

**The Aerospace Corporation
Voluntary Annuity /Account Program
(VAAP)**

**Effective January 1, 2009
Amended and Restated Effective January 1, 2011**

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PREAMBLE

The Voluntary Annuity/Account Program (the "VAAP" or the "Plan") was originally adopted by THE AEROSPACE CORPORATION, (the "Employer") in 1966. The purpose of the VAAP is to provide employees of the Employer with a tax-preferred retirement savings vehicle. This written Plan is adopted by the Employer effective as of January 1, 2009 to comply with the requirements of Section 403(b)(1) of the Internal Revenue Code of 1986 (as amended) and the regulations thereunder. The written Plan does not add, reduce, or alter the benefits available under the VAAP prior to the effective date. The Plan was amended and restated effective January 1, 2011 to reflect certain amendments made since the original effective date. The written Plan restates the relevant provisions of the VAAP and details the administration of the VAAP in accordance with changes to applicable law.

The Plan is intended not to be an employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

**Section 1
Definition of Terms Used**

The following words and terms, when used in the Plan, have the meaning set forth below.

1.1 **"Account"**: The account or accumulation maintained for the benefit of any Participant or Beneficiary under an Annuity Contract or a Custodial Account.

1.2 **"Account Balance"**: The bookkeeping account maintained for each Participant which reflects the aggregate amount credited to the Participant's Account under all Accounts, including the Participant's Pre-Tax Elective Deferrals, Roth Elective Deferrals, the earnings or loss of each Annuity Contract or a Custodial Account (net of expenses) allocable to the Participant, any transfers for the Participant's benefit, and less any distribution made to the Participant or the Participant's Beneficiary. The Account Balance includes any account established under Section 6 for rollover contributions and plan-to-plan transfers made for a Participant, the Account established for a Beneficiary after a Participant's death, and any Account or Accounts established for an alternate payee (as defined in Code section 414(p)(8)).

1.3 **"Annuity Contract"**: A nontransferable contract as defined in Code section 403(b)(1), established for each Participant by the Employer, or by each Participant individually, that is issued by an insurance company qualified to issue annuities in the State in which the Employer has its principal place of business and that includes payment in the form of an annuity.

1.4 **"Beneficiary"**: The designated person who is entitled to receive benefits under the Plan after the death of a Participant, subject to such additional rules as may be set forth in the Individual Agreements.

1.5 “**Code**”: The Internal Revenue Code of 1986, as amended, and applicable regulations thereunder and successor provisions thereto.

1.6 “**Compensation**”: All cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee’s gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer includible in the Employee’s gross income for the calendar year but for a compensation reduction election under Code sections 125, 132(f), or 403(b) (including an election under Section 2.2 made to reduce compensation in order to have Elective Deferrals under the Plan). Compensation includes only amounts paid prior to severance from employment and any payment that would have been paid prior to severance from employment if the employee had not terminated employment that is paid by the later of 2 ½ months after severance from employment or the end of the Plan Year in which the severance from employment occurs. Compensation shall not include severance pay or salary continuation payments made due to severance from employment.

1.7 “**Custodial Account**”: The group or individual custodial account or accounts, as defined in Code section 403(b)(7), established for each Participant to hold assets of the Plan.

1.8 “**Disability**” or “**Disabled**”: The complete inability of a Participant to perform his or her duties as an Employee as determined by the applicable Vendor. The Company shall make no determinations with regard to disability status for purposes of any permissible withdrawal under the Plan.

1.9 “**Elective Deferrals**”: Pre-Tax Elective Deferrals and Roth Elective Deferrals.

1.10 “**Employee**”: Each individual who is a common law employee of the Employer performing services as an employee of the Employer. Specifically, the term “Employee” shall exclude any person who is an independent contractor, or who is paid by a temporary staffing agency, even if a Court or administrative agency determines that such individual is a common law employee.

1.11 “**Employer**”: The Aerospace Corporation.

1.12 “**Funding Vehicles**”: The Annuity Contracts or Custodial Accounts issued for funding amounts held under the Plan and specifically approved by Employer for use under the Plan.

1.13 “**Includible Compensation**”: An Employee’s actual wages as reported by the Employer in box 1 of Internal Revenue Service Form W-2 for an applicable year for services to the Employer, but subject to a maximum of \$200,000 (or such higher maximum as may apply under Code section 401(a)(17)) and increased (up to the dollar maximum) by any compensation reduction election under Code sections 125, 132(f), or 403(b) (including any Elective Deferrals under the Plan). The amount of Includible Compensation is determined without regard to any community property laws.

1.14 “**Individual Agreement**”: The agreements between a Vendor and the Employer or a Participant that constitutes or governs a Custodial Account or an Annuity Contract.

1.15 “**Participant**”: An individual for whom Elective Deferrals are currently being made, or for whom Elective Deferrals have previously been made, under the Plan and who has not received a distribution of his or her entire benefit under the Plan. An Employee’s election to participate in the Plan is completely voluntary, and all rights under the Funding Vehicles are enforceable solely by the Participant or his or her Beneficiary or authorized representative.

1.16 “**Plan**”: The Aerospace Corporation Voluntary Annuity/Account Program.

1.17 “**Plan year**”: January 1 through December 31.

1.18 “**Pre-Tax Elective Deferrals**”: The contributions made to the Plan at the election of the Participant in lieu of receiving cash compensation. Pre-Tax Elective Deferrals are not includible in the Participant’s gross income at the time deferred. A Participant’s Pre-Tax Deferrals will be separately accounted for, and will be adjusted for any gains and losses attributable to those Pre-Tax Elective Deferrals.

1.19 “**Roth Elective Deferrals**”: The contributions made to the Plan at the election of the Participant in lieu of receiving cash compensation that are irrevocably designated by the Participant at the time of the election as a Roth Elective Deferral, and that are made in lieu of all or a portion of the Pre-Tax Elective Deferrals the Participant is otherwise eligible to make under the Plan. Roth Elective Deferrals shall be treated as includable in the Participant’s income at the time the Participant would have received that amount in cash at the time deferred. A Participant’s Roth Elective Deferrals will be allocated to a separate account maintained for such deferrals.

1.20 “**Severance from Employment**”: For purpose of the Plan, Severance from Employment means severance from employment with the Employer.

1.21 “**Vendor**”: The provider of an Annuity Contract or Custodial Account.

1.22 “**Valuation Date**”: Any date upon which a valuation of the Account is to be made. Such valuation shall be made at least as of the last day of the calendar month, and no more frequently than the close of business on each business day.

Section 2 Participation and Contributions

2.1 **Eligibility.** Each regular Employee shall be eligible to participate in the Plan and elect to have Pre-Tax and/or Roth Elective Deferrals made on his or her behalf hereunder immediately upon becoming employed by the Employer.

2.2 **Compensation Reduction Election.** An Employee elects to become a Participant by executing a salary reduction agreement. Under the salary reduction agreement, the Participant elects to make Pre-Tax Elective Deferrals and/or Roth Elective Deferrals from the Participant’s Compensation, selects the Vendors that will receive such Elective Deferrals, and agrees to be bound under the terms of the written Plan. An Employee may select up to two Vendors to receive salary deferral contributions. An Employee who fails to execute a completed salary reduction agreement and return it to the Employer in a manner acceptable to the Employer shall waive all rights under the Plan except the right to enroll at a later date. Any salary

reduction agreement shall remain in effect until a new election is filed. Only an individual who performs services for the Employer as an Employee may reduce his or her Compensation under the Plan. The Participant shall designate the Funding Vehicles to which Elective Deferrals are to be made and his or her Beneficiary designation on a separate form provided by the selected Vendor or Vendors pursuant to the Individual Agreements. Each Employee will become a Participant in accordance with the terms and conditions of the Individual Agreements. An Employee shall become a Participant as soon as administratively practicable following the date applicable under the Employee's Individual Agreement.

2.3 Pre-Tax Elective Deferrals. All Pre-Tax Elective Deferrals shall be made on a before tax basis in accordance with Code section 403(b). The Employer shall forward Pre-Tax Elective Deferrals to the appropriate Vendor(s) as soon as practicable after the date that the deferral otherwise would have been paid to the Participant, but in any event not later than 15 days after such date.

2.4 Roth Elective Deferrals. Effective January 1, 2008, the Plan will accept Roth Elective Deferrals made on behalf of Participants pursuant to a salary reduction agreement. Unless specifically stated otherwise, Roth Elective Deferrals will be treated in the same manner as Pre-Tax Elective Deferrals for all purposes under the Plan; however, contributions and withdrawals of Roth Elective Deferrals will be credited and debited to the Participant's Roth Elective Deferral Account maintained by the Vendor for each Participant. Vendors shall maintain a record of the amount of Roth Elective Deferrals in each Participant's Account. Gains, losses, and other credits or charges will be separately allocated on a reasonable and consistent basis to each Participant's Roth Elective Deferral Account and the Participant's other Accounts under the Plan. No contributions other than Roth Elective Deferrals and properly attributable earnings will be credited to each Participant's Roth Elective Deferral Account.

2.5 Information Provided by the Employee. Each Employee enrolling in the Plan should provide, at the time of initial enrollment and from time to time thereafter, any information required under the Individual Agreements or otherwise necessary or reasonable to facilitate the Plan.

2.6 Changes in Elections. Subject to the provisions of the applicable Individual Agreements, an Employee may at any time revise his or her elections, including a change of the amount of his or her Elective Deferrals, his or her investment direction, and his or her designated Beneficiary. A change in the investment direction shall take effect as of the date provided by the Vendor(s) on a uniform basis for all Employees. A change in the Beneficiary designation shall take effect when the election is accepted by the Vendor(s).

2.7 Leave of Absence. Unless an election is otherwise revised, if an Employee is absent from work by leave of absence, Elective Deferrals under the Plan shall continue to the extent that compensation continues in excess of the amount of the Elective Deferral amount designated in the salary reduction agreement.

2.8 Termination of Participation. A Participant's participation in the Plan will end upon the earlier of Severance from Employment, termination of the Plan, or termination of his or her contributions.

2.9 **No Reversion.** Under no circumstances or conditions will any Plan contribution revert to, be paid to, or enure to the benefit of the Employer, directly or indirectly.

Section 3 **Limitations on Amounts Deferred**

3.1 **Basic Annual Limitation.** Except as provided in Sections 3.2 and 3.3, the maximum amount of the Elective Deferrals under the Plan for any calendar year shall not exceed the lesser of (a) the applicable dollar amount or (b) the Participant's Includible Compensation for the calendar year. The applicable dollar amount is the amount established under Code section 402(g)(1)(B), which is \$16,500 for 2009, and is adjusted for cost-of-living to the extent provided under Code section 415(d).

3.2 **Age 50 Catch-up Elective Deferral Contributions Limit.** An Employee who is a Participant who will attain age 50 or more by the end of the calendar year is permitted to elect an additional amount of Elective Deferrals, if applicable, up to the maximum age 50 catch-up elective deferrals for a year is \$5,500 for 2010, and is adjusted for cost-of-living to the extent provided under the Code.

3.3 **Special Rule for a Participant Covered by another Section 403(b) Plan.** For purposes of this Section 3, if the Participant is or has been a participant in one or more other plans under Code section 403(b) (and any other plan that permits elective deferrals under Code section 402(g)), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Section 3. For this purpose, any other such plan for which the Participant provides to the Plan sufficient information concerning his or her participation in such other plan, shall be taken into account.

3.4 **Correction of Excess Elective Deferrals.** If the Elective Deferrals on behalf of a Participant for any calendar year exceeds the limitations described above, or the Elective Deferrals on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another plan of the employer under Code section 403(b) (and any other plan that permits elective deferrals under Code section 402(g) for which the Participant provides information to the Plan), then the Elective Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant in accordance with the terms of the Individual Agreement, but no later than April 15 of the following year.

3.5 **Uniformed Service Leave.** A Participant who has completed Qualified Military Service as defined under the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended, (USERRA) and has returned to employment with the Employer will be allowed to make-up any Elective Deferrals under the Plan. Total make-up contributions may not exceed the amount of Elective Deferral contributions that would have been permitted had the Participant remained continuously employed by the Employer.

Section 4 Vesting

4.1 The Participant is fully and immediately vested in amounts contributed to the Plan when such contributions are made.

Section 5 Loans

5.1 **Loans.** Loans may be permitted under the Plan to the extent permitted by the Individual Agreements controlling the Account assets from which the loan is made and by which the loan will be secured. The Employer shall not participate in the review or approval process for a Plan loan. It is the sole responsibility of the Vendor to make all discretionary determinations with regard to loans, including determinations regarding loan availability.

5.2 **Information Coordination Concerning Loans.** Each Vendor is responsible for all information reporting and tax withholding required by applicable federal and state law in connection with distributions and loans. To minimize the instances in which Participants have taxable income as a result of loans from the Plan and in accordance with the regulations under section 403(b), the Employer shall take such steps as may be appropriate (i) to coordinate the limitations on loans set forth in the Code, including the collection of information from other Vendors, and the transmission of information requested by any Vendor, concerning the outstanding balance of any loans made to a Participant under the Plan or any other plan of the Employer; and (ii) to collect information from Vendors, and transmit information to any Vendor, concerning any failure by a Participant to repay timely any loans made to a Participant under the Plan or any other plan of the Employer to the extent such information is provided by the Vendor in a timely manner.

5.3 **Loan Procedures.** A Participant may make an application for a Plan loan pursuant to the procedures established by each Vendor pursuant to the terms of each Individual Agreement. Once the Vendor has approved the loan, the loan shall be in the form of a legally enforceable agreement between the Vendor and the Participant set forth in writing and in a form that meets the loan requirements set forth in Code section 72(p). In the event that a Participant fails to repay a loan according to its terms as determined by the Vendor, the Vendor shall immediately notify the Employer and the loan will be declared in default and a distributable event shall be deemed to occur for the entire outstanding balance of the loan.

Section 6 Benefit Distributions

6.1 **Application of Benefits.** Procedures for the receipt of benefits must be directed to the appropriate Vendor for review and approval. The necessary forms and application materials will be provided to the Participant, surviving spouse, or Beneficiary by the Vendor.

6.2 **Benefit Distributions at Severance from Employment or Other Distribution Event.** Except as permitted under Section 3.4 (relating to excess Elective Deferrals), Section 6.5 (relating to hardship); Section 6.6 (relating to withdrawals of amounts rolled over into the Plan), or Section 9.3 (relating to termination of the Plan), distributions from a Participant's Account

may not be made earlier than the earliest of the date on which the Participant has a Severance from Employment, dies, becomes Disabled, or attains age 59½. All other distributions, including distributions made pursuant to any Domestic Relations Order or Qualified Domestic Relations Order (as defined in section 414 of the Code), shall be made in accordance with the terms of the Individual Agreements. Benefits may be received under this Plan in any form that the relevant Funding Vehicles permit.

6.3 Small Account Balances. The terms of the Individual Agreement may permit distributions to be made in the form of a lump-sum payment, without the consent of the Participant or Beneficiary, but no such payment may be made without the consent of the Participant or Beneficiary unless the Account Balance does not exceed \$5,000 (determined without regard to any separate account that holds rollover contributions under Section 7.1) and any such distribution shall comply with the requirements of Code section 401(a)(31)(B) (relating to automatic distribution as a direct rollover to an individual retirement plan for distributions in excess of \$1,000).

6.4 Minimum Distributions.

(a) Each Individual Agreement shall comply with the minimum distribution requirements of Code section 401(a)(9) pursuant to its terms. The entire interest of each Participant will begin to be distributed no later than April 1 of the calendar year following the calendar year in which the Participant attains age 70½, or April 1 following the calendar year in which the Participant terminates employment, if later, over a period not to exceed the life (or life expectancy) of the Participant, or over the lives (or life expectancies) of the Participant and the designated Beneficiary. Each Vendor shall comply with these requirements according to the terms of the Individual Agreements.

(b) Upon the Participant's death, any remaining interest will be distributed at least as rapidly as under the method of distribution in effect at the time of the Participant's death. If the Participant dies prior to the time benefit payments begin, any portion of his or her interest payable to (or for the benefit of) a designated Beneficiary will be paid within five years of the Participant's death or will be paid, beginning no later than one year after the Participant's death, over the life of the designated Beneficiary or over a period not exceeding the life expectancy of the designated Beneficiary. If the designated Beneficiary is the surviving spouse, payment may be delayed until the date the Participant would have attained age 70½.

6.5 Hardship Withdrawals.

(a) Hardship withdrawals may be permitted under the Plan to the extent permitted by the Individual Agreements controlling the Account holding the assets to be withdrawn in order to satisfy the participant's hardship. If applicable under an Individual Agreement, no Elective Deferrals shall be allowed under the Plan during the 6-month period beginning on the date the Participant receives a distribution on account of hardship.

(b) The Individual Agreements shall provide for the exchange of information among the Employer and the Vendors to the extent necessary to implement the Individual Agreements, including, in the case of a hardship withdrawal that is automatically deemed to be

necessary to satisfy the Participant's financial need (pursuant to Treas. Reg. §1.401(k)-1(d)(3)(iv)(E)), the Vendor immediately notifying the Employer of the withdrawal in order for the Employer to implement the resulting 6-month suspension of the Participant's right to make Elective Deferrals under the Plan. In addition, in the case of a hardship withdrawal that is not, as determined by the Vendor, automatically deemed to be necessary to satisfy the financial need (pursuant to Treas. Reg. §1.401(k)-1(d)(3)(iii)(B)), the Vendor shall obtain information from the Employer or other Vendors to determine the amount of any plan loans and rollover accounts that are available to the Participant under the Plan to satisfy the financial need.

(c) The Participating Employer shall not participate in the review or approval process for a hardship withdrawal. It is the sole responsibility of the Vendor to determine immediate and heavy financial need. Hardship withdrawals may be subject to early withdrawal penalties pursuant to Code section 72(t).

6.6 Rollover Distributions.

(a) Notwithstanding any other provision of this Plan, a Participant, a surviving spouse of a Participant, a spouse or former spouse of a Participant who is an alternate payee under a qualified domestic relations order as defined in Code section 414(p), or, effective January 1, 2009, a Participant or former Participant's non-spouse Beneficiary may request, on a form to be provided by the Benefits Administration Committee or its Administrative Delegate, an eligible rollover distribution of the amount to which such Participant is otherwise entitled under the Plan, in accordance with section 401(a)(31) of the Code, to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Code).

(b) Each Vendor shall be separately responsible for providing, within a reasonable time period before making an initial eligible rollover distribution, an explanation to the Participant of his or her right to elect a direct rollover and the income tax withholding consequences of not electing a direct rollover.

6.7 Rollover Distributions of Roth Elective Deferrals. Notwithstanding Section 6.6, a direct rollover distribution from a Roth Elective Deferral Account under the Plan will only be made to another Roth elective deferral account under an applicable retirement plan described in section 402A(e)(1) of the Code or to a Roth IRA described in section 408A of the Code, and only to the extent that the rollover is permitted under the rules of section 402(c) of the Code and the Individual Agreement. Any distributions from a Participant's Roth Elective Deferral Account are taken into account in determining whether the total amount distributed from the Participant's other Accounts exceeds \$1,000 for purposes of mandatory distributions from the Plan pursuant to Section 6.3.

6.8 Deemed Severance. Notwithstanding any provision of this Section 6, if a Participant performs active service in the uniformed services (as defined in Code §414(u)(12)(B)) for a period of more than 30 days, the Participant may be deemed to have a severance from employment solely for purposes of eligibility for distribution of amounts not subject to Code §412. However, the Participant will be entitled to such distribution only to the extent permitted under the terms of the applicable Individual Agreement, and only if the Participant specifically elects to receive a benefit distribution hereunder. If a Participant elects

to receive a distribution pursuant to this Section 6.8, then the individual may not make an Elective Deferral during the 6-month period beginning on the date of the distribution. If a Participant would be entitled to a distribution on account of a deemed severance, and a distribution on account of another Plan provision, then the other Plan provision will control.

Section 7

Rollovers to the Plan and Transfers

7.1 Eligible Rollover Contributions to the Plan.

(a) **Eligible Rollover Contributions.** To the extent provided in the Individual Agreements, a Participant who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the Plan. Such rollover contributions shall be made in a form permitted under the applicable Individual Agreement. The Vendor may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with Code section 402 and to confirm that such plan is an eligible retirement plan within the meaning of Code section 402(c)(8)(B).

(b) **Eligible Rollover Distribution.** For purposes of this Section 7.1, an eligible rollover distribution means any distribution of all or any portion of a Participant's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include (1) any installment payment for a period of 10 years or more, (2) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the Participant, or (3) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under Code section 401(a)(9). In addition, an eligible retirement plan means an individual retirement account described in Code section 408(a) or Code section 408A, an individual retirement annuity described in Code section 408(b), a qualified trust described in Code section 401(a), an annuity plan described in Code section 403(a) or 403(b), or an eligible governmental plan described in Code section 457(b), that accepts the eligible rollover distribution. However, if the recipient of the distribution is a non-spouse Beneficiary, "eligible retirement plan" shall be limited to (1) an individual retirement account described in Code section 408(a) and (2) an individual retirement annuity described in Code section 408(b).

(c) **Separate Accounts.** The Vendor shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan.

(d) **Roth Amount.** Notwithstanding Section 7.1(a) through (c), the Plan will accept a rollover contribution to a Roth Elective Deferral Account only if it is a direct rollover from another Roth elective deferral account under an applicable retirement plan described in section 402A(e)(1) of the Code and only to the extent the rollover is permitted under the rules of section 402(c) of the Code and the Individual Agreement. A rollover of an eligible rollover distribution that includes Roth Elective Deferrals will only be accepted if the receiving Vendor obtains information regarding the Participant's tax basis under Code section 72 of the Internal Revenue Code in the amount rolled over. Separate accounts shall be established and maintained for the Participant for any eligible rollover distribution, and for the after-tax portion of any such eligible rollover distribution, paid to the Plan.

7.2 In-Plan Rollovers of Roth Amounts.

(a) Notwithstanding Section 7.1(d), and to the extent permitted under the Individual Agreement(s), effective November 1, 2010, the Plan will accept a contribution to an individual's Roth Elective Deferral Account that: (1) consists of a distribution from an individual's account under the Plan that is not a designated Roth account, and (2) is contributed by the Participant or the Participant's spousal beneficiary in a qualified rollover contribution (within the meaning of Code section 408A(e)) to that individual's Roth Elective Deferral Account. For purposes of this Section 7.2, any distribution from an individual's account under the Plan must otherwise be permitted under the terms of the Plan and the applicable Individual Agreement(s). Furthermore, any rollover from an account under the Plan to an individual's Roth Elective Deferral account must meet the requirements of Code section 402A(c)(4), applicable Department of the Treasury regulations, and Internal Revenue Service guidance.

(b) Any contribution made to a Participant's Roth Elective Deferral Account pursuant to Section 7.2(a) above shall not be eligible for recharacterization under Code section 408A(d)(6).

7.3 Plan-to-Plan Transfers to the Plan.

(a) Employees who are participants or beneficiaries in another plan under Code section 403(b) may transfer assets to the Plan as provided in this Section 7.3. Such a transfer is permitted only if the other plan provides for the direct transfer of each person's entire interest therein to the Plan and the participant is an employee or former employee of the Employer. Any Vendor accepting such transferred amounts may require (i) that the transfer be in cash or other property acceptable to it and (ii) such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with Treas. Reg. §1.403(b)-10(b)(3) and to confirm that the other plan is a plan that satisfies Code section 403(b).

(b) The amount so transferred shall be credited to the Participant's Account Balance, so that the Participant or Beneficiary whose assets are being transferred has an accumulated benefit immediately after the transfer at least equal to the accumulated benefit with respect to that Participant or Beneficiary immediately before the transfer.

(c) To the extent provided in the Individual Agreements holding such transferred amounts, the amount transferred shall be held, accounted for, administered and otherwise treated in the same manner as an Elective Deferral by the Participant under the Plan, except that (1) the Individual Agreement which holds any amount transferred to the Plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under Code section 403(b), the Individual Agreement must impose restrictions on distributions to the Participant or Beneficiary whose assets are being transferred that are not less stringent than those imposed on the transferor plan and (2) the transferred amount shall not be considered an Elective Deferral under the Plan in determining the maximum deferral under Section 3.

7.4 Plan-to-Plan Transfers from the Plan.

(a) Participants and Beneficiaries may elect to have all or any portion of their Account Balance transferred to another plan that satisfies Code section 403(b) in accordance with Treas. Reg. §1.403(b)-10(b)(3). A transfer is permitted under this Section 7.4(a) only if the Participants or Beneficiaries are employees or former employees of the employer (or the business of the employer) under the receiving plan and the other plan provides for the acceptance of plan-to-plan transfers with respect to the Participants and Beneficiaries and for each Participant and Beneficiary to have an amount deferred under the other plan immediately after the transfer at least equal to the amount transferred.

(b) The other plan must provide that, to the extent any amount transferred is subject to any distribution restrictions required under Code section 403(b), the other plan shall impose restrictions on distributions to the Participant or Beneficiary whose assets are transferred that are not less stringent than those imposed under the Plan. In addition, if the transfer does not constitute a complete transfer of the Participant's or Beneficiary's interest in the Plan, the other plan shall treat the amount transferred as a continuation of a pro rata portion of the Participant's or Beneficiary's interest in the transferor plan (e.g., a pro rata portion of the Participant's or Beneficiary's interest in any after-tax employee contributions).

(c) Upon the transfer of assets under this Section 7.4, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. A Vendor may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section 7.4 (for example, to confirm that the receiving plan satisfies Code section 403(b) and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Treas. Reg. §1.403(b)-10(b)(3).

7.5 Contract and Custodial Account Exchanges.

(a) A Participant or Beneficiary is permitted to change the investment of his or her Account Balance among the Vendors under the Plan, subject to the terms of the Individual Agreements. However, an investment change that includes an investment with a Vendor that is not eligible to receive contributions under the Plan (referred to below as an exchange) is not permitted unless the conditions in paragraphs (b) through (d) of this Section 7.5 are satisfied.

(b) The Participant or Beneficiary must have an Account Balance immediately after the exchange that is at least equal to the Account Balance of that Participant or Beneficiary immediately before the exchange (taking into account the Account Balance of that Participant or Beneficiary under both section 403(b) contracts and custodial accounts immediately before the exchange).

(c) The Individual Agreement with the receiving Vendor has distribution restrictions with respect to the Participant that are not less stringent than those imposed on the investment being exchanged.

(d) The Employer enters into an agreement with the receiving Vendor for the other contract or custodial account under which the Employer and the Vendor will from time to time in the future provide each other with the following information:

(1) Information necessary for the resulting contract or custodial account, or any other contract or custodial accounts to which contributions have been made by the Employer, to satisfy Code section 403(b), including the following: (i) the Employer notifying the Vendor when the Participant has had a Severance from Employment (for purposes of the distribution restrictions in Section 6.2); (ii) the Vendor notifying the Employer of any hardship withdrawal under Section 6.5 if the withdrawal results in a 6-month suspension of the Participant's right to make Elective Deferrals under the Plan; and (iii) the Vendor providing information to the Employer or other Vendors concerning the Participant's or Beneficiary's section 403(b) contracts or custodial accounts or qualified employer plan benefits (to enable a Vendor to determine the amount of any plan loans and any rollover accounts that are available to the Participant under the Plan in order to satisfy the financial need under the hardship withdrawal rules of Section 6.5); and

(2) Information necessary in order for the resulting contract or custodial account and any other contract or custodial account to which contributions have been made for the Participant by the Employer to satisfy other tax requirements, including the amount of any plan loan that is outstanding to the Participant in order for a Vendor to determine whether an additional plan loan satisfies the loan limitations under the Code, so that any such additional loan is not a deemed distribution under section 72(p)(1).

(e) If any Vendor ceases to be eligible to receive Elective Deferrals under the Plan, the Employer will enter into an information sharing agreement as described in Section 7.5(d) to the extent the Employer's contract with the Vendor does not provide for the exchange of information described in Section 7.5(d).

Section 8

Investment of Contributions

8.1 Manner of Investment. All Elective Deferrals or other amounts contributed to the Plan, all property and rights purchased with such amounts under the Funding Vehicles, and all income attributable to such amounts, property, or rights shall be held and invested in one or more Annuity Contracts or Custodial Accounts. Each Custodial Account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the Custodial Account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries.

8.2 Investment of Contributions. Each Participant or Beneficiary shall direct the investment of his or her Account among the investment options available under the Annuity Contract or Custodial Account in accordance with the terms of the Individual Agreements. Transfers among Annuity Contracts and Custodial Accounts may be made to the extent provided in the Individual Agreements and permitted under the Code.

8.3 Current and Former Vendors. The Employer shall maintain, and may from time to time change, a list of all Vendors under the Plan, which shall be deemed part of the Plan. Such list shall be attached to the Plan and Exhibit A. The Employer may limit the Vendors and Funding Vehicles available to Participants and Beneficiaries to a number and selection designed to provide a reasonable choice in all the circumstances, taking into account (i) the number of Employees affected, (ii) the number of Vendors that have indicated interest, (iii) the variety of available Funding Vehicles, (iv) the terms of the available Funding Vehicles, (v) the administrative burdens and costs to the Employer, (vi) the possible interference with Employee job performance resulting from direct solicitation by Vendors, and (vii) other relevant circumstances. Each Vendor and the Employer shall exchange such information as may be necessary to satisfy Code section 403(b) or other requirements of applicable law. The Plan's current selection of Vendors is not intended to limit future additions or deletions of Vendors. In the case of a Vendor which is not eligible to receive Elective Deferrals under the Plan (including a Vendor which has ceased to be a Vendor eligible to receive Elective Deferrals under the Plan), the Employer agrees to make its best efforts to keep the Vendor informed of appropriate contact information for the Employer in order to coordinate information necessary to satisfy Code section 403(b) or other requirements of applicable law.

Section 9 Amendment and Plan Termination

9.1 Termination of Contributions. The Employer has adopted the Plan with the intention and expectation that contributions will be continued indefinitely. However, the Employer has no obligation or liability whatsoever to maintain the Plan for any length of time and may discontinue contributions under the Plan at any time without any liability hereunder for any such discontinuance.

9.2 Amendment and Termination. The Employer reserves the authority to amend or terminate this Plan at any time in its sole discretion. Employer delegates authority to amend the plan for required changes to applicable law to the President of The Aerospace Corporation.

9.3 Distribution upon Termination of the Plan. The Employer may provide that, in connection with a termination of the Plan and subject to any restrictions contained in the Individual Agreements, all Accounts will be distributed, provided that the Employer on the date of termination does not make contributions to an alternative section 403(b) contract that is not part of the Plan during the period beginning on the date of plan termination and ending 12 months after the distribution of all assets from the Plan, except as permitted by the Code.

Section 10 Plan Administration

10.1 Limited Role of the Employer. The Employer's role under the Plan is limited to (i) requesting information concerning proposed funding vehicles, (ii) selecting and maintaining the list of Vendors and Funding Vehicles in accordance with Section 8.3, (iii) permitting Vendors to publicize their Funding Vehicles to Participants and Beneficiaries, (iv) summarizing or otherwise compiling the information provided by Vendors about the Funding Vehicles to facilitate review and analysis by Participants and Beneficiaries, (v) collecting Elective Deferrals

and other contributions pursuant to the provisions of Participants' elections and remitting such contributions to Vendors, and (vi) maintaining the written Plan, coordinating the exchange of information to facilitate tax compliance, and taking such other actions as may be required under Code section 403(b) to the extent such actions will not cause the Plan to become subject to Title I of ERISA.

10.2 **Vendors.** Each Vendor shall abide by the terms of the Plan and shall be responsible for interpreting and administering the Individual Agreements it issues under the Plan, including making all determinations with respect to the payment of benefits thereunder.

Section 11 Miscellaneous

11.1 **Non-Assignability.** Except as expressly provided herein and permitted under the provisions of the Code, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors; and neither the Participant nor any Beneficiary shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Plan, which payments and interest are expressly declared to be non-assignable and non-transferable.

11.2 **Plan to Govern.** The provisions of the Individual Agreements shall be incorporated into, and made part of, the terms of the Plan. In addition, the provisions of any written agreement executed by both the Vendor and the Employer shall be incorporated into, and made part of, the terms of the Plan. To the extent that the provisions of the Plan conflict with any Individual Agreement or other contract or agreement between a Vendor and the Employer or a Vendor and the Participant, the Plan shall govern. The duties of the Vendor under the Individual Agreements shall not be expanded by the terms of the Plan, nor shall the Plan be interpreted to require the Employer to make any discretionary decisions with regard to the Plan.

11.3 **Tax Withholding.** Contributions to the Plan are subject to applicable employment taxes (including, if applicable, Federal Insurance Contributions Act (FICA) taxes with respect to Elective Deferrals, which constitute wages under Code section 3121). Any benefit payment made under the Plan is subject to applicable income tax withholding requirements (including Code section 3401 and the Employment Tax Regulations thereunder). A payee shall provide such information as the Employer or a Vendor may need to satisfy income tax withholding obligations, and any other information that may be required by guidance issued under the Code.

11.4 **Payments to Minors and Incompetents.** If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by a Vendor, benefits will be paid to such person as the Vendor may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

11.5 **Mistaken Contributions.** If any Elective Deferral contribution (or any portion of such contribution) is made to the Plan by a good faith mistake of fact, then within one year after

the payment of the contribution, and upon receiving in good order a proper request approved by the Vendor, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the Participant.

11.6 Plan Non-Contractual. This Plan is not a contract. Nothing contained in this Plan should be construed as a commitment or a contract to continue to employ an Employee or Participant for any period.

11.7 Procedure When Distributee Cannot Be Located. Each Vendor shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (i) the mailing by certified mail of a notice to the last known address shown on the Employer's or the Vendor's records, (ii) notification sent to the Social Security Administration or the Pension Benefit Guaranty Corporation (under their program to identify payees under retirement plans), and (iii) the payee has not responded within 6 months. If the Vendor is unable to locate such a person entitled to benefits hereunder, or if there has been no claim made for such benefits, the Funding Vehicle shall continue to hold the benefits due such person, subject to applicable escheatment or other law.

11.8 Interpretation. The Plan, together with the Individual Agreements, is intended and shall be interpreted and administered to satisfy the requirements of Code section 403(b) and the Income Tax Regulations thereunder. Terms and conditions of the Individual Agreements are hereby incorporated by reference into the Plan.

11.9 Governing Law. The Plan will be construed, administered and enforced according to the Code and the laws of the State of California.

11.10 Headings. Headings of the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

11.11 Gender. Pronouns used in the Plan in the masculine or feminine gender include both genders unless the context clearly indicates otherwise.

IN WITNESS WHEREOF, the Employer has caused this Plan to be adopted and executed this
29 day of Dec, 2010.

THE AEROSPACE CORPORATION

By: Clifford Morrison

Title: General Manager, Human Resources

Date signed: 12/29/2010

Effective Date of the Plan: January 1, 2009.

Exhibit A

Current Vendors at of January 1, 2009

Fidelity Investments, T. Rowe Price, Scudder Investments, Vanguard, Prudential Financial, and Teachers' Insurance and Annuity College Retirement Equities Fund (TIAA-CREF).

The list of vendors is subject to change by the Employer.