

SUMMARY PLAN DESCRIPTION
Aerospace Corporation 401(k) Plan

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Summary Plan Description Overview

Aerospace Corporation 401(k) Plan

The Aerospace Corporation 401(k) Plan (the Plan) (formerly the Aerospace Savings Account Plan) has been amended and restated as of January 1, 2019. This Plan is intended to be a qualified retirement plan under the Internal Revenue Code.

The purpose of the Plan is to enable eligible Employees to save for retirement. As well as retirement benefits, the Plan provides certain benefits in the event of death or other termination of employment. The Plan is for the exclusive benefit of eligible Employees and their Beneficiaries.

This booklet is called a Summary Plan Description (SPD) and it contains a summary in understandable language of your rights and benefits under the Plan.

This SPD is a brief description of the principal features of the Plan document and trust agreement and is not meant to interpret, extend or change these provisions in any way. A copy of the formal Plan document is on file with the Plan Administrator and may be read by any employee at any reasonable time. The Plan document and trust agreement shall govern if there is a discrepancy between this SPD and the actual provisions of the Plan.

This SPD describes the federal tax implications of your participation in the Plan, transactions made within your Account, and distributions you may receive from the Plan. It does not attempt to describe any state tax implications. Please consult with your tax advisor if you have any questions regarding your particular circumstances.

I. BASIC PLAN INFORMATION

The information in this section contains definitions to some of the terms that may be used in this SPD and general Plan information. If the first letter of any of the terms defined below is capitalized when it is used within this SPD, then it represents the indicated defined term.

A. Account

An Account will be established by the Trustee to record contributions to the Plan made on your behalf and any related income, expenses, gains or losses. It may also be referred to as an Account balance.

B. Aerospace

The Aerospace Corporation, which is the employer that sponsors the Plan. Aerospace can be reached at:

The Aerospace Corporation
2310 El Segundo Blvd.
M1-433
El Segundo, CA 90245
(310) 336-0426

Aerospace's federal tax identification number is: 95-2102389.

C. Beneficiary

This is the person or persons (including a trust) you designate, or who are identified by the Plan document if you fail to designate or improperly designate a Beneficiary, who will receive your Plan benefits in the event of your death. You may designate more than one Beneficiary.

D. Deferral Contribution

This is a contribution taken directly from the pay of an Employee and contributed to the Plan, subject to certain limits (described below). The Plan permits you to make both pre-tax and certain after-tax (Roth) Deferral Contributions.

E. Employee

An Employee is an individual who is actively employed by Aerospace as a common law employee or, in certain cases, as a leased employee.

F. ERISA

The Employee Retirement Income Security Act of 1974 (ERISA) identifies the rights of Participants and Beneficiaries covered by a qualified retirement plan.

G. Fidelity Investments Contact Information

Fidelity Investments is the recordkeeper of your Plan. To view your Account, make changes to investments, or perform transactions, please use the contact information below, all telephone calls will be recorded for quality.

Phone number: (800) 343-0860

Website: www.netbenefits.com/atwork

H. Highly Compensated Employee

You are considered a highly compensated Employee if you received compensation from Aerospace during the prior year in excess of \$120,000 (for 2019, as adjusted by the IRS from time to time), and you are in the top 20% of employees ranked by compensation.

I. Non-Highly Compensated Employee

An Employee who is not a Highly Compensated Employee.

J. Participant

A Participant is an eligible Employee and is eligible to participate in the Plan or a formerly eligible Employee who has an Account balance remaining in the Plan.

K. Plan Type

The Aerospace Corporation 401(k) Plan is a defined contribution plan and 401(k) deferral plan. This means that the amount of your benefit is determined by the amount of the contributions contributed to your Account and by the investment earnings and losses on those contributions.

L. Plan Administrator

The Plan Administrator is responsible for the administration of the Plan and its duties are identified in the Plan document. In general, the Plan Administrator is responsible for providing you and your Beneficiaries with information about your rights and benefits under the Plan. The Plan Administrator under the terms of the Plan is Aerospace. However, Aerospace has designated the following individual as the Plan Administrator:

Dave Roberts, Principal Director, Total Rewards
The Aerospace Corporation
2310 El Segundo Blvd.
M1-433
El Segundo, CA 90245
(310) 336-0426

M. Plan Number

The three digit IRS number for the Plan is 003.

N. Plan Year

The Plan Year is the twelve-month period ending on the last day of December.

O. Qualified Military Service

Qualified Military Service is service in the uniformed services of the United States that results in the Participant having a right of reemployment with Aerospace under federal law.

P. Service of Process

The Plan's agent for service of legal process is the Aerospace's General Counsel. Service of legal process also may be made upon the Plan Trustee.

Q. Trustee

The Trustee is responsible for trusteeing the Plan's assets. The Trustee's duties are identified in the trust agreement and relate only to the assets in its possession. The name and address of the Plan's Trustee are:

Fidelity Management Trust Company
245 Summer Street
Boston, MA 02210

II. PARTICIPATION

A. Eligibility Requirements

You are eligible to participate in the Plan if you are an Employee and you are not:

- a resident of Puerto Rico;
- covered by a collective bargaining agreement, unless the agreement requires the employees to be included under the Plan;
- a leased Employee; or
- a nonresident alien with no income from a U.S. source.

You are also not eligible to participate if you are classified by Aerospace as an independent contractor, including if you are an individual who is a signatory to a contract, letter of agreement, or other document that acknowledges your status as an independent contractor not entitled to benefits under the Plan and you are not otherwise classified by Aerospace as a common law employee or Aerospace does not withhold income taxes, file Form W-2 (or any replacement form), or remit Social Security

payments to the Federal government for you. You are excluded from the Plan even if you are later found by a court to be a common law employee.

You will become eligible to participate in the Plan for all contribution types immediately upon satisfying the above eligibility requirements. Once you become a Participant you are eligible to participate in the Plan until you terminate your employment with Aerospace or become a member of a class of Employees excluded from the Plan. If you terminate your employment after you have met the eligibility requirements, and are later re-employed by Aerospace, you will again be eligible to participate in the Plan upon your reemployment, provided you are not in a class of Employees excluded from the Plan.

III. CONTRIBUTIONS

If you are eligible to participate, you can make Deferral Contributions and after-tax contributions. As described below, if you do not elect a Deferral Contribution rate, you may be automatically enrolled to make Deferral Contributions. In addition, Aerospace may make matching and nonelective contributions to your Account. The type(s) of contributions available under the Plan are described in this section.

A. Compensation

For purposes of determining contributions, only Compensation paid to you for services you performed while employed as an eligible Employee will be considered. Generally, eligible compensation for computing contributions under the Plan is the taxable compensation for a Plan Year reportable by Aerospace on your IRS Form W-2, plus elective deferrals you make to an Aerospace-sponsored cafeteria, qualified transportation fringe, 401(k), 457(b) or 403(b) plan. Your eligible Compensation does not include reimbursements or other expense allowances, long-term disability benefits, fringe benefits (whether cash or non-cash), moving expenses, deferred compensation (including the CORP Plans and ABEP), welfare benefits, severance pay (whether received before or after termination), or short-term disability and workers' compensation payments after the first 6 months of payments. For purposes of determining contributions, any short-term disability or workers' compensation payments will be deemed to be paid at 100% of base pay during the first 6 months of payments (even if you are receiving a lower percentage of your base pay during this period).

For purposes of Aerospace Matching Contributions and Aerospace Nonelective Contributions, payment for overtime, extended work week, other additional time worked, and shift differential (to the extent that such amounts are in excess of pay for 40 hours in a work week) are also excluded.

For purposes of Employee Deferral Contributions and after-tax contributions, all bonuses and other incentive payments are excluded, such as performance recognition awards, spot awards, achievement award, president & trust awards, invention awards, idea awards, and other discretionary bonus payments, lieu of merit payments, and CMIP.

For purposes of the Plan, eligible compensation only includes amounts you receive after you have satisfied the eligibility requirements described above. Tax laws limit the amount of compensation that may be taken into account each Plan year; the maximum amount for the 2019 Plan year is \$280,000. This amount may be adjusted annually.

B. Contributions

1. Regular Employee Deferral Contributions

You may elect to defer a percentage of your eligible compensation into the Plan after you satisfy the Plan's eligibility requirements. The percentage of your eligible compensation you elect will be withheld from each payroll and contributed to an Account in the Plan on your behalf. For pre-tax and Roth contributions being withheld from your compensation, the percentage you defer is subject to an aggregate annual limit of the lesser of 80% of eligible compensation or \$19,000 (in 2019; thereafter as adjusted by the Secretary of the Treasury) in a calendar year.

This Plan also contains an automatic enrollment feature. If you do not enroll in the Plan (or you do not affirmatively elect not to make Deferral Contributions), you will be automatically enrolled in the Plan and treated as though you had elected to make pre-tax Deferral Contributions equal to 3% of your eligible Compensation, beginning 35 days after your hire date (or the date you receive an automatic enrollment notice, if later). In addition, if you were already a Participant on January 1, 2019 and you didn't have a deferral election on file, you were automatically enrolled in the Plan. You may stop or change this automatic contribution at any time, or make Roth contributions rather than pre-tax contributions, by contacting Fidelity at 1-800-835-5097 or the NetBenefits website at www.401k.com. Deferral Contributions made automatically for you are treated the same under the Plan as Deferral Contributions made by your own election.

You will be eligible to designate some or all of your Deferral Contribution as a Roth Deferral Contribution at the time you make your deferral election. Roth Deferral Contributions are subject to tax when contributed, but if certain requirements are satisfied, contributions and earnings are tax-free upon distribution. Roth Deferral Contributions cannot later be re-

characterized as pre-tax Deferral Contributions. If you elect to make Roth Deferral Contributions, the amount of your contribution will be included in your income for tax purposes, and the income tax withholding amounts will be deducted from the remainder of your pay, not from the Roth Deferral Contribution amount.

For example, if you have annual compensation of \$30,000 and elect to make a Roth Deferral Contribution equal to 5% of your compensation, your Roth Deferral Contribution to the Plan will equal \$1,500 (5% of \$30,000). The tax withholding applicable to the amount you have elected to contribute to the Plan as a Roth Deferral Contribution will be applied against the remainder of your compensation.

Except with respect to the tax treatment, Roth Deferral Contributions are subject to the same Plan rules applicable to pre-tax Deferral Contributions. For example, pre-tax and Roth Deferral Contributions are added together to determine whether you have reached the Federal tax law limit on Deferral Contributions.

Federal tax law limits the Deferral Contributions that you may make in any Plan Year (\$19,000 in 2019 for those not eligible to make age 50 and over catch-up contributions). Please note that this limit includes any contributions you made to another employer's plan during the year. If you contributed to another employer's plan during the year, you are responsible for determining whether the amount you contributed is over the annual limit. If your aggregate contributions are above the annual limit, you must promptly notify one of the plans in which you participated or you may have to pay taxes on the excess contributions twice.

Your Deferral Contributions cannot be forfeited for any reason, however, there are special Internal Revenue Code nondiscrimination rules that must be satisfied and may require that some of your contributions be returned to you. The Plan Administrator will notify you if any of your contributions will be returned.

You may increase or decrease the amount you contribute as of the beginning of each payroll period. You may also completely suspend your contributions which you may resume as of the first day of the beginning of each payroll period. You may also create an annual increase program to raise your contribution rate gradually each year. If you want to increase, decrease, suspend, or resume your Deferral Contributions, please contact Fidelity at 1-800-835-5097 or access the NetBenefits website at www.401k.com.

2. Employee Age 50 and Over Catch-Up Contributions

The Plan provides that Participants who are projected to be age 50 or older by the end of the taxable year and who are making Deferral Contributions to the Plan may also make pre-tax or Roth catch-up contributions of up to \$6,000 (in 2019; thereafter as adjusted by the Secretary of the Treasury). The Plan requires that no more than 80% of your eligible compensation be deferred as an age 50 and over catch-up contribution.

3. Employee After-Tax Contributions

After you satisfy the Plan's eligibility requirements, you may elect to contribute a percentage of your eligible compensation into the Plan on an after-tax basis. After-tax Employee contributions are taxable to you when contributed to the Plan and earnings are subject to tax upon distribution. You may contribute a percentage of eligible compensation up to an annual maximum of 10% of eligible Compensation. However, there are special Internal Revenue Code rules which must be satisfied, and the maximum amount you may contribute may be a lower percentage. The Plan Administrator will notify you if any of your contributions will be returned. Aerospace may refuse to accept your after-tax contributions if they will have an adverse effect on the Plan's non-discrimination tests. Your after-tax contributions belong to you and cannot be forfeited for any reason.

4. Employer Matching Contributions

If you are a non-AERP1 Participant, you will be eligible for matching contributions for each Plan year when you make Pre-Tax or Roth Deferral Contributions, provided that you are not classified as a temporary or casual employee. Temporary and casual employees will be eligible for matching contributions if they have earned at least 1,000 Hours of Service in the Plan year and are employed on the last day of the Plan year. Hours of Service means your actual hours worked or hours for which you are entitled to be paid with Aerospace during the Plan year.

For eligible Participants, Aerospace will match of 100% your Deferral Contributions up to a maximum of 3% of your match-eligible Compensation. For purposes of determining your matching contributions under the Plan, your Contributions will not include age 50 and over catch-up contributions or after-tax contributions. Please note that match-eligible Compensation and deferral-eligible Compensation are distinct, as described under Section III.A of this SPD.

For purposes of Aerospace's contributions under the Plan, an AERP1 Participant is someone who is considered an AERP1 Participant under the Aerospace Employees' Retirement Plan, which generally includes someone who (1) was hired by Aerospace before January 1, 1993, (2) has remained employed by Aerospace continually, and (3) did not elect to participate in Aerospace's Combined Retirement Program. A non-AERP1 Participant is anyone who is not considered an AERP1 Participant under the Aerospace Employees' Retirement Plan.

5. Employer Fixed Nonelective Contributions

If you are a non-AERP1 Participant, you will be eligible for nonelective contributions for each Plan year based on the length of your service with Aerospace, provided that you are not classified as a temporary or casual employee. Temporary and casual employees will be eligible for nonelective contributions if they have earned at least 1,000 Hours of Service in the Plan year and are employed on the last day of the Plan year. Your contribution rate will depend on your Years of Service with Aerospace, as described below.

Years of Service	Nonelective Contribution
Less than 5 years	5%
5-24 years	7%
25+ years	9%

For purposes of the Aerospace Nonelective Contribution, you will have a Year of Service for each 12-month period of employment with Aerospace beginning with your date of hire and ending on your termination of employment. All of your service with Aerospace as an eligible employee will be aggregated to determine your Years of Service, even if you terminate employment and are later rehired. If you complete 5 Years of Service or 25 Years of Service during the Plan year, you will receive the higher contribution level for the portion of the year that you have completed 5 Years of Service or 25 Years of Service. For example, if you complete 5 Years of Service on July 1 during a given Plan year, you will receive a Nonelective Contribution in the amount of 5% of all Nonelective Contribution eligible Compensation for payroll periods ending before July 1, and a 7% Nonelective Contribution for all payroll periods beginning with the payroll period in which July 1 occurs.

6. Other Contributions and Limitations

a. Qualified Nonelective Contributions

Aerospace may designate all or a portion of any nonelective contributions for a Plan Year as “qualified nonelective contributions” and allocate them to certain Non-Highly Compensated Employees to help the Plan pass one or more annually required Internal Revenue Code non-discrimination test(s). You will be 100% vested in these contributions.

b. Additional Nonelective Contributions

Aerospace may be required to make a flat percentage nonelective contribution to you if you are a Non-Highly Compensated Employee due to non-discrimination testing.

c. Limit on Contributions

Federal law requires that amounts contributed by you and on your behalf by Aerospace for the Plan Year generally may not exceed the lesser of:

\$56,000 (or such amount as may be prescribed by the Secretary of the Treasury); or

100% of your annual compensation.

Contributions under this Plan, along with Aerospace’s contributions under any other Aerospace-sponsored defined contribution plans, may not exceed the above limits. Catch-up contributions are not included in these limits. If this does occur, then excess contributions in your Account may be forfeited or refunded to you based on the provisions of the Plan document. You will be notified by the Plan Administrator if you have any excess contributions. Income tax consequences may apply on the amount of any refund you receive.

7. Rollover Contributions

You can roll over part or all of an eligible rollover distribution you receive from an eligible retirement plan (a “Rollover Contribution”) into this Plan even if you have not yet satisfied the age and service Eligibility requirements described in Section II above; however you will not become a Participant in the Plan until you have met the Plan’s eligibility and entry date requirements. An eligible retirement plan is a qualified plan under Section 401(a), a 403(a) annuity plan, a 403(b) annuity contract, an eligible 457(b) plan maintained by a governmental employer, and an individual retirement Account and individual retirement annuity. An eligible rollover distribution includes any distribution from an eligible retirement plan, except any

distribution from an individual retirement Account or an individual retirement annuity consisting of nondeductible (after-tax) contributions or any distribution from a 403(b) annuity contract consisting of after-tax employee contributions. Making Rollover Contributions to the Plan that consist of assets other than qualified 401(a) plan assets may result in the loss of favorable capital gains or ten year income averaging tax treatment that may otherwise be available with respect to a lump sum distribution to you from the Plan. The loss of this favorable tax treatment may also occur if you make a Rollover Contribution to the Plan that consists of qualified 401(a) plan assets under certain circumstances. If you may be eligible for this special tax treatment, you should consult your tax advisor and carefully consider the impact of making a Rollover Contribution to the Plan.

The Plan Administrator determines which Rollover Contributions are acceptable. If your Rollover Contribution to the Plan is not a direct rollover (i.e., you received a cash distribution from your eligible retirement plan), then it must be received by the Trustee within 60 days of your receipt of the distribution. Rollover Contributions may only be made in the form of cash, allowable fund shares, or promissory notes from an eligible retirement plan. Your Rollover Contributions Account will be subject to the terms of this Plan and will always be fully vested and nonforfeitable. In general, if you receive an eligible rollover distribution as a surviving spouse of a Participant or as a spouse or former spouse who is an "alternate payee" pursuant to a qualified domestic relations order (QDRO), you may also make a Rollover Contribution to the Plan. If the Plan Administrator later determines that your Rollover Contribution was not an eligible Rollover Contribution under the Internal Revenue Code, it will distribute these amounts to you.

The Plan will accept direct Rollover Contributions of amounts attributable to Roth Deferral Contributions that you made to another qualified plan that accepted Roth Deferral Contributions and properly segregated them from other contributions. The same rules that apply to other direct Rollover Contributions apply to direct Rollover Contributions of amounts attributable to Roth Deferral Contributions, except for the income tax treatment on distribution (described below).

IV. INVESTMENTS

A. Investments

The Employee Retirement Income Security Act of 1974 (ERISA) imposes certain duties on the parties who are responsible for the operation of the Plan. These parties, called fiduciaries, have a duty to invest Plan assets in a prudent manner. However, an exception exists for plans that comply with ERISA Section 404(c) and permit a Participant to exercise control over the assets in his/her Account and choose from a broad range of investment alternatives. This Plan is intended to be a Section 404(c) plan. To the extent that you have directed the investment of assets in your Account under the Plan, you are responsible for the investment decisions you made relating to those assets and the Plan fiduciaries are not responsible for any losses resulting from your investment instructions. To assist you in making informed investment decisions, the Plan Administrator will provide you with additional disclosures required under the Department of Labor's participant disclosure regulation (See DOL Regulation §2550.404a-5) initially and on an annual basis. You should contact the Plan Administrator with any questions regarding these disclosures or your investment options under the Plan. Fidelity is assisting the Plan Administrator in complying with this regulation and will make this disclosure notice available for you to review and access via Fidelity's website.

If you do not select one or more available investments, the Plan Administrator will direct that your Account be invested in one or more funds that it selects. The Plan Administrator has the authority to decide other rules and will communicate these and other information regarding the investment options available to you from time to time.

B. Self-Directed Brokerage

Fidelity's Self-Directed Brokerage (SDB) program (BrokerageLink) allows a wide variety of investments with a diverse fee structure. If you choose to set up the SDB investment option, you will be potentially subject to various types of fees depending on the investment you select. Please go online to Netbenefits® for more information regarding the SDB investment option.

C. Statement of Account and Confirmation Statements

The assets in the Plan are invested in available investment options and a separate Account is established for each Participant who receives and/or makes a contribution. The value of your Account is updated each business day to reflect any contributions, exchanges between investment options, investment earnings or losses for each investment option and withdrawals. Your account statement is available online through NetBenefits®, you can view and print a statement for any time period up to 24 previous months. If you do not log onto Netbenefits® a hard copy statement will automatically be mailed to you annually.

Exchanges received and confirmed before the close of the market (usually 4:00 PM (ET)) will be posted on that business day based upon the closing price of the affected investment(s). Exchanges received and confirmed after the market close will be processed on the next business day based upon the closing price of the affected investment(s) on that next business day. A confirmation of your change in the investment of your future contributions or your exchange of an existing fund will be sent

to you within five business days or an online confirmation will be available. Fidelity reserves the right to change, restrict, or terminate exchange procedures to protect mutual fund shareholders.

V. VESTING

The term “vesting” refers to your nonforfeitable right to the money in your Account. You receive vesting credit for the number of years that you have worked for Aerospace. You are always 100% vested in your Plan account.

VI. IN SERVICE WITHDRAWALS AND LOANS

You may contact Fidelity to take a withdrawal or loan from the Plan. The amount of any taxable withdrawal other than the return of your after-tax contributions that is not rolled over into an Individual Retirement Account or another qualified employer retirement plan will be subject to 20% federal tax withholding and applicable state income taxes. A 10% Internal Revenue Code early withdrawal penalty tax may apply to the amount of your withdrawal if you are under the age of 59½ and do not meet one of the Internal Revenue Code exceptions. For information regarding the taxation of amounts attributable to Roth contributions, see the Distribution of Benefits section of the SPD.

The following types of withdrawals are available under the Plan:

A. Hardship Withdrawals

As an Employee, you may apply to withdraw your Deferral Contributions (which includes both pre-tax and Roth contributions) to satisfy specific and heavy financial needs. In accordance with Internal Revenue Service regulations, you must first exhaust all other assets reasonably available to you prior to obtaining a hardship withdrawal. This includes obtaining any in-service withdrawal(s) available from your Account. Your hardship application may be made directly through Fidelity and is generally subject to an electronic approval process. You will be required to provide information specific to the hardship reason selected; you must retain documentation required to substantiate your hardship as the Plan reserves the right to request copies of such documentation. The Plan does not have a minimum hardship withdrawal. Hardship withdrawals will be subject to the 10% nonperiodic income tax withholding rate unless you elect out of the withholding.

If you qualify, you may apply for a hardship withdrawal to satisfy the following needs: (1) medical expenses for you, your spouse, children, dependents or a primary beneficiary designated by you under the Plan; (2) the purchase of your principal residence; (3) to prevent your eviction from, or foreclosure on, your principal residence; (4) to pay for post-secondary education expenses (tuition, related educational fees, room and board) for you, your spouse, children, dependents or a primary beneficiary designated by you under the Plan for the next twelve months; (5) to make payments for burial or funeral expenses for your deceased parent, spouse, child, dependent or a primary beneficiary designated by you under the Plan; (6) to pay expenses for the repair of damage to your principal residence that would qualify for the casualty deduction under Section 165 of the Internal Revenue Code (without regard to whether the loss exceeds 10% of adjusted gross income); or any other immediate and heavy financial need as determined based on Internal Revenue Service regulations.

B. Withdrawals After Age 59½

If you have reached age 59½, you may elect to withdraw all or a portion of your Account while you are still employed by Aerospace. These withdrawals are limited to no more than 4 per Plan year.

C. Withdrawals After Age 70½

Starting in the calendar year in which you reach age 70½, you may elect to receive distributions calculated in the same manner as Required Minimum Distributions. For more information, please refer to the paragraph so entitled under the Distributable Events subsection of this SPD’s section on Distribution of Benefits below.

D. Withdrawals After Normal Retirement Age

You may elect to withdraw your vested Account balance after you reach the Plan’s normal retirement age, which is age 65, or delay it until you retire.

E. Withdrawals of After-Tax Contributions

If you have previously made after-tax contributions then you may elect to withdraw all or a portion of your contributions. You may not make such withdrawals more frequently than 4 per Plan year.

F. Withdrawals of Rollover Contributions

If you have a balance in your rollover contributions Account, you may elect to withdraw all or a portion of it. You may not make such withdrawals more frequently than 4 per Plan year.

G. Qualified Reservist Distribution

If you have been called to active military duty for more than 179 days or for an indefinite period, you may elect to withdraw your Deferral Contributions during your active duty period. The withdrawal will not be subject to the 10% early withdrawal penalty tax. You may also elect to repay the distribution to an IRA within two years after the end of your active duty period.

H. Active Military Distribution

If you are performing Qualified Military Service for a period of greater than 30 days, you may elect to withdraw your Deferral Contributions and Qualified Nonelective Contributions during your active duty period. You will be suspended from making any contributions for 6 months following the distribution and the withdrawal may be subject to the 10% early withdrawal penalty tax. If a distribution qualifies as both a Qualified Reservist Distribution and an Active Military Distribution, it will be treated as a Qualified Reservist Distribution.

I. Roth In-Plan Conversion

Unless you have terminated employment, you may elect to have certain vested assets converted to be considered designated Roth contributions for Plan purposes. Only assets that are otherwise eligible to be distributed (other than outstanding loan balances) may be converted. You will have to pay taxes on the amount you convert just as you would if you took an actual distribution of this amount. Note, however, that the Plan will not withhold income taxes at the time of the conversion, so you should be sure that you can make the payment of taxes outside the Plan. You may also need to make estimated tax payments. An in-plan Roth conversion is irrevocable, and any taxes owed on such conversion are also irrevocable. The decision to do an in-plan Roth conversion is one that needs to be made carefully and should include a consultation with your tax advisor.

J. Participant Loans

Loans from your vested Account balance will be made available to all qualifying Participants on a reasonably equivalent basis. Loans are not considered distributions and are not subject to Federal or state income taxes, provided they are repaid as required. While you do have to pay interest on your loan, both the principal and interest are deposited in your Account. You can obtain more information about loans in the Plan's Loan Procedures supplied by the Plan Administrator (attached at the end of this SPD).

VII. DISTRIBUTION OF BENEFITS

A. Eligibility For Benefits

You can request a distribution due to your retirement or termination of employment from Aerospace. Your Beneficiary or Beneficiaries may request a distribution of your vested Account balance in the event of your death. The value of your Account balance will continue to increase or decrease, as appropriate, based on the investment returns until it is distributed.

You may defer receipt of your distribution until a later date. However, you cannot postpone distribution if your vested Account balance is \$5,000 or less. If your account balance is \$1,000 or less, the Plan Administrator will direct the Trustee to distribute it to you as a lump sum distribution without your consent. If your Account balance exceeds \$1,000 and is no more than \$5,000, the Plan Administrator will direct the Trustee to roll over the Account to an Individual Retirement Account or Annuity ("IRA") for your benefit and without your consent, unless you are at least age 65, in which case your Account balance will be distributed to you in cash. Prior to such distribution you have the right to request that the amount be distributed directly to you as a lump sum payment or to request that it be rolled-over to a different IRA provider or another retirement plan eligible to receive rollover contributions.

If you fail to request a different treatment of an automatic distribution under the Plan's cash-out provision, your distribution will be paid over to an IRA provider chosen by the Plan Administrator and invested in a product designed to preserve the principal of that distribution while still providing a reasonable rate of return and preserving liquidity. You will be responsible for paying the fees assessed against this newly established IRA by its provider.

If you have questions regarding the Plan's automatic rollover rules, the Plan's IRA provider for automatic rollovers, or the fees and expenses applicable to the automatic rollover IRA, please contact the Plan Administrator. Your consent will be required for any distribution if your vested Account balance is greater than \$5,000.

You should consult with your tax advisor to determine the financial impact of your situation before you request a distribution. You may apply for a distribution by contacting Fidelity.

B. Distributable Events

You are eligible to request a distribution of your vested Account balance based on any of the following events:

1. Death

If you are a Participant in the Plan and die, your vested Account balance, if any, will be paid to your designated Beneficiary or Beneficiaries. You may designate a Beneficiary or Beneficiaries online through the Fidelity website, however, if you are married and want to designate someone other than your spouse as your primary Beneficiary, you must print a form from the website and your spouse must consent to this designation by signing the form. His/her signature must be witnessed as described on the form.

2. Required Minimum Distributions

You are required by law to receive a Required Minimum Distribution (RMD) from the Plan no later than April 1 of the calendar year following the calendar year you turn 70½ or terminate your employment, whichever is later. Once you start receiving your RMD, you should receive it at least annually until all assets in your Account are distributed.

3. Termination of Employment

Generally, if you terminate your employment with Aerospace, you may elect to receive a distribution of your vested Account balance from the Plan.

C. Form of Payments

1. Lump Sum Distributions

Your entire vested Account balance will be paid to you in a single distribution.

2. Partial Withdrawals following Termination of Employment

Withdrawals of any portion of your vested balance will be available to you after you have terminated your employment.

3. Installment Distributions

Your vested Account balance will be paid to you in substantially equal amounts over a period of time. You may elect annual or more frequent installments. You may elect to receive a lump sum distribution after you start to receive installment distributions. The direct rollover distribution rules referred to in the lump sum distribution section also apply to installment distributions.

D. Tax Information

1. Generally

Generally, you owe federal income tax when your Account balance is distributed to you. Other than the annuity options, any distribution paid directly to you will be subject to mandatory federal income tax withholding of 20% of the taxable distribution. You cannot elect out of this tax withholding but you can avoid it by electing a direct rollover distribution as described below. This withholding is not a penalty but a prepayment of your federal income taxes, and it may or may not cover your actual federal income tax obligation.

Additionally, if you receive an early distribution from the Plan, the IRS imposes an additional 10% penalty tax on top of your regular tax. In general, a distribution is considered early if you receive a distribution of your account before you attain age 59½. Notwithstanding the foregoing, a distribution will not be considered early if:

- You are age 55 or older when you terminate employment with the Employer;
- Your account is paid because of death or total disability;
- The money is paid out under a qualified domestic relations order (QDRO); or
- You roll over the money into another tax-qualified plan or IRA within 60 days after you receive the distribution.

Aerospace will not withhold the 10% additional income tax. It is your responsibility to pay the appropriate taxes when filing your personal tax returns.

2. Roth Contributions

Subject to certain exceptions (for example, with respect to a distribution of excess Deferral Contributions to Highly Compensated Employees due to nondiscrimination test results), the entire amount of your Account under the Plan attributable to Roth contributions will be distributed to you free from federal income tax (including the earnings portion) if you take a qualified Roth distribution. A qualified Roth distribution means that the distribution occurs after the five taxable year period beginning with the first taxable year you made a designated Roth contribution to the Plan (or to a plan you previously participated in, if earlier, if amounts attributable to those previous Roth contributions were directly rolled over to this Plan), provided the distribution is also made:

- On or after you attain age 59½; or
- To your Beneficiary (or estate) on or after your death; or
- Pursuant to your being disabled.

If you take a nonqualified Roth distribution, you will not pay taxes on your Roth contributions, but you will pay taxes on any investment earnings on your Roth contributions.

3. Rollovers

Taxation of certain distributions may be deferred to the extent that all or a portion of the distribution is rolled over to an IRA or another employer plan that accepts such transfers. Generally, unless you purchase an annuity or elect to receive your benefit in payments over a period of more than 10 years, any distribution from a qualified plan (other than a hardship distribution or RMD) payable to you, your spouse or your former spouse under a QDRO, or your beneficiary is eligible for rollover treatment. You may roll over the taxable distribution you receive to an Individual Retirement Account (IRA) or your new employer's qualified plan, if it accepts rollover contributions and you roll over this distribution within 60 days after receipt. You will not be taxed on any amounts timely rolled over into the IRA or your new employer's qualified Plan until those amounts are later distributed to you. Any amounts not rolled over may also be subject to certain early withdrawal penalties prescribed under the Internal Revenue Code.

You may request that your entire distribution be rolled directly into any IRA or to your new employer's qualified plan if it accepts rollover contributions. Federal income taxes will not be withheld on any direct rollover distribution.

- (1) **Rollover to IRA** - A check will be issued by the Trustee payable to the IRA custodian or trustee for your benefit. The check will contain the notation 'Direct Rollover' and it will be mailed directly to you. You will be responsible for forwarding it on to the custodian or trustee.
- (2) **Rollover to your New Employer's Qualified Plan** - You should check with your new employer to determine if its plan will accept rollover contributions. If allowed, then a check will be issued by the Trustee payable to the trustee of your new employer's qualified plan. The check will contain the notation "Direct Rollover" and it will be mailed directly to you. You will be responsible for forwarding it on to the new trustee.

You may request that part of your distribution be paid directly to you and the balance rolled into an IRA, your new employer's retirement plan, or a 403(a) annuity. You will pay income tax on the amount of any taxable distribution you receive from the Plan unless it is rolled into an IRA or your new employer's qualified Plan. In the case of a combination distribution, if any portion of the eligible rollover distribution consists of after-tax contributions, the amount paid directly to you will be considered to consist completely of after-tax contributions before any after-tax contributions are attributed to the portion paid as a direct rollover. Consult with your tax advisor for further details.

VIII. MISCELLANEOUS INFORMATION

A. Benefits Not Insured

Benefits provided by the Plan are not insured or guaranteed by the Pension Benefit Guaranty Corporation under Title IV of the Employee Retirement Income Security Act of 1974 because the insurance provisions under ERISA are not applicable to this particular Plan. You will only be entitled to the vested benefits in your Account based upon the provisions of the Plan and the value of your Account will be subject to investment gains and losses.

B. Attachment of Your Account

Your Account may not be attached, garnished, assigned or used as collateral for a loan outside of this Plan except to the extent required by law. Your creditors may not attach, garnish or otherwise interfere with your Account balance except in the case of a proper Internal Revenue Service tax levy or a Qualified Domestic Relations Order (QDRO). A QDRO is a special order issued by the 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, may be entitled to a portion or all of your Account balance based on the court order. Participants and Beneficiaries can obtain, without a charge, a copy of QDRO procedures either by accessing the qdro.fidelity.com website, or by calling Fidelity. A fee will be assessed for each new QDRO order, please reference the QDRO procedures documentation for a description of the fee.

C. Plan-to-Plan Transfer of Assets

Aerospace may direct the Trustee to transfer all or a portion of the assets in the Account of designated Participants to another plan or plans maintained by Aerospace or other employers subject to certain restrictions. The plan receiving the Trust Funds must contain a provision allowing the transfer and preserve any benefits required to be protected under existing laws and regulations. In addition, a Participant's vested Account balance may not be decreased as a result of the transfer to another plan.

D. Plan Amendment

Aerospace reserves the authority to amend certain provisions of the Plan by taking the appropriate action. However, any amendment may not eliminate certain forms of benefits under the Plan or reduce the existing vested percentage of your Account balance derived from Employer contributions.

E. Plan Termination

Aerospace has no legal or contractual obligation to make annual contributions to or to continue the Plan. Aerospace reserves the right to terminate the Plan at any time by taking appropriate action as circumstances may dictate, with the approval of the Board of Directors. In the event the Plan should terminate, each Participant affected by such termination will have a vested interest in his Account of 100 percent. The Plan Administrator will facilitate the distribution of Account balances in single lump sum payments to each Participant in accordance with Plan provisions until all assets have been distributed by the Trustee.

F. Interpretation of Plan

The Plan Administrator has the power and discretionary authority to construe the terms of the Plan based on the Plan document, existing laws and regulations and to determine all questions that arise under it. Such power and authority include, for example, the administrative discretion necessary to resolve issues with respect to an Employee's eligibility for benefits, credited services, and retirement, or to interpret any other term contained in Plan documents. The Plan Administrator's interpretations and determinations are binding on all Participants, Employees, former Employees, and their Beneficiaries.

G. Electronic Delivery

This SPD and other important Plan information may be delivered to you through electronic means. This SPD contains important information concerning the rights and benefits of your Plan. If you receive this SPD (or any other Plan information) through electronic means you are entitled to request a paper copy of this document, free of charge, from the Plan Administrator. The electronic version of this document contains substantially the same style, format and content as the paper version.

H. Collective Bargaining Agreement

Some Plan Participants receive benefits under this Plan pursuant to a collective bargaining agreement. Copies of any such collective bargaining agreements are available for inspection in the Plan Administrator's office.

IX. INTERNAL REVENUE CODE TESTS

A. Non-Discrimination Tests

The Plan must pass Internal Revenue Code non-discrimination tests as of the last day of each Plan Year to maintain a qualified Plan. These tests are intended to ensure that the amount of contributions under the Plan do not discriminate in favor of Highly Compensated Employees. In order to meet the tests, Aerospace encourages participation from all eligible Employees. Depending upon the results of the tests, the Plan Administrator may have to refund Deferral Contributions contributed to the Plan and vested matching contributions to certain Highly Compensated Employees, as determined under Internal Revenue Service regulations. Deferral Contributions or matching contributions will be refunded to you from applicable investment options. You will be notified by the Plan Administrator if any of your contributions will be refunded to you.

In the event that the Plan Administrator distributes amounts attributable to excess Deferral Contributions to Highly Compensated Employees as a result of the non-discrimination test applicable to Deferral Contributions, a Highly Compensated Employee who made both pre-tax and Roth Deferral Contributions during the applicable year will first receive a return of amounts attributable to Pre-tax Deferral Contributions to the extent the Highly Compensated Employee made pre-tax Deferral Contributions during the applicable Plan Year. The remainder of any such distribution will come from amounts attributable to the Roth Deferral Contributions the Highly Compensated Employee made during the applicable Plan Year. The Plan may be subject to additional types of non-discrimination testing depending upon the benefits available under the Plan.

B. Top Heavy Test

The Plan Administrator tests this Plan, together with any other Employer-sponsored qualified plans that cover one or more key employees, to ensure that no more than 60% of the benefits are for key employees. If this Plan is top-heavy, then Aerospace may be required to make a minimum annual contribution on your behalf to this, or another Employer sponsored plan, if you are employed as of Plan Year-end. You will be vested for these contributions in accordance with the vesting shown for nonelective contributions within the Vesting section of this SPD.

X. PARTICIPANT RIGHTS

A. Claims

1. Claims Procedures

A plan participant or beneficiary may make a claim for benefits under the Plan. Any such claim you file must be submitted to the Plan Administrator in a form and manner acceptable to the Plan Administrator. Contact the Plan Administrator for more information. Generally, the Plan Administrator will provide you with written notice of the disposition of your claim within 90 days after receipt of your claim. If the Plan Administrator determines that special circumstances require an extension of time to process your claim, the Plan Administrator will furnish written notice of the extension to the claimant prior to the expiration of the initial 90-day period. In no event shall such extension exceed a period of 90 days from the end of the initial period the Plan Administrator had to dispose of your claim. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the benefit determination. In the event the claim is denied, the Plan Administrator will disclose to you in writing the specific reasons for the denial, a reference to the specific provisions of the Plan on which the determination is based, a description of additional material or information necessary for the claimant to perfect the claim and an explanation of why it is required, and information about the steps that must be taken to submit a timely request for review, including a statement of your right to bring a civil action under Section 502(a) of ERISA following an adverse determination upon review.

2. Review Procedures (For Appeal of an Adverse Benefit Determination)

You may appeal the denial of your claim made under the procedures described above within 60 days after the date following your receipt of notification of the denied claim by filing a written request for review with the Plan Administrator. This written request may include comments, documents, records, and other information relating to your claim for benefits. You shall be provided, upon your request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits. The Aerospace Corporation 401(k) Plan Committee (Committee) will review your appeal and take into account all comments, documents, records, and other information submitted by you relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination. Generally, the Plan Administrator will provide you with written notice of the disposition of your claim on review within 60 days after receipt of your appeal. If the Plan Administrator or the Committee determines that special circumstances require an extension of time to process your claim, the Plan Administrator will furnish written notice of the extension to the claimant prior to the expiration of the initial 60-day period. In no event shall such extension exceed a period of 60 days from the end of the initial period the Plan Administrator had to dispose of your claim. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Plan expects to render the benefit determination. In the event the claim on review is denied, the Plan Administrator will disclose to you in writing the specific reasons for the denial, a reference to the specific provisions of the Plan on which the determination is based, and a statement of your right to bring a civil action under Section 502(a) of ERISA.

The Plan Administrator shall provide you with written notification of a plan's benefit determination on review. In the case of an adverse benefit determination, the notification shall set forth, in a manner calculated to be understood by you – the specific reason or reasons for the adverse determinations, reference to the specific plan provisions on which the benefit determination is based, a statement that you are entitled to receive, upon your request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.

3. When to Bring an Action in Court

You may file a lawsuit regarding the denial of an appeal after following the claims and review procedures above. You must file any lawsuit within 12 months after the date the Plan Administrator issued its final decision on an appeal. If you do not file a claim or exhaust the claims review process for any reason, any lawsuit must be filed within 12 months of the date of the conduct at issue in the lawsuit (which includes, among other things, the date you became entitled to any Plan benefits at issue in the lawsuit). If you fail to file a lawsuit within these timeframes, you will lose your right to bring the lawsuit at any later time.

B. Statement of ERISA Rights

As a Participant in the Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan Participants shall be entitled to:

1. Receive Information About Your Plan and Benefits

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated SPD. 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 each year.
- Obtain a statement telling you the fair market value of your vested, accrued benefit, as of the date for which the benefits are reported, if you stop working under the Plan now. If you do not have a right to a benefit under the plan, the statement will tell you how many more years you have to work to get a right to a benefit. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

2. Prudent Actions by Fiduciaries

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you, other Plan Participants and Beneficiaries. No one, including Aerospace, 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 exercising your rights under ERISA.

3. Enforce Your Rights

Subject to the time limitation described below, if your claim for a benefit under the Plan 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 plan documents or the latest annual report from the Plan 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 Plan Administrator. The Plan's agent for legal service of process in the event of a lawsuit is 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. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in 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 frivolous.

4. Assistance with Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or 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, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

XI. SERVICES AND FEES

Fees and expenses charged under your Account will impact your retirement savings, and fall into three basic categories. *Investment fees* are generally assessed as a percentage of assets invested, and are deducted directly from your investment returns. Investment fees can be in the form of sales charges, loads, commissions, 12b-1 fees, or management fees. Certain of these Investment fees may not apply depending upon the funds and share classes available in the Plan. You can obtain more information about such fees from the documents (e.g., a prospectus) that describe the investments available under your Plan. *Plan administration fees* cover the day-to-day expenses of your Plan for recordkeeping, accounting, legal and trustee services, as well as additional services that may be available under your Plan, such as daily valuation, telephone response systems, internet access to plan information, retirement planning tools, and educational materials. In some cases, these costs are covered by investment fees that are deducted directly from investment returns. In other cases, these administrative fees are either paid directly by Aerospace, or are passed through to the Participants in the Plan, in which case a recordkeeping fee will be deducted from your Account. *Transaction-based fees* are associated with optional services offered under your Plan, and are charged directly to your Account if you take advantage of a particular plan feature that may be available, such as a Plan loan. For more information on fees associated with your Account, refer to your Account statement or speak with the Plan Administrator.

The information contained herein has been provided by the Plan Administrator.