pursuant to IRC Section 414, any company within the same controlled group of companies or that is a member of an affiliated service group with NTESS. The IRC requires that certain aspects of employment service with Affiliated Companies be aggregated; i.e., treated as if they are a single employer.
Beneficiary(ies)	The person(s) or legal entity designated to receive the Vested balance of your Account if you die while a participant in the 401(k) Plan.
Break(s) in Service	A Plan Year in which you are credited with 500 or less Hours of Service.
Compensation	See Question 4 for the definition of Compensation.
Company	National Technology & Engineering Solutions of Sandia, LLC (NTESS) and any successor to all or a major portion of the assets or business of NTESS that, by appropriate action, adopts the 401(k) Plan.
Company Matching Contribution(s)	See Question 9(a) for the definition and description of Company Matching Contribution.
Eligible Employee	See Question 2 for the definition of Eligible Employee.
Employee	A common law employee of the Company and, to the extent required by IRC Section 414(n), any Leased Employee. An Employee does not include (and has not at any time included) an individual during any period he or she is not classified as a common law employee of an Affiliated Company, without regard to whether such an individual is subsequently determined to have been a common law employee of an Affiliated Company during such period.
Enhanced Program Contribution(s)	See Question 9(b) for the definition and description of Enhanced Program Contribution.
Enhanced Program Employee	An Eligible Employee who first becomes an Employee on or after January 1, 2009 for non-represented Employees, July 1, 2009 for Employees in an OPEIU represented position, and July 1, 2010 for Employees in an MTC or SPA represented position unless converted or transferred under the specific situations described in the Plan document; and an Eligible Employee that was employed prior to the dates herein who separated from the Company and again becomes an Eligible Employee after the specified dates unless returning from certain leaves of absence or personnel assignments as described in the Plan document.
Highly Compensated Employee	An Employee who had earnings, as IRC defined for this purpose, from NTESS and other Affiliated Companies during the preceding Plan Year equal to or exceeding the annual amount specified in IRC Section 414(q).

Hour(s) of Service	Each hour for which you are paid or are entitled to payment as an Employee of NTESS or another Affiliated Company for performance of duties and, up to 501 hours for continuous periods in you are paid or entitled to payment in which no duties are performed; e.g., vacation, holiday, illness, layoff, Military Leave, or jury duty.
Leased Employee	Any person who pursuant to an agreement between an Affiliated Company and a leasing organization performs services for the Company or another Affiliated Company on a substantially full-time basis for a period of at least one year, and such services are performed under the primary direction or control of the Company or another Affiliated Company
Military Leave	A period of absence from performance of employment service due to qualified military service as defined in IRC Section 414(u).
Parent Company	A company which directly or indirectly owns at least 80% of another company is known as the parent company. For NTESS, Parent Company further means the organization(s) that comprise the contractor entity under contract with the Department of Energy (DOE) or National Nuclear Security Administration (NNSA) for the management and operating (M&O) of Sandia National Laboratories, as of May 1, 2017, Honeywell International, Inc.
Plan	NTESS Savings and Income Plan, see also 401(k) Plan.
Plan Administrator	Employee Benefits Committee of NTESS (EBC)
Plan Service	Plan Service, used to allocate Enhanced Program Contributions, means all of an Eligible Employee's Years of Service with the Company modified as follows: <ul style="list-style-type: none"> • 30-Day Leave. An Employee will be deemed to be working his or her regular schedule during the first 30 days of an unpaid absence or approved leave that extends beyond 30 days if the Employee immediately returns to employment from the absence or leave. For this purpose, only one such 30-Day leave will be credited in a single fiscal year of the Company. • Special Leave of Absence. During the period of an individual's "Special Leave of Absence Consistent with the Company's Interest" (SLOA) within the meaning of Company policy, the individual will be deemed to be working his or her regular schedule; provided, however that at the end of such SLOA, the individual again becomes an Eligible Employee; provided, further, that, effective July 1, 2017, with respect to SLOAs that began or were extended beyond three years on or after January 1, 2017, the individual will be deemed to be working his or her regular schedule during the first three years of such SLOA. Effective for SLOAs beginning on or after July 1, 2017, the individual must remain an Eligible Employee for a period of at least one year to receive service credit for the period during which the individual was on such SLOA. • Modified Rule of Parity. If an Employee who has no Vested employer-provided benefits incurs 5 or more consecutive one-year Breaks in Service, the Employee's pre-break service will be disregarded for Enhanced Program Contribution purposes. Notwithstanding the foregoing, if such Employee subsequently is credited with 5 Years of Plan Service while working as an Eligible Employee, his or her pre-break service will be restored.

**Plan Service
(continued)**

- One-Year Hold Out. If an Employee has a one-year Break in Service, Years of Service before the one-year Break in Service will not be taken into account for any purpose under the 401(k) Plan until the Employee has completed a Year of Service after his or her Reemployment Date. If an Employee has a one-year Break in Service, but less than five, the One-Year Hold Out rule will apply.
- Layoff. Solely for the purpose of determining whether an individual has incurred a one-year Break in Service, a maximum of 501 Hours of Service will be credited for each Plan Year in which an individual is on a temporary layoff due to a reduction in force; provided, however, that the individual returns to employment within 4 years of the first date of such a layoff. In addition, up to 6 months of unpaid absence because of a temporary layoff due to a reduction in force will be counted as Plan Service if the Employee again becomes an Eligible Employee.
- Military Service. Service credit with respect to qualified military service will be provided to the extent required by Code Section 414(u).
- Approved Corrective Action Time Off. An individual will be deemed to be working his or her regular schedule during approved corrective action time off without pay due to the suspension, cancellation or revocation of a security clearance; provided, however, that at the end of such time, the individual again becomes an Eligible Employee.
- Affiliated Company Service. A participant will earn Plan Service for services performed for an Affiliated Company. Effective May 1, 2017, service with a Parent Company and its affiliates prior to the Parent Company becoming an Affiliated Company will not be credited as Plan Service.

Plan Year

The period beginning each January 1 and ending December 31.

**Qualified Default
Investment
Alternative (QDIA)**

The 401(k) Plan's designated default investment option for deposit of contributions to your Account for which you have not made an investment option selection is a target date fund with an asset allocation strategy designed for investors who will be retiring within 5 years of the date of the fund at their attainment of age 65.

**Qualified
Distribution**

A withdrawal of the investment earnings on Roth contributions, Roth rollovers and Roth in-plan conversions that eliminates the income tax on those investment earnings by being paid after:

- The 5-year period which begins on the first day of the year in which you first make a Roth contribution, Roth rollover, or Roth conversion in the 401(k) Plan, and
- The date you reach age 59½, your death or your disability.

**Qualified Non-
Elective
Contribution
(QNEC)**

See Question 9(c) for the definition and description of Qualified Non-Elective Contribution.

Reemployment Date

The first date on which the Employee performs an Hour of Service after he or she separates from service.

Regular Employee

An individual employed directly by NTESS for an unspecified period working a full-time or part-time schedule. Limited-term Employees, post-doctoral appointees, recurrent Employees, and student interns are **not** Regular Employees.

Required Beginning Date	The date when you must begin withdrawals from your Account, which is April 1st of the calendar year following the later of (i) the calendar year in which you attain age 72 or (ii) the calendar year in which you separate from employment with all Affiliated Companies if you have already attained age 72. If you turned 70 ½ in 2019, see Question 28.
Required Minimum Distribution	Minimum amount you must withdraw from your Account each year once reaching the Required Beginning Date.
Spouse	Spouse shall mean, effective for amounts being withdrawn or available to a Beneficiary on or after September 16, 2013, the person who is recognized as an individual's Spouse in accordance with the laws of a state, the District of Columbia, a U.S. territory or a foreign jurisdiction where the marriage took place. Spouse does not include a domestic partner or a party to a civil union.
Vest(ing)(ed)	The ownership percentage you have of contribution sources within your Account; i.e., the amount which you may take from the 401(k) Plan during retirement or after separation from NTESS and all other Affiliated Companies.
Year(s) of Service	A Plan Year(s) during in which you are credited with at least 1,000 Hours of Service.

Appendix B: **Claims and Appeal Procedure** **NTESS Savings and Income Plan**

A participant or Beneficiary who has questions or concerns about his or her Plan benefits is encouraged to communicate with the HR Solutions regarding those questions or concerns. If the participant or Beneficiary (“Claimant”) is not satisfied with this communication, the Claimant may make a formal claim for benefits in accordance with the procedures outlined below. **A Claimant may not make a formal claim more than three hundred sixty-five (365) days after the date the Claimant has knowledge of all material facts that are the subject of the claim.**

A formal claim must be filed, in writing, with the Employee Benefits Committee of NTESS (EBC), the Plan Administrator, P.O. Box 5800, MS 1021, Albuquerque, NM 87185-1021. Within 90 days following receipt of the claim, the EBC will give the Claimant either a written notice of its decision or, if special circumstances require an extension of time for review, a notice of a 90-day extension of the review period. A claim or appeal may be filed by an authorized representative on behalf of a Claimant.

If a claim is denied in whole or in part, the EBC will give the Claimant written notification that will include:

- (a) The specific reason for the denial;
- (b) Specific references to pertinent Plan provisions on which the denial is based;
- (c) A description of any additional material or information that needs to be submitted with an explanation of why the material or information is necessary;
- (d) An offer to provide the Claimant, on request, free of charge, reasonable access to and copies of all documents, records and other information relevant to the claim (including a statement of policy or guidance concerning a disability claim); and
- (e) 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.

If the Claimant wants to appeal a denied claim, the Claimant must submit an appeal in writing to the Employee Benefits Claims Review Committee (EBCRC), P.O. Box 5800, MS 1021, Albuquerque, NM 87185-1021. The deadline for submitting any such appeal will be 60 days after the Claimant receives written notification of the denial of the claim, as described above. Within 60 days following receipt of the appeal, the EBCRC will give the Claimant either a written notice of its decision or, if special circumstances require an extension of time for review, a notice of a 60-day extension of the review period. The review of the EBCRC will take into account all comments, documents, records, and other information the Claimant submits, without regard to whether that information was submitted or considered in the initial benefit determination. If the appeal is denied, the notification will:

- (a) Explain the specific reasons and specific Plan provisions on which the decision is based;
- (b) Include a statement describing any voluntary appeal procedures offered by the Plan and the Claimant’s right to obtain information about these procedures;

(c) Include a statement regarding the Claimant's right to bring a civil action under ERISA 502(a), and

(d) Offer to provide the Claimant, on request, free of charge, reasonable access to and copies of all documents, records and other information relevant to his or her claim for benefits.

The EBCRC has the exclusive, full and final authority to hear and determine appeals of claims denied by the EBC. The decision of the EBCRC will be the final and conclusive administrative review proceeding under the Plan.

A Claimant is required to pursue all administrative and appeals procedures described above as a precondition to challenging the denial of a claim in a lawsuit. Such exhaustion of administrative procedures applies equally to claims for (i) recovery of Plan benefits; (ii) enforcement of rights under the terms of the Plan; and (iii) clarification of rights to future benefits under the terms of the Plan.

The Claimant may not submit a dispute to a court with respect to a denied claim under this Plan more than three hundred sixty-five (365) days after the date the Plan Administrator renders its final decision upon appeal.

When determining whether to approve or deny a claim, the Plan Administrator is operating pursuant to its full discretionary authority to administer and interpret the Plan and to determine eligibility for participation and for benefits under the terms of the Plan.

Appendix C:
Loan Policy
NTESS Savings and Income Plan
Revised Effective 1/1/2020

The Employee Benefits Committee of NTESS (EBC) as Plan Administrator of the NTESS Savings and Income Plan (401(k) Plan) adopts the following loan policy under the terms of the 401(k) Plan. A participant may receive a loan only as permitted by this Loan Policy.

Loan Eligibility and Restrictions

You may borrow from the Vested balance in your 401(k) Plan Account if you are an active Employee with Vested balances sufficient to meet the minimum loan requirement. Former Employees and Employees on a leave of absence, including a Military Leave, may not initiate a new loan. New loans are subject to the following conditions:

- Minimum loan amount is \$1,000
- Maximum loan amount is the lesser of 50% of your Vested balance or \$50,000 minus your highest outstanding loan balance during the preceding 12-month period
- No more than two loans may be outstanding at one time (including any defaulted loans that have been reported as a deemed distribution and are still outstanding)
- If you have a defaulted loan that has been reported as a deemed distribution and is still outstanding, then no additional loan will be made unless you agree to repay through payroll deductions for the life of the loan
- Your approval of the terms of the loan, as indicated on the loan application and truth-in-lending statement, and your agreement to repay which is acknowledged by your acceptance of the payment of the loan proceeds

NOTE: The CARES Act revised loan conditions and repayment requirements. See the CARES Act Loan Provisions section at the end of this Loan Policy.

Requesting a Loan

Contact Fidelity Investments® (Fidelity) at 1-800-240-4015 or go to Fidelity NetBenefits® at www.401k.com to verify your balance available for a loan and the current loan interest rate. A Fidelity representative will review (or the website will present) various loan terms. You may set up an electronic funds transfer to have your loan proceeds sent directly to your bank account, or you may request a check be mailed to your address of record. You do not have to state a reason for requesting the loan.

If you were previously employed with an Affiliated Company, you will need to contact HR Solutions at (505) 284-4700 to finalize your loan processing. Fidelity can also assist with this process.

Loan Terms and Repayments

- Allowable loan terms are monthly increments between 12-56 months
- Interest rate for the full term of the loan is determined by the Plan Administrator when the loan is requested. (As of the effective date of this loan policy, the interest rate for new loans is equal to the Reuter's prime rate as of the beginning of the calendar month.)
- Amount of the loan, plus interest, is amortized over the repayment term in equal bi-weekly payments
- Biweekly repayments, automatically set for payroll deduction, are made after-tax, but do not change the tax basis of the contribution source to which it is repaid
- Loan payoff is allowed at any time with no prepayment penalties
- An initial \$35 processing fee will be charged to your Account, and \$3.75 will be deducted from your Account for each quarter that the loan is outstanding

Allocation of Loan to Account

Loan proceeds are processed from your Account in the following order by contribution sources, including investment earnings accumulated on those contributions:

- After-tax contributions
- After-tax rollovers
- Roth rollovers
- Pretax rollovers
- Vested Company Matching Contributions
- In-Plan Roth conversions, not subject to restrictions
- Vested Enhanced Program Contributions
- In-Plan Roth conversions restricted (Vested Enhanced Program Contributions)
- Pretax contributions
- Pretax catch-up contributions (closed to new contributions)
- In-Plan Roth conversions restricted (pretax contributions)
- Roth contributions
- Roth catch-up contributions
- QNECs

Loan proceeds are processed from your investment options on a pro-rated basis to the balance within each source. Money Purchase sources are included to determine the maximum loan amount available but are not available for processing the loan proceeds.

Loan repayments will be posted to the sources from which the proceeds were paid according to your most recent investment option elections.

Prepayment

You may prepay a loan in full at any time with no prepayment penalties. The amount of loan payoff must be obtained by contacting Fidelity at 1-800-240-4015 or on NetBenefits® at www.401k.com. Prepayment may be made by mailing a certified check, cashier's check or money order to:

Payable to:

Fidelity Investments Institutional Operations Company, Inc. (FIIOC)
On behalf of NTESS Savings and Income Plan
FBO "Name of the Participant"

Mailing Address:

PO Box 770003
Cincinnati, OH 45277-0065

Payoff may be made by Electronic Funds Transfer (EFT) which may be requested on NetBenefits® at www.401k.com. Electronic payoff must be processed at least 15 days prior to release for purposes of calculating amount available for a new loan or the number of allowable outstanding loans.

You may not request to have your entire loan balance repaid from a bi-weekly paycheck (unless it is the last payment on the payment amortization schedule). Partial loan prepayments are not allowed.

Leave of Absence (Other Than Military Leave)

If you take an approved leave of absence, you may not receive a new loan during your leave. If you have an outstanding loan when you start your leave, your loan repayments will automatically be suspended during the leave but may not be suspended for more than one year. When you return from leave, Fidelity will automatically adjust the bi-weekly payroll deduction payments for the remaining term of the loan to collect for the missed payments plus accrued interest. If you prefer to make loan payments during the time you are on leave, please call Fidelity at 1-800-240-4015.

If the term of your loan ends during your leave of absence, you have the option of immediately paying the remaining loan balance, with accrued interest, or having the outstanding balance be reported as either a withdrawal, if you are eligible, or as a defaulted loan resulting in current year income tax and possible penalties on the taxable portion.

If you are on leave for more than one year, at the end of the loan suspension period, you may initiate monthly payments directly to Fidelity to pay off the loan by the end of the original term. If you do not initiate loan payments, the outstanding loan balance will be reported as either a withdrawal, if you are eligible, or as a defaulted loan resulting in current year income tax and possible penalties on the taxable portion.

Military Leave

While on Military Leave, you may not receive a new loan. If you have an outstanding loan when you start Military Leave, your loan repayments will automatically be suspended for the full period of your Military Leave. If you prefer to make loan payments during the time you are on leave, please call Fidelity at 1-800-240-4015. When you return from Military Leave, Fidelity will extend the loan term for the period you were on Military Leave and will initiate the bi-weekly payroll deductions. The payments will be adjusted for accrued interest for the period of leave at the lesser of the rate of interest on the loan or 6%.

Termination of Employment

When you terminate employment with NTES, whether due to retirement or other circumstances, you generally may continue to repay any outstanding loans. Exceptions to repayment following termination are:

- Loan was initiated while a deemed default loan had an outstanding balance as IRC regulations require such loans to be repaid by payroll deduction only
- Termination is from all Affiliated Companies and the Vested balance in your Account including the outstanding loan balances, but not including rollover sources, is less than \$5,000 as this will trigger an automatic lump sum distribution
- If you elect a full distribution of the Vested balance of your Account, loans become immediately due and payable

When the loan is eligible for continued repayment, Fidelity will automatically re-amortize the loan for monthly payments over the remaining term. To set up automatic Electronic Fund Transfers (EFT), contact Fidelity at 1-800-240-4015 or go to NetBenefits® at www.401k.com. If you are rehired, and previously took out a loan under the 401(k) Plan, Fidelity will notify you and re-amortize the loan. Payments will then be made through bi-weekly payroll deductions.

You have the option of immediately paying the remaining loan balance. See the Prepayment section for information on processing the loan payoff.

If you elect a full distribution of the Vested balance in your Account, outstanding loan balances, with accrued interest, will be treated as a distribution to you. The taxable amounts of the loan balance will be reported as taxable income for the year of distribution and may be subject to the 10% additional federal tax on early distribution. The required 20% federal tax withholding will be applied to the amount of the loan and collected from the cash amount being distributed. You may still rollover all or a part of the loan distribution by paying the amount into an IRA or a qualified retirement plan by the filing due date (including extensions) for your tax return for the year in which the loan distribution applies.

Similarly, if you do not continue to make timely loan payments, your outstanding loan balance will be treated as a distribution to you, see the Default section for timing. The taxable amounts of the loan balance will be reported as taxable income for the year of distribution and may be subject to the 10% additional federal tax on early distribution. As other cash and property are not being paid at the same time, no tax withholding will be deducted from your remaining Account. You may still rollover all or a part of the loan distribution by paying the amount into an IRA or a qualified retirement plan by the filing due date (including extensions) for your tax return for the year in which the loan distribution applies.

Default

If you do not make a scheduled loan payment in full on the date when such payment is due, the unpaid amount must be paid by the end of the calendar quarter in which the repayment(s) was missed. Repayments during any quarter are first applied to missing repayments. If the missed payment(s) are not repaid by the end of the calendar quarter following, the loan will be defaulted. See the Leave of Absence and Military Leave sections for rules on the suspension of scheduled payments.

If you have separated from employment when your loan is defaulted, the outstanding balance and accrued interest will be reported as a distribution to you. See the Termination of Employment section for more information.

If you are still an active Employee, the source of the outstanding loan balance will be used to determine if it is eligible to be an in-service withdrawal. The portion of the outstanding loan and accrued interest that is eligible for in-service withdrawal will be reported as a distribution to you on the default date. The taxable amount of the distribution will be reported as taxable income in the year of the default, and the taxable amount may also be subject to the 10% federal additional tax on early distributions.

Any amount of the loan balance that may not be treated as a distribution, due to your termination of employment or under the in-service withdrawal rules, will be reported as a deemed distribution. The taxable portion of the deemed distribution will be reported as taxable income in the year of default and may be subject to the 10% additional federal tax on early distribution. The amount of a deemed distribution is not allowed to be rolled over to an IRA or another qualified plan.

The amount of the deemed distribution will continue to be included as part of your Account balance and will continue to accrue interest. The defaulted loan that is a deemed distribution and still outstanding will be counted toward the maximum number of loans that may be outstanding at one time, will count toward the loan balance used for determining the amount available for a new loan, and will cause any new loan to only be payable from payroll deductions. The amount of the deemed distribution will be offset (removed from your Account balance) as soon as administratively practicable following the earlier of the full distribution of your Account or your separation from employment.

CARES Act Loan Provisions

NTESS has chosen to implement provisions of the CARES Act that provide certain relief regarding loans for participants who may have been impacted by the coronavirus. To take advantage of the relief offered, you must be a “Qualified Individual”. To be a “Qualified Individual,” you must certify that you satisfy at least one of the following conditions:

- You, your spouse, or your dependent has been diagnosed with coronavirus (COVID-19) by a test approved by the *Centers for Disease Control and Prevention*.
- You, your spouse, or household members have experienced adverse financial consequences due to coronavirus (COVID-19) as a result of:
 - Being quarantined, furloughed or laid off, or having work hours reduced,
 - Having a reduction in pay or self-employment income,
 - Having a job offer delayed or rescinded,
 - Being unable to work due to lack of childcare, or
 - Closing or reducing hours of a business your own or operate.

Except as indicated below, all normal Loan Policy rules apply:

- Normally, participant loans are limited to a maximum of 50% of your vested account of \$50,000, subject to certain adjustment. If you are a “Qualified Individual,” those limits are doubled for loans taken between March 27 and September 23, 2020.
- If you are a “Qualified Individual,” you can suspend repayments for participant loans that would otherwise be due between March 27 and December 31, 2020. In connection with this suspension, the length of the loan will be extended, and the monthly payments will be reamortized to reflect the suspension, the extension, and the interest which accrues during the suspension.

Appendix D:
Coronavirus Aid, Relief and Economic Security (CARES) Act Distributions
Effective 3/27/2020

NOTE: Information below is current as of IRS Notice 2020-54 published on 07/08/2020.

NTESS has chosen to implement in the 401(k) Plan provisions of the CARES Act that provide certain relief regarding distributions for participants who may have been impacted by the coronavirus. To take advantage of much of the relief offered, you must be a “Qualified Individual.” To be a “Qualified Individual, you must certify that you satisfy at least one of the following conditions:

- You, your spouse, or your dependent has been diagnosed with coronavirus (COVID-19) by a test approved by the *Centers for Disease Control and Prevention*.
- You, your spouse, or household members have experienced adverse financial consequences due to coronavirus (COVID-19) as a result of:
 - Being quarantined, furloughed or laid off, or having work hours reduced
 - Having a reduction in pay or self-employment income,
 - Having a job offer delayed or rescinded,
 - Being unable to work due to lack of childcare, or
 - Closing or reducing hours of a business owned or operated.

Coronavirus-Related Distributions

Prior to December 31, 2020, if you are a “Qualified Individual,” you can receive a coronavirus-related distribution from the 401(k) Plan up to \$100,000. The distribution will reduce your Account balance and cannot exceed 100% of your Vested Account balance in all contribution sources excluding the Money Purchase source (see Question 29).

You may repay all or part of the coronavirus-related distribution to the 401(k) Plan, without interest, at any time within three years after receiving the distribution to restore your Account balance.

Tax Benefits of Coronavirus-Related Distributions

If you are a “Qualified Individual,” and you receive up to \$100,000 of retirement plan or IRA distributions between January 1 and December 30, 2020, there are special tax benefits which apply. While the distributions are subject to ordinary income tax, you can choose to spread the tax over 3 years. The distributions are not subject to the 10% additional federal tax on early distributions (generally distributions taken before attainment of age 59½) and are not subject to the 20% federal income tax withholding on distributions that are eligible for rollover. You can avoid income tax until later distribution for retirement if you repay the distribution to a retirement plan or IRA within three years. Partial repayments are allowed and may be deposited at any time during the three-year period.

You may elect an amount of federal tax to be withheld at the time of distribution or waive any federal withholding. If you do not make a tax withholding election, 10% of the distribution will be withheld for federal taxes.

State tax treatment may vary from the federal tax provisions.

Required Minimum Distributions

Whether or not you are a “Qualified Individual,” the CARES Act waives the requirement to take Required Minimum Distributions (RMDs) that would otherwise be due in 2020. Fidelity will not automatically process the annual RMDs in December 2020. Fidelity will send notice confirming that no 2020 RMD payment will be made, but that you may request a distribution by contacting Fidelity at 1-800-240-4015 or go to NetBenefits® at www.401k.com.

Other period payments which you may have elected with Fidelity will not be altered even if they are used to meet the annual RMD. If you desire to change your period payments, contact Fidelity at 1-800-240-4015 or go to NetBenefits® at www.401k.com.

Participant and Spousal Beneficiaries who received a distribution attributable to a 2020 RMD, or a first year RMD due for 2019 but not required to be paid until April 1, 2020, that was paid on or after January 1, 2020, may rollover the payment to an IRA to defer the current year taxation. To assist with payments that may have been made prior to the CARES Act waiver of RMDs, the normal 60-day rollover period is extended to the later of 60 days from the date of distribution or August 31, 2020.

NOTE: You may want to consult a tax advisor regarding tax consequences of the CARES Act provisions.
