



SUMMARY PLAN DESCRIPTION

for the

MICROWARE

PROFIT SHARING PLAN

MICROWARE SYSTEMS CORPORATION

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SUMMARY PLAN DESCRIPTION

1. **General.** The legal name, address and Federal employer identification number of the Employer are --

Microware Systems Corporation
1900 N.W. 114th Street
Des Moines, IA 50325-7077

EIN: 42-1073916

The Employer has established a retirement plan ("Plan") to supplement your income upon retirement. In addition to retirement benefits, the Plan may provide benefits in the event of your death or disability or in the event of your termination of employment prior to normal retirement. If after reading the summary you have any question, please ask the Plan Administrator. We emphasize this summary plan description is a highlight of the more important provisions of the Plan. If there is a conflict between a statement in this summary plan description and in the Plan, the terms of the Plan control.

2. **Identification of Plan.** The Plan is known as --

Microware Profit Sharing Plan

The Employer has assigned 001 as the Plan identification number. The plan year is the period on which the Plan maintains its records: January 1 through December 31.

3. **Type of Plan.** The Plan is commonly known as a profit sharing plan. Section (8), "Employer's Contributions," explains how you share in the Employer's annual contributions to the trust fund and the extent to which the Employer has an obligation to make annual contributions to the trust fund.

Under this Plan, there is no fixed dollar amount of retirement benefits. Your actual retirement benefit will depend on the amount of your account balance at the time of retirement. Your account balance will reflect the annual allocations, the period of time you participate in the Plan and the success of the Plan in investing and re-investing the assets of the trust fund. Since the trust fund will be invested primarily in common stock of Microware Systems Corporation your account balance will depend, in large part, upon the success of the Employer to the extent that success is reflected in the value of the common stock of Microware Systems Corporation. A governmental agency known as the Pension Benefit Guaranty Corporation (PBGC) insures the benefits payable under plans which provide for fixed and determinable retirement benefits. This Plan does not provide a fixed and determinable retirement benefit. Therefore, the PBGC does not include this Plan within its insurance program.

4. **Plan Administrator.** The Employer is the Plan Administrator. The Employer's telephone number is (515) 224-1929. The Employer has designated Glen Rau to assist the Employer with the duties of Plan Administrator. You may contact Glen Rau at the Employer's address. The Plan Administrator is responsible for providing you and other participants information regarding your rights and benefits under the Plan. The Plan Administrator also has the primary authority for filing the various reports, forms and returns with the Department of Labor and the Internal Revenue Service.

The name of the person designated as agent for service of legal process and the address where a processor may serve legal process upon the Plan are --

Kenneth B. Kaplan, President
Microware Systems Corporation
1900 N.W. 114th Street
Des Moines, IA 50325-7077

A legal processor also may serve the Trustee of the Plan or the Plan Administrator.

The Plan permits the Employer to appoint an Advisory Committee to assist in the administration of the Plan. The Advisory Committee has the responsibility for making all discretionary determinations under the Plan and for giving distribution directions to the Trustee. If the Employer does not appoint an Advisory Committee, the Plan Administrator assumes these responsibilities. The members of the Advisory Committee may change from time to time. You may obtain the names of the current members of the Advisory Committee from the Plan Administrator.

5. Trustee/Trust Fund. *The Employer has appointed --*

*Kenneth B. Kaplan, Lawrence A. Crane
and Charles R. Ball
Microwave Systems Corporation
1900 N.W. 114th Street
Des Moines, IA 50325-7077*

to hold office of Trustee. The Trustee will hold all amounts the Employer contributes to it in a trust fund. Upon the direction of the Advisory Committee, the Trustee will make all distribution and benefit payments from the trust fund to participants and beneficiaries. The Trustee will maintain trust fund records on a plan year basis.

6. Hours of Service. *The Plan and this summary plan description include references to hours of service. To become eligible to participate in the Plan, to advance on the vesting schedule or to share in the allocation of Employer contributions for a plan year, the Plan requires you to complete a minimum number of hours of service during a specified period. The sections covering eligibility to participate, vesting and employer contributions explain this aspect of the Plan in the context of those topics. However, hour of service has the same meaning for all purposes of the Plan.*

The Department of Labor, in its regulations, has prescribed various methods under which the Employer may credit hours of service. The Employer has selected the "actual" method for crediting hours of service. Under the actual method, you will receive credit for each hour for which the Employer pays you, directly or indirectly, or for which you are entitled to payment, for the performance of your employment duties. You also will receive credit for certain hours during which you do not work if the Employer pays you for those hours, such as paid vacation.

If an employee's absence from employment is due to maternity or paternity leave, the employee will receive credit for unpaid hours of service related to his or her leave, not to exceed 501 hours. The Advisory Committee will credit these hours of service for the first period during which the employee otherwise would incur a 1-year break in service as a result of the unpaid absence.

7. Eligibility to Participate.

For Employees who Commenced Employment on or after January 1, 1992:

To become a participant, you must complete one year of service. You do not have to complete any form for entry into the Plan. You will become a participant on the January 1 or July 1 entry date following your completion of the service requirement.

The Plan defines "year of service" as a 12-month eligibility service period in which you work at least 1,000 hours for the Employer. The first eligibility service period starts on your first day of employment with the Employer. For example, if you begin work on February 15 and work 1,000 hours from that

February 15 through the following February 14, you would enter the Plan on the July 1 entry date following the completion of the one year of service. After the first 12-month eligibility service period, the Plan will measure your eligibility service period on a plan year basis. In the prior example, on a plan year basis, the second 12-month period would begin with the first plan year starting after your February 15 employment date and other 12-month periods would be the following plan years. The Plan will need to measure more than one 12-month period, for example, if you do not complete a year of service in the first 12-month period.

If you terminate employment after becoming a participant in the Plan and later return to employment, you will reenter the plan on your reemployment date, unless the "one year break in service rule" applies to you. Also, if you terminate employment after satisfying the Plan's eligibility conditions but before actually becoming a participant in the Plan, you will become a participant in the Plan on the later of your scheduled entry date or your reemployment date unless the "one year break in service rule" applies to you. The "one year break in service rule" is described in the last paragraph of this Section 7.

For Employees who Commenced Employment Prior to January 1, 1992:

To become a participant, you must complete two years of service, without an intervening break in service. You do not have to complete any form for entry into the Plan. You will become a participant on the January 1 or July 1 entry date following your completion of the service requirement.

The Plan defines "year of service" as a 12-month eligibility service period in which you work at least 1,000 hours for the Employer. The first eligibility service period starts on your first day of employment with the Employer. After the first 12-month eligibility service period, the Plan will measure your eligibility service period on an anniversary basis. For example, if you begin work on February 15, the Plan would measure the 12-month periods beginning each February 15. If you incur a break in service before you complete your second year of service, you lose credit for any prior service. You will incur a break in service if during an eligibility service period you do not work more than 500 hours. If you work more than 500 hours but less than 1,000 hours, you will not receive credit for a year of service but neither will you incur a break in service. For example, if you begin work on February 15 of a particular plan year and work the following hours:

Eligibility service period 1	2,000 hours
Eligibility service period 2	400 hours
Eligibility service period 3	2,000 hours
Eligibility service period 4	2,000 hours

you will become a participant in the Plan on the July 1 immediately following the completion of your fourth eligibility service period. If you had worked more than 500 hours in eligibility service period 2, you would become a participant in the Plan on the July 1 immediately following the completion of your third eligibility service period.

If you terminate employment after becoming a participant in the Plan and later return to employment, you will reenter the plan on your reemployment date, unless the "one year break in service rule" applies to you. Also, if you terminate employment after satisfying the Plan's eligibility conditions but before actually becoming a participant in the Plan, you will become a participant in the Plan on the later of your scheduled entry date or your reemployment date, unless the "one year break in service rule" applies to you.

Under the "one year break in service rule," if you have a break in service after you complete the eligibility service condition, you must complete another year of service after that break in service or the Plan will not treat you as having satisfied the service condition. Your failure to complete one year of service in

the 12-month period following your reemployment will delay your reparticipation in the Plan. The "one year break in service rule" also will suspend your right to participate in the Plan if you incur a break in service while continuing in employment with the Employer. This suspension continues until you have completed another year of service. A "one year break in service" is an eligibility service period in which you complete 500 or less hours of service.

8. **Employer's Contributions.** Each plan year, the Employer will contribute to the Plan the amount determined by the Employer at its discretion. The Employer may choose not to contribute to the Plan for a particular plan year. Contributions may be in cash or in shares of Microware Systems Corporation voting common stock.

For each plan year the Employer contributes to the Plan, the Advisory Committee will allocate this contribution to the separate accounts maintained for participants. The Advisory Committee will base your allocation upon your share of the total compensation paid during that plan year to all participants in the Plan. For example, if your compensation for that plan year is 10% of the total compensation for all participants for that particular plan year, the Advisory Committee will allocate 10% of the total Employer contribution for the plan year to your separate account.

Allocation of forfeitures. Before allocating forfeitures to participants, the Advisory Committee will first use the forfeitures to pay Plan expenses. The Advisory Committee will allocate to participant accounts only the forfeitures remaining after payment of the Plan's administrative expenses for the Plan Year.

Compensation. For purposes of allocating contributions, "compensation" means any earnings reportable as W-2 wages for federal income tax withholding purposes. With limited exceptions, the Plan includes an employee's compensation only for the part of the plan year in which he actually is a participant.

Conditions for allocation. With limited exceptions, to be entitled to an allocation of Employer contributions, you must complete 1,000 hours of service during the plan year and, for 1992 and subsequent Plan Years, you must be employed by the Employer on the last day of the plan year.

The contribution allocations described in this Section 8 may vary for certain employees if the Plan is top heavy. Generally, the plan is top heavy if more than 60% of the Plan's assets are allocated to the accounts of key employees (certain owners and officers). If the Plan is top heavy, any participant who is not a key employee and who is employed on the last day of the plan year, may not receive a contribution allocation which is less than a certain minimum. Usually that minimum is 3%, but if the contribution allocation for the plan year is less than 3% for all the key employees, the top heavy minimum is the smaller allocation rate. If you are a participant in the Plan, your allocation described in this Section 8 in most cases will be equal to or greater than the top heavy minimum contribution allocation. The Plan also may vary the definition of the top heavy minimum contribution allocation to take into account another plan maintained by the Employer.

The law limits the amount of "additions" (other than trust earnings) which the Plan may allocate to your account under the Plan. Your additions may never exceed 25% of your compensation for a particular plan year, but may be less if 25% of your compensation exceeds a dollar amount announced by the Internal Revenue Service each year. The Plan may need to reduce this limitation if you participate (or have participated) in any other plans maintained by the Employer. The discussion of Plan allocations in this Section 8 is subject to this limitation.

9. **Employee Contributions.** The Plan does not permit nor require you to make employee contributions to the trust fund. The only source of contributions under the Plan is the annual Employer contribution.

10. **Vesting in Employer Contributions.**

For Employees who Commenced Employment on or after January 1, 1992:

Your interest in the contributions the employer makes to the Plan for your benefit becomes 100% vested when you attain normal retirement age (as defined in Section 11). Prior to normal retirement age, your interest in the contributions the employer makes on your behalf become vested in accordance with the following schedule:

<u>Years of Service</u>	<u>Nonforfeitable Percentage</u>
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

Special vesting rule for death or disability. If you die or become disabled while still employed by the Employer, your entire Plan interest becomes 100% vested, even if you otherwise would have a vested interest less than 100%.

Year of service. To determine your percentage under a vesting schedule, a year of service means a 12-month vesting service period in which you complete at least 1,000 hours of service. The Plan measures the vesting service period as the plan year. If you complete at least 1,000 hours during a plan year, you will receive credit for a year of service even though you are not employed by the Employer on the last day of that plan year.

The Plan provides two methods of vesting forfeiture which may apply before a participant becomes 100% vested in his entire interest under the Plan. The primary method of vesting forfeiture is the "forfeiture break in service" rule. The secondary method of forfeiture is the "cash out" rule. Also see Section 15 relating to loss or denial of benefits.

Forfeiture Break in Service Rule. Termination of employment alone will not result in a forfeiture under the Plan unless you do not return to employment with the Employer before incurring a "forfeiture break in service". A "forfeiture break in service" is a period of 5 consecutive vesting service periods in which you do not work more than 500 hours in each vesting service period comprising the 5 year period.

Example. Assume you are 60% vested in your account balance. After working 400 hours during a particular vesting service period, you terminate employment and perform no further service for the Employer during the next 4 vesting service periods. Under this example, you would have a "forfeiture break in service" during the fourth vesting service period following the vesting service period in which you terminated employment because you did not work more than 500 hours during each vesting service period of 5 consecutive vesting service periods. Consequently, you would forfeit the 40% non-vested portion of your account. If you had returned to employment with the Employer at any time during the 5 consecutive vesting service periods and worked more than 500 hours during any vesting service period within that 5-year period, you would not incur a forfeiture under the "forfeiture break in service" rule.

Cash Out Rule. The cash out rule applies if you terminate employment and receive a total distribution of the vested portion of your account balance before you incur a forfeiture break in service. For example,

assume you terminated employment during a particular vesting service period after completing 800 hours of service. Assume further the total value of your account balance is \$6,000 in which you have a 60% vested interest. Before you incur a forfeiture break in service, you receive a distribution of the \$3,600 vested portion of your account balance. Upon payment of the \$3,600 vested portion of your account balance, you would forfeit the \$2,400 nonvested portion. If you return to employment before you incur a "forfeiture break in service," you may have the Plan restore your "cash out" forfeiture by repaying the amount of the distribution you received attributable to Employer contributions. This repayment right applies only if you do not incur a "forfeiture break in service." You must make this repayment no later than the date 5 years after you return to employment with the Employer. Upon your reemployment with the Employer, you may request the Advisory Committee to provide you a full explanation of your rights regarding this repayment option. If the vested portion of your account balance does not exceed \$3,500, the Plan will distribute that vested portion to you in a lump sum, without your consent. This involuntary cash-out distribution will result in the forfeiture of your nonvested account balance, in the same manner as an employee who voluntarily elects a cash-out distribution. Also, upon reemployment you would have the same repayment option as an employee who elected a cash-out distribution, if you return to employment before incurring a "forfeiture break in service."

For Employees who Commenced Employment Prior to January 1, 1992:

Your interest in the contributions the Employer makes to the Plan for your benefit is 100% vested at all times. In other words, once the Employer makes a contribution to the Plan for your benefit, that contribution belongs totally to you. For the one exception to total ownership in your Plan benefit, see Section 15 relating to the Advisory Committee's inability to locate you or your beneficiary.

11. *Payment of Benefits After Termination of Employment.* After you terminate employment with the Employer, the time at which the Plan will commence distribution to you and the form of that distribution depends on whether your vested account balance exceeds \$3,500. If you receive a distribution from the Plan before you attain age 59½, the law imposes a 10% penalty on the amount of the distribution you must include in your gross income, unless you qualify for an exception from this penalty. You should consult a tax advisor regarding this 10% penalty. This summary makes references to your normal retirement age. Normal retirement age under the Plan is 65.

If your vested account balance does not exceed \$3,500, the Plan will distribute that portion to you, in lump sum on the first distribution date after you terminate employment with the Employer, or as soon as administratively practicable following that date. If you already have attained normal retirement age when you terminate employment, the Plan must make this distribution no later than the 60th day following the close of the plan year in which your employment terminates, even if the normal distribution date would occur later. The Plan does not permit you to receive distribution in any form other than a lump sum if your vested account balance does not exceed \$3,500.

If your vested account balance exceeds \$3,500, the Plan will commence distribution to you at the time you elect to commence distribution. The Plan permits you to elect distribution as of any distribution date permitted under the Plan after you terminate employment with the Employer. A "distribution date" under the Plan means each January 1, April 1, July 1 and October 1. You may not actually receive distribution on the distribution date you elect. The Plan provides the Trustee an administratively reasonable time following a particular distribution date to make actual distribution to a participant.

No later than 30 days prior to your earliest possible distribution date, the Advisory Committee will provide you a notice explaining your right to elect distribution from the Plan and the forms necessary to make your election. If you do not make a distribution election, the Plan will commence distribution to you on the 60th day following the close of the plan year in which the latest of three events occurs: (1) your attainment of normal retirement age; (2) your attainment of age 62; or (3) your termination of

employment with the Employer. To determine whether your vested account balance exceeds \$3,500, the Plan looks to the last valuation of your account prior to the scheduled distribution date.

With limited exceptions, you may not commence distribution of your vested account balance later than April 1 of the calendar year following the calendar year in which you attain age 70½, even if you have not terminated employment with the Employer. This required distribution date overrides any contrary distribution date described in this summary. If the Employer terminates the Plan before you receive complete distribution of your vested benefits, the Plan might make distribution to you before you otherwise would elect distribution. Upon Plan termination, if your vested account balance exceeds \$3,500, you will receive an explanation of your distribution rights.

For purposes of making a distribution of any portion of your vested account balance, the Plan refers to the latest valuation of your account balance. The Plan requires valuations of the trust fund, and adjustment of participant accounts, as of the last day of the Plan Year. The Advisory Committee also may require a valuation on any other date. In general, the Plan allocates trust fund earnings, gains or losses for a valuation period on the basis of each participant's opening account balance at the beginning of the valuation period, less any distributions and charges to each participant's account during the valuation period.

Form of Benefit Payment. Participants with a vested account balance less than \$50,000 will receive their distribution in the form of a lump sum.

A lump sum distribution is not available to participants with a vested account balance of \$50,000 or more. Such participants will receive a distribution of their total vested account balance in two substantially equal installments, the first of which will be made on the distribution date selected by the participant and the second to be made on the anniversary of the first installment distribution date.

Under an installment distribution, the Advisory Committee will direct the Trustee to segregate the amount owed to you in a separate account apart from other trust fund assets. Your separate account will continue to draw interest during the period the Plan is making retirement payments to you.

The benefit payment rules described in Sections 11 through 14 reflect the current Plan provisions. If the Plan is amended to change benefit payment options, some options may continue for those participants or beneficiaries who have account balances at the time of the change. If an eliminated option continues to apply to you, the information you receive from the Advisory Committee at the time you first are eligible for distribution from the Plan will include an explanation of that option.

12. **Payment of Benefits Prior to Termination of Employment.** If you continue to work for the Employer after attaining normal retirement age, you have the continuing election to request the Trustee to distribute all or any portion of your account balance in the Plan to you. The Advisory Committee will provide you a form for this purpose. Other than the withdrawal rights described in this paragraph and the post-age 70½ distribution requirement described in Section 11, the Plan does not permit you to receive payment of any portion of your account balance for any other reason, unless you terminate employment with the Employer.

13. **Payment of Benefits Upon Disability.** If you terminate employment because of disability, the Plan will pay your vested account balance to you as soon as administratively practicable after your termination of employment. The payment of your benefit will be made in accordance with the distribution policy described in Section 11. In general, disability under the Plan means because of a physical or mental disability you are unable to perform the duties of your customary position of employment for an indefinite period which, in the opinion of the Advisory Committee, will be of long continued duration. The Advisory Committee also considers you disabled if you terminate employment

because of a permanent loss or loss of use of a member or function of your body or a permanent disfigurement. The Advisory Committee may require a physical examination in order to confirm the disability.

14. Payment of Benefits upon Death. If you die prior to receiving all of your benefits under the Plan, the Plan will pay the balance of your account to your beneficiary. The payment of your benefit will be made in accordance with the distribution policy described in Section 11. If your vested account balance payable to your designated beneficiary exceeds \$3,500, the Plan will pay the benefit to your designated beneficiary, at the time elected by the beneficiary, unless, prior to your death, you specify the timing of the beneficiary's distribution.

The Advisory Committee will provide you with an appropriate form for naming a beneficiary. If you are married, your spouse must consent to the designation of any nonspouse beneficiary.

15. Rules Applicable if Benefits Are Paid in Stock. Because all or a portion of Plan funds may be invested in shares of common stock issued by the Microware Systems Corporation ("Shares"), the Plan Trustee may distribute all or a portion of your benefits under the Plan in the form of such Shares. If you receive Shares as a distribution from the Plan, you may require Microware Systems Corporation to purchase the Shares from you at their fair market value during either of two periods: (1) the period ending 60 days after distribution of the Shares to you, or (2) the period ending 60 days after the new determination of fair market value of the Shares by the Advisory Committee. Twenty percent of the purchase price for the Shares will be paid in cash at the time of closing and the balance of the purchase price will be evidenced by Microware Systems Corporation's promissory note providing for payment in four equal annual installments, the first of which will be due one year after the closing.

In addition, if you receive Shares as a distribution from the Plan and desire to dispose of them for any reason during your lifetime (whether by sale, assignment, gift or any other method of transfer) you must first offer them for sale to Microware Systems Corporation for purchase at their then fair market value on the same terms as described above or such other, more favorable, terms as have been offered to you by some third party wishing to purchase your Shares. If Microware Systems Corporation does not accept your offer within 14 days, you are free to dispose of your Shares as you have indicated you will.

The restrictions on transfer of Shares described in this section are binding upon you and any beneficiary of yours who receives Shares under this Plan and the respective successors and assigns of you or your beneficiary.

16. Disqualification of Participant Status - Loss or Denial of Benefits. There are no specific Plan provisions which disqualify you as a participant or which cause you to lose plan benefits, except as provided in Sections 7 and 10. However, if you become disabled and do not receive compensation from the Employer, you will not receive an allocation of the Employer's contribution to the Plan during the period of disability. In addition, if your Plan benefits become payable after termination of employment and the Advisory Committee is unable to locate you at your last address of record, you may forfeit your benefits under the Plan. Therefore, it is very important that you keep the Employer apprised of your mailing address even after you have terminated employment. Finally, if the Employer terminates the Plan, which it has the right to do, you would receive benefits under the Plan based on your account balance accumulated to the date of the termination of the Plan. Termination of the Plan could occur before you attain normal retirement age. If the Employer terminates the Plan, your account will become 100% vested, if not already 100% vested, unless you forfeited the nonvested portion prior to the termination date.

The fact that the Employer has established this Plan does not confer any right to future employment with the Employer. Furthermore, you may not assign your interest in the Plan to another person or use your Plan interest as collateral for a loan from a commercial lender.

17. **Claims Procedure.** You need not file a formal claim with the Advisory Committee in order to receive your benefits under the Plan. When an event occurs which entitles you to a distribution of your benefits under the Plan, the Advisory Committee automatically will notify you regarding your distribution rights. However, if you disagree with the Advisory Committee's determination of the amount of your benefits or with any other decision the Advisory Committee may make regarding your interest in the Plan, the Plan contains the appeal procedure you should follow. In brief, if the Advisory Committee of the Plan determines it should deny benefits to you, the Plan Administrator will give you written notice of the specific reasons for the denial. The notice will refer you to the pertinent provisions of the Plan supporting the Advisory Committee's decision. If you disagree with the Advisory Committee, you, or a duly authorized representative, must appeal the adverse determination in writing to the Advisory Committee within 75 days after the receipt of the notice of denial of benefits. If you fail to appeal a denial within the 75-day period, the Advisory Committee's determination will be final and binding.

If you appeal to the Advisory Committee, you, or your duly authorized representative, must submit the issues and comments you feel are pertinent to permit the Advisory Committee to re-examine all facts and make a final determination with respect to the denial. The Advisory Committee, in most cases, will make a decision within 60 days of a request on appeal unless special circumstances would make the rendering of a decision within the 60-day period unfeasible. In any event, the Advisory Committee must render a decision within 120 days after its receipt of a request for review. The same procedures apply if, after your death, your beneficiary makes a claim for benefits under the Plan.

18. **Retired Participant, Separated Participant with Vested Benefit, Beneficiary Receiving Benefits.** If you are a retired participant or beneficiary receiving benefits, the benefits you presently are receiving will continue in the same amount and for the same period provided in the mode of settlement selected at retirement. If you are a separated participant with a vested benefit, you may obtain a statement of the dollar amount of your vested benefit upon request to the Plan Administrator. There is no Plan provision which reduces, changes, terminates, forfeits, or suspends the benefits of a retired participant, a beneficiary receiving benefits or a separated participant's vested benefit amount, except as provided in Section 15.

19. **Participant's Rights under ERISA.** As a participant in this Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants are entitled to:

- a. Examine, without charge, at the Plan Administrator's office and at other specified locations (such as worksites), all Plan documents, including insurance contracts and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.
- b. Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.
- c. Receive a summary of the Plan's annual financial report. ERISA requires the Plan Administrator to furnish each participant with a copy of this summary annual report.
- d. Obtain a statement telling you that you have a right to receive a retirement benefit at the normal retirement age under the Plan and what your benefit could be at normal

retirement age if you stop working under the Plan now. If you do not have a right to a retirement benefit, the statement will advise you of the number of additional years you must work to receive a retirement benefit. You must request this statement in writing. The law does not require the Plan Administrator to give this statement more than once a year. The Plan must provide the statement free of charge.

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

If your claim for a retirement benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive the materials 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 \$100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Area Office of the U.S. Labor-Management Services Administration, Department of Labor.

20. Federal Income Taxation of Benefits Paid. Existing Federal income tax laws do not require you to report as income the portion of the annual Employer contribution allocated to your account. However, when the Plan later distributes your account balance to you, such as upon your retirement, you must report as income the Plan distributions you receive. The Federal tax laws may permit you to report a Plan distribution under a special averaging provision. Also, it may be possible for you to defer Federal income taxation of a distribution by making a "rollover" contribution to your own rollover individual retirement account or to another qualified plan. We emphasize you should consult your own tax adviser with respect to the proper method of reporting any distribution you receive from the Plan.

January, 1992