

Carleton Life Support Systems Inc. 401(k) Plan

January 1, 2007

Summary Plan Description

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Introduction

CARLETON LIFE SUPPORT SYSTEMS INC. (“Carleton LSS”) established the Carleton Life Support Systems Inc. 401(k) Plan on August 18, 2003, which was the date of Carleton LSS’s acquisition of the Life Support Division of Litton Systems, Inc. (“Litton Life Support”). The date of the acquisition is referred to in this document as the “Acquisition Date.”

This document is only a summary of the principal features of the Plan, not the plan document itself. If any information in this summary conflicts with the plan document, the provisions of the plan document will govern. You may review a copy of the plan document during regular business hours at the office of the Director of Human Resources of Carleton LSS. For the address of the Director of Human Resources, see Part I.

A. ELIGIBILITY

A.1. Who is eligible to participate in the Plan?

All employees of Carleton LSS, except for employees described in paragraph A.2, are eligible to participate in the Plan.

A.2. Which employees are not eligible for the Plan?

An employee who is a student hired for summer employment is not eligible to participate in the Plan.

An individual who is not on the payroll of Carleton LSS for employment tax purposes is not eligible to participate in the Plan, regardless of any later determination that the individual ought to have been on the payroll for employment tax purposes.

An employee who is a member of a collective bargaining unit is not eligible to participate in the Plan unless the collective bargaining agreement to which the employee's employment is subject provides for participation.

B. CONTRIBUTIONS

A.3. What are 401(k) contributions?

When you enroll in the Plan, you may elect to have a portion of your pay contributed to the Plan as a 401(k) contribution instead of paid to you currently.

Electing to make 401(k) contributions is voluntary. If you do not wish to make 401(k) contributions to the Plan, you are under no obligation to do so.

As a special incentive for you to make 401(k) contributions to the Plan, Carleton LSS will match a part of your 401(k) contributions. See paragraph A.12 below for further information.

A.4. Does the Plan provide a choice between pre-tax and Roth treatment for 401(k) contributions?

The Plan allows you to elect to have your 401(k) contributions treated as pre-tax 401(k) contributions or as Roth 401(k) contributions, or as part-pre-tax and part-Roth 401(k) contributions.

A.5. What is a pre-tax 401(k) contribution?

A pre-tax 401(k) contribution is excluded from your income for federal income tax purposes and, in most states, for state income tax purposes.

- You do not pay federal and (in most states) state income tax on the pre-tax 401(k) contributions you make to the Plan until you receive payments from the Plan.

- Any investment earnings and growth on your pre-tax 401(k) contributions are sheltered from tax until paid out to you.
- You may qualify for a Federal saver's tax credit for your pre-tax 401(k) contributions.

Although making pre-tax 401(k) contributions to the Plan will reduce the amount of your current pay subject to federal and state income tax withholding, your pre-tax 401(k) contributions will not reduce the amount of your pay subject to FICA (Social Security) tax, and, therefore, your FICA tax and the FICA tax paid by Carleton LSS for you will remain the same, whether or not you make 401(k) contributions, and whether your 401(k) contributions are pre-tax or Roth. Your Social Security benefits and your share of any contributions made by Carleton LSS under the Retirement Plan will be based on the amount of your pay before it is reduced by your pre-tax 401(k) contributions.

A.6. What is a Roth 401(k) contribution?

A Roth 401(k) contribution is not excluded from your income for federal or state income tax purposes. A Roth 401(k) contribution is sometimes called an "after-tax" contribution.

- You will pay federal and state income taxes on the Roth 401(k) contributions you make to the Plan, and your Roth 401(k) contributions will count in the calculation of the amount Carleton LSS must withhold from your other pay.
- Your Roth 401(k) contributions will be tax-free when they are paid out to you from the Plan, because you will already have paid tax on them.
- Any investment earnings and growth on your Roth 401(k) contributions will be credited to your Roth 401(k) Account and sheltered from tax while they remain invested under the Plan.
- If you satisfy the requirements for a qualified Roth distribution, any investment earnings and growth on your Roth 401(k) contributions will be tax-free when paid out to you from the Plan. A qualified Roth distribution is one that satisfies both (a) and (b):

(i) The distribution is made after the five-year period that begins on January 1 of the first year in which you made a Roth 401(k) contribution to this Plan or, if you directly rolled over funds to this Plan from a Roth 401(k) account under another plan, the five-year period begins on January 1 of the year in which you first made a Roth 401(k) contribution to the other plan.

(ii) You are age 59½ at the time the distribution is made, or it is made after your death or on account of your disability.

- You may qualify for a federal saver's tax credit for your Roth 401(k) contributions.

NOTE: The description above of the tax consequences of distributions and rollovers from Roth 401(k) accounts is based on proposed Internal Revenue Service regulations, which may change. Consult your tax advisor for up-to-date information about your own situation.

A.7. How do I make 401(k) contributions to the Plan and elect to treat them as pre-tax or Roth?

The only way to make 401(k) contributions is to elect to have them withheld from your pay. To make this election, you must complete and sign a 401(k) enrollment form and file it with Human Resources. This form authorizes Carleton LSS to take your 401(k) contributions out of your pay and to deposit them on your behalf into the Plan. Your enrollment form is also the place to elect to have your contribution treated as a pre-tax 401(k) contribution, a Roth 401(k) contribution, or a combination of both. If you do not affirmatively elect Roth 401(k) treatment, your 401(k) contributions will be treated as pre-tax contributions.

A.8. How much may I contribute to the Plan as a 401(k) contribution for each pay period?

In general, for each pay period you may contribute any whole percentage of your covered pay from 1 percent up to 30 percent, subject to a yearly limit set under the Internal Revenue Code. See paragraph A.11 for an explanation of the yearly limit.

The covered pay from which you can make 401(k) contributions is the compensation paid to you by Carleton LSS for each pay period during which your 401(k) contribution election is in effect, except for the following: bonuses, incentive pay, award pay, and other forms of compensation similar to a bonus, incentive, or award; separation or severance pay; accrued vacation pay; and any amount paid before you become a participant or after you are no longer eligible to participate.

A.9. May I change my election to make 401(k) contributions?

You may stop making 401(k) contributions at any time, and you may increase or decrease the rate of your future 401(k) contributions at any time. To do so, you must give notice to Human Resources by filing a contribution change form.

The change will take effect for the pay period following the date you give notice of the change.

You cannot change your election between pre-tax and Roth treatment for contributions that have already been made.

A.10. May I change my election between pre-tax and Roth treatment for my 401(k) contributions?

You may change your election between pre-tax and Roth treatment for your 401(k) contributions at any time, for future contributions. To do so, you must give notice of the change to Human Resources by filing a contribution change form.

The change will take effect for the pay period following the date you give notice of the change.

A.11. What is the maximum 401(k) contribution I may make? What are catch-up contributions?

The Internal Revenue Code limits the 401(k) contribution you may make each calendar year. The limit is higher for a participant who is age 50 or will reach age 50 during the calendar year, because the Internal Revenue Code allows these participants to make extra “catch-up” contributions beyond the regular limit.

The limits for calendar year 2007 are:

<u>Regular Limit – Not Age 50 by 12/31</u>	<u>Extra Catch-Up Allowed If Age 50 by 12/31</u>	<u>Total with Catch-Up If Age 50 by 12/31</u>
\$15,500	\$5,000	\$20,500

These limits are subject to cost-of-living increases published by the Internal Revenue Service for years after 2007.

However, your maximum contribution may be lower because federal tax law also limits the combined amount of matching, 401(k), and other plan contributions that may be made for a participant in one year (see paragraph A.13) and restricts 401(k) contributions for highly compensated employees.

A.12. What are matching contributions?

Matching contributions are contributions Carleton LSS makes as a special incentive for you to make 401(k) contributions to the Plan.

Carleton LSS will make a matching contribution for you based on your 401(k) contributions of up to 8 percent of covered pay for a pay period as follows: For each \$1 you contribute as a 401(k) contribution, not counting contributions that exceed 8 percent of covered pay for the pay period, Carleton LSS will contribute 50¢. Accordingly, if your 401(k) contribution for a pay period is 8 percent or more of your covered pay for the pay period, Carleton LSS will make a matching contribution for you equal to 4 percent of your covered pay for that pay period.

For example:

- Ajax’s covered pay for the week was \$500. He elected to have 8 percent of his pay contributed to the Plan as a 401(k) contribution, which is \$40 for the pay period. Carleton LSS will make a matching contribution for him of \$20 ($\$500 \times 8\% \times 50\% = \20).
- Belle’s covered pay for the week was \$500. She elected to have 10 percent of her pay contributed to the Plan as a 401(k) contribution,

which is \$50 for the pay period. Carleton LSS will make a matching contribution for her of \$20 ($\$500 \times 8\% \times 50\% = \20).

- Carl's covered pay for the week was \$500. He elected to have 2 percent of pay contributed to the Plan as a 401(k) contribution, which is \$10 for the pay period. Carleton LSS will make a matching contribution for him of \$5 ($\$500 \times 2\% \times 50\% = \5).

The following chart shows what Carleton LSS's match will be for a pay period at different levels of 401(k) contributions:

<u>401(k) Contribution as a Percentage of Covered Pay</u>	<u>Carleton LSS's Match as a Percentage of Covered Pay</u>
-0-	-0-
1%	½%
2%	1%
3%	1-½ %
4%	2%
5%	2-½ %
6%	3%
7%	3-½%
8%	4%

The covered pay counted in calculating matching contributions is the same as the covered pay from which you can make 401(k) contributions. See paragraph A.8.

Federal tax law limits the amount of matching contributions that may be made under certain circumstances on behalf of highly compensated employees. If these restrictions affect you, you will be advised by Human Resources.

Carleton LSS may change the rate of matching contributions or eliminate matching contributions in the future.

A.13. Are there other limits on contributions?

Federal tax law limits the total amount that can be contributed to your accounts under Carleton LSS plans (including your 401(k) contributions, matching contributions, and Retirement Plan contributions) for any year to the lesser of 100 percent of your pay or \$40,000 and limits the aggregate amount of 401(k) contributions you make in one year under this and any other employer's 401(k) plan to the amount described in paragraph A.11. Finally, there are limits on the maximum amount of contributions that Carleton LSS can deduct for federal income tax purposes. If the total contribution would exceed this deductible limit, the amount of Carleton LSS's contributions will be reduced to the amount deductible.

A.14. May I transfer a distribution I have received from another eligible retirement plan to this Plan?

If you receive or are entitled to a payment from another eligible retirement plan, you may roll over all or part of the payment to this Plan, if certain conditions are met. You can have the payment rolled over directly from the other plan. If you receive the payment in cash, you can roll it over to this Plan within 60 days of receipt, except to the extent it is a nontaxable distribution from a Roth 401(k) account. The following plans are eligible retirement plans for rollover purposes: another qualified retirement plan, a traditional individual retirement account (“IRA”) (not a ROTH IRA), a tax deferred annuity contract or custodial account described in section 403(b) of the Internal Revenue Code, and an eligible deferred compensation plan maintained by a governmental employer and described in section 457 of the Code.

Note that the following will not qualify as a rollover contribution: after-tax employee contributions, required minimum distributions from another plan, any of a series of substantially equal periodic payments from another plan being made for your life or life expectancy or over a period of at least ten years, or a hardship withdrawal.

To make a rollover, you will have to furnish Carleton LSS with information regarding the payment and obtain Carleton LSS’s consent. You may be requested to certify that the rollover is proper under the tax law.

Any rollover contribution you make must be made by check, and cannot include securities or other property.

C. INVESTMENT OF YOUR ACCOUNT

A.15. How does the Plan account for my contributions and the contributions Carleton LSS makes for me?

There is an Account for you under the Plan that includes the following subaccounts:

- a 401(k) Account for your 401(k) contributions, which itself is divided into two subaccounts:
 - a Roth 401(k) Account for your 401(k) contributions that are Roth (after-tax) 401(k) contributions,
 - a Pre-tax 401(k) Account for your 401(k) contributions that are pre-tax contributions,
- a Matching Contribution Account for matching contributions Carleton LSS makes for you,
- a Rollover Account for any rollover contribution you make (see paragraph A.14), which itself is divided into two subaccounts:

- a Roth Rollover Account for direct rollovers from a Roth account under another qualified plan, and

- a Pre-tax Rollover Account for other rollover contributions.

The Plan will send an account statement to you quarterly.

A.16. How are funds accumulated under the Plan invested?

There are a number of Investment Funds under the Plan for the investment of participants' Accounts.

Carleton LSS, in its discretion, may change or eliminate Investment Funds at any time.

A.17. How is my Account invested under the Plan?

You can direct how the contributions made by or for you will be invested among the Investment Funds that are available under the Plan from time to time.

You can elect to invest these contributions entirely in one of the Investment Funds or to divide them among as many of those funds as you choose. When you first enroll in the Plan, you will have an opportunity to file an election form specifying how you want the contributions to be invested. You can change this election for later contributions.

You are also able to change the investment mix of your Account. See paragraph A.18.

To change your election regarding the investment of future contributions you must contact the Plan's recordkeeper, the Alliance Benefit Group of Illinois, directly using either the ABG Web website or the ABG Voice toll-free telephone system. You will find instructions for using the website and the toll-free telephone system in Part I of this summary.

You will receive descriptive material for each of the Investment Funds. This material describes the investment objectives, past performance, and expenses associated with each fund. You should review this material carefully and consider how much risk you wish to take in investing your accounts.

Your investment elections are important because the value of your Account under the Plan will increase or decrease depending on the investment performance of the investment option in which you decide to have your Account invested, and the value of your Account determines the amount of benefits payable to you from the Plan.

A.18. How I change the investment mix of my Account?

You may change the investment mix of your Account by transferring funds in your Account among Investment Funds in accordance with the following rules.

You may transfer funds in your Account among Investment Funds by using the ABG Web website or the ABG Voice toll-free telephone system. You will find instructions for using the website and the toll-free telephone system in Part I of this summary. You may transfer funds among the Investment Funds at any time. Any election to transfer funds in your Account may be for a specific dollar amount or a percentage of your balance invested in any Investment Fund. If you elect to transfer only a portion of your funds in a Investment Fund, the amount transferred will consist of a proportionate share of the funds of each sub-account (your 401(k) Account, Matching Contribution Account, and Rollover Account, if any).

A.19. How often will my Account be valued under the Plan?

Your Account will be revalued on each business day to reflect the current value of the investments in your Account. A business day is any day on which the major United States stock exchanges are open for business.

You may obtain information as to the current value of your Account by using the ABG Web website or the ABG Voice toll-free telephone system. You will find instructions for using the website and the toll-free telephone system in Part I of this summary.

A.20. Who is responsible for the investment of my Account?

You have the ability to direct the investment of your Account, as described in paragraphs A.16-A.18 above. This Plan is intended to be a plan described in section 404(c) of the Employee Retirement Income Security Act and Title 20 of the Code of Federal Regulations section 2550.404c-1. Carleton LSS and the other fiduciaries of the Plan are not responsible for any investment losses your Account may experience that are the result of your investment directions.

You will find the following information about the Investment Funds in the material distributed with your enrollment package. You should contact the Director of Human Resources, whose address and telephone number are in Part I of this summary, for copies of updated information:

- (iii) a description of the Investment Funds available under the Plan,
- (iv) a general description of the investment objectives and risk and return characteristics of each such Investment Fund, including information relating to the type and diversification of assets in the Investment Funds,
- (v) identification of the investment manager of the Investment Fund, if applicable, and
- (vi) a description of any transaction fees and expenses that would affect your account balance in connection with the purchase or sale of interests in the investment options.

You may also obtain the following information about the Investment Funds from the Director of Human Resources upon request:

(i) a description of the annual operating expenses (e.g., investment management fees, administrative fees, transaction costs), if any, that reduce the rate of return on each Investment Fund;

(ii) copies of any prospectus, financial statement and reports, and any other material that is provided to the Plan relating to the Investment Funds;

(iii) a list of assets in the portfolio of each Investment Fund, if those assets are considered plan assets under 29 CFR 2510.3-101, and the value of such assets;

(iv) information concerning the past and current investment performance of the Investment Funds, determined net of expenses; and

(v) information concerning the value of a share or unit in the Investment Funds and the value of your Account's interest in an Investment Fund.

You may also obtain this and other information about the Investment Funds by reviewing the current prospectus for an Investment Fund or by using the ABG Web website or the ABG Voice toll-free telephone system. You will find instructions for using the website and the toll-free telephone system in Part I of this summary.

It is your responsibility to choose, for your Account under the Plan and any contributions you make under the Plan, an investment mix that is appropriate for you.

A.21. Are there any transaction fees charged on making or changing investments?

There are no transaction fees or expenses charged against a participant's Account in connection with a participant's investment in any of the Investment Funds or the transfer of funds among the Investment Funds.

A.22. Who has voting rights with respect to investments under the Plan?

Voting rights and similar rights with respect to a participant's investment in an Investment Fund will be exercised by Carleton LSS and will not be passed through to a participant.

D. VESTING

A.23. Are there any circumstances under which I could forfeit my Account under the Plan on termination of employment?

If your employment with Carleton LSS terminates before you reach age 65, you will forfeit any portion of your Matching Contribution Account in which you have not yet earned a vested interest.

Your 401(k) Account and Rollover Account are not subject to forfeiture, and the portion of your Matching Contribution Account in which you do have a vested interest is not subject to forfeiture, except under the circumstances described in paragraph A.30 (regarding lost participants).

A.24. When does my interest in my Account become vested?

Your interest in your 401(k) Account and your Rollover Account is always 100 percent vested.

Your interest in your Matching Contribution Account will become vested in accordance with the following schedule:

<u>If the number of years of vesting service you have completed is:</u>	<u>Your vested interest in your account will be:</u>
Less than 1 year	0%
1 year but less than 2 years	25%
2 years but less than 3 years	50%
3 years but less than 4 years	75%
4 years or more	100%

Also, your interest in your Matching Contribution Account will become 100 percent vested, even if you have fewer than four years of vesting service, if during your employment with Carleton LSS you die, become subject to a disability, or reach your 65th birthday.

For purposes of the Plan, “disability” means a physical or mental condition that renders a participant incapable of performing his or her customary duties for at least six months and is expected to be permanent or of long duration. Carleton LSS determines whether a participant is subject to a disability for purposes of the Plan.

A.25. How do I earn credit for vesting service?

You earn vesting service credit for the number of years and days you work for Carleton LSS beginning on the day you start working and ending on your severance date.

If you return to work for Carleton LSS after a severance date, you will earn vesting service credit for the number of years and days you work beginning on the day you return to work for Carleton LSS and ending on your next severance date.

Your severance date is the earliest date on which any of the following occurs:

- you resign from employment with Carleton LSS,
- you are discharged by Carleton LSS,
- you retire,
- you die, or
- you have been absent from work for one year for any other reason, such as sickness, disability, layoff, or an authorized leave of absence.

If you return to work for Carleton LSS within 12 months of your retirement, resignation, or discharge, you will also be credited with vesting service for the period between

your retirement, resignation, or discharge and the date you return to work, except as provided in the next sentence. If your retirement, resignation, or discharge was preceded by a period of absence from work (for example, for sickness, disability, layoff, or leave of absence), then you will be credited with vesting service for the period between your retirement, resignation, or discharge and the date you return to work only if your return to work is within 12 months of the first day of your absence.

You also earn credit for vesting service for any periods that are required to be credited to you under certain federal laws.

To determine whether you are vested, all of your periods of vesting service are added together except for any periods disregarded under the Plan's break in service rules (see paragraph A.26 below). 365 days of vesting service equal one year of vesting service.

For an employee whose employment is subject to a collective bargaining agreement, the period of service taken into account as vesting and eligibility service will be the longer of (1) the period of service taken into account as seniority under the collective bargaining agreement, and (2) the period measured under the rules described above.

A.26. What if I have a break in my employment with Carleton LSS?

Under the Plan, a break in service is the period beginning on a participant's severance date (see paragraph A.25 above) and ending on the date the participant returns to work for Carleton LSS.

If your employment with Carleton LSS terminates before you have any vested interest in your Matching Contribution Account and you have a break in service of five years or more, any service you had before the break in service will not be counted when you later return to work for Carleton LSS.

If your employment with Carleton LSS terminates before you have any vested interest in your Matching Contribution Account and you have a break in service of fewer than five years, the service you had before the break in service will be counted.

If you return to work for Carleton LSS after a break in service of five years or more, the vesting service you complete after your break in service will not be counted in determining your vested interest in that part of your Matching Contribution Account accumulated before your break in service.

A.27. Does service with any employer besides Carleton LSS count under the Plan?

Service with Litton Life Support and its predecessor Bendix before the Acquisition Date will be treated as service with Carleton LSS for all purposes of the Plan if you meet the following conditions:

- (1) You were in the employ of Litton Life Support on the day before the Acquisition Date, and

- (2) You became an employee of Carleton LSS on the Acquisition Date.

Service on or after the Acquisition Date with entities that are under common control with Carleton LSS (within the meaning of the Internal Revenue Code) counts as service with Carleton LSS for eligibility and vesting purposes.

A.28. Are there any special rules if my absence is for parental reasons?

Yes. If you are absent from work because of your pregnancy, the birth of your child, your adoption of a child, or your caring for your child during the period immediately after birth or adoption, then the date used as your severance date for the purpose of determining whether you have a break in service (and how long your break in service lasts) will be the second anniversary of the date your absence begins. This rule does not credit you with vesting service for the period of your absence, but it does delay the beginning of your break in service.

A.29. What happens to my Matching Contribution Account if my employment terminates before I become 100 percent vested?

If your employment with Carleton LSS terminates before you become 100 percent vested in your Matching Contribution Account, you will forfeit the portion of your Matching Contribution Account in which you do not have a vested interest. The forfeiture will take place when the vested portion of your Matching Contribution Account is paid to you or, if earlier, when your break in service is five years long.

However, if you return to work for Carleton LSS before your break in service is five years long, you can have any amount you forfeited restored to your Matching Contribution Account if, within five years of your return, you pay back to the Plan the amount paid to you when your employment terminated.

Example. If you terminate employment when you are 25 percent vested and your Matching Contribution Account balance is \$1,000, then the vested portion of your Matching Contribution Account -- \$250 -- will be paid to you, and you will forfeit the remaining \$750. If you are rehired within five years of your termination, and you repay \$250 to the Plan within five years of your rehire, the \$750 will be restored to your Matching Contribution Account.

Amounts forfeited by participants during a calendar year are reallocated to the remaining participant's Accounts as an offset to Carleton LSS's matching contribution for the year.

A.30. Will I forfeit my Account if the Plan cannot find me when payment is to be made?

If the Plan cannot find you when the vested portion of your Account is payable to you, you will forfeit the vested portion of your Account. The amount forfeited will be restored to your Account if you or your beneficiary later make a claim, provided the Plan has not terminated.

This is a good reason to notify Human Resources of any change in your name or address.

E. PAYMENT OF BENEFITS

A.31. When and how will my Account under the Plan be paid to me?

If your employment with Carleton LSS and any affiliates terminates before you reach age 65, you will be paid the vested portion of your Account balance in a lump sum as soon as practicable after termination except that, if the value of the vested portion of your Account balance exceeds \$1,000, no payment will be made before you reach age 65 without your written consent.

(The vested portion of your Account balance is all of your 401(k) Account and Rollover Account and any portion of your Matching Contribution Account in which you have earned a vested interest. See paragraph A.24.)

If your employment with Carleton LSS and any affiliates terminates when or after you reach age 65, you will be paid the value of your Account balance in a lump sum as soon as practicable after termination.

A.32. What if I continue working past age 65?

You may continue to participate in the Plan if you work for Carleton LSS past age 65.

A.33. What death benefits are payable under the Plan?

Upon your death before full payment of your Account, the value of the vested portion of your Account balance will be payable to your beneficiary. Payment will be made as soon as practicable after your death.

A.34. Who is my beneficiary under the Plan?

If you are married at the time of your death, your spouse will automatically be your beneficiary, unless you have named another beneficiary on a beneficiary designation form for this Plan filed with the Director of Human Resources and your spouse has consented to your beneficiary designation in writing witnessed by a representative of Carleton LSS or a notary public.

A beneficiary designation you filed before your marriage will not be effective unless, after your marriage, your spouse consents to it in writing witnessed by a representative of Carleton LSS or a notary public.

If you are not married, you may name a beneficiary by filing a beneficiary designation form for this Plan with Human Resources.

If you have not named a beneficiary for this Plan, or all the beneficiaries you have named die before you, then payment will be made to your spouse or, if you are not married, to the executor or administrator of your estate.

A.35. May I withdraw funds held in my Account while employed by Carleton LSS?

You may withdraw funds from your Rollover Account at any time.

You may withdraw funds from your Matching Contribution Account at any time after you reach age 70½.

You may withdraw funds from your 401(k) Account at any time after you reach age 59½.

Prior to reaching age 59½, you may make withdrawals from your 401(k) Account only if you have a financial hardship. (See A.36 below.)

A.36. When may I withdraw funds on account of a “financial hardship”?

Before you reach age 59½, you may make a withdrawal from your 401(k) Account while you are employed only if you have a “financial hardship” resulting from any of the following:

1. unreimbursed medical expenses you incur for yourself, your spouse, or your dependents,
2. purchase of your principal residence (but not mortgage payments),
3. tuition and related educational fees for the next 12 months of college-level or post-graduate education for you, your spouse, children, or dependents, or
4. need for funds to prevent your eviction from your principal residence or foreclosure on your mortgage.

The amount you may withdraw for hardship cannot exceed the amount you actually need for that hardship, including any amounts necessary to pay any federal, state, or local taxes or penalties expected to result from the withdrawal; the amount is also limited to the actual amount of your 401(k) contributions excluding investment earnings, and reduced by earlier withdrawals. Also, you can make a hardship withdrawal only after you have borrowed the maximum amount available from your 401(k) Account (see Part F below) and withdrawn the entire amount of your Rollover Account, if any.

To apply for a hardship withdrawal from your 401(k) Account, you must file an application form with the Committee. The Committee will decide whether you qualify for a hardship withdrawal and the amount you may receive. (To obtain an application for a hardship withdrawal, use the ABG Web website or the ABG Voice toll-free telephone system. You will find instructions for using the website and the toll-free the telephone system in Part I of this document.)

If you make a hardship withdrawal, you will be suspended from making 401(k) contributions for six months after you receive the withdrawal.

A.37. How do I request a benefit payment or withdrawal?

To request a benefit payment or a withdrawal, you must first obtain an application form by using the ABG Web website or the ABG Voice toll-free telephone system. You will find instructions for using the website and the toll-free telephone system in Part I of this document.

A.38. What are the tax consequences of payments from my account under the Plan?

This summary can give you only an overview of the federal income tax consequences of payments to you from the Plan.

In general, any amount paid to you from the Plan that is not a distribution of a Roth 401(k) contribution or a qualified Roth distribution (as described in paragraph A.6) will be fully taxable as ordinary income except to the extent the payment is eligible for – and you do – roll it over to an eligible retirement plan described in paragraph A.14. A payment from your Roth 401(k) Account or Roth Rollover Account is not taxable if it is a qualified Roth distribution. If it is not a qualified Roth distribution, the part of the payment that is allocable to investment earnings will be taxable, but the part that allocable to your Roth 401(k) contributions will not be taxable.

Generally, any payment to you from your Pre-Tax 401(k) Account, Matching Contribution Account, or Non-Roth Rollover Account under the Plan will be eligible for rollover to an eligible retirement plan, unless you are older than age 70½ and the payment is a required minimum distribution. To the extent such a payment is eligible for rollover, you may elect to have all or part of it rolled over directly to an eligible retirement plan, as long as the other plan will accept the rollover. The rolled over amount will not be taxable until withdrawn from the other plan.

A payment to you from your Roth 401(k) Account or Roth Rollover Account will also be eligible for rollover, unless you are older than age 70½ and the payment is a required minimum distribution. The only type of retirement plan to which you can make a direct rollover from your Roth 401(k) or Roth Rollover Account is another employer's qualified plan (that is, an Internal Revenue Code section 401(a) plan, not a section 403(b) or 457 plan); but you can make an indirect rollover to a Roth individual retirement account within 60 days of payment to your from your Roth 401(k) or Roth Rollover Account. Also, you can make an indirect rollover to a qualified plan or a section 403(b) plan, within 60 days of receipt, of any taxable portion of a payment from your Roth 401(k) or Roth Rollover Account.

Only a direct – not an indirect – rollover from this Plan to another plan will carry with it credit toward the five-year requirement for a qualified Roth distribution as described in paragraph A.6.

To the extent you do not elect a direct rollover of an eligible payment, the taxable portion will be subject to mandatory federal income tax withholding at the rate of 20 percent.

Taxable payments made to you before you reach age 59½ and not rolled over are generally subject to an additional 10 percent penalty tax unless you qualify for one of the exceptions provided under the law.

Notwithstanding the discussion above, you may not directly rollover a payment of less than \$200. If your direct rollover is less than your full vested Account, the rollover must be at least \$500.

This summary reflects the federal tax law in effect in March 2007. It is not tax advice. You should consult your tax advisor for specific, up-to-date information about federal and state income taxes before you receive any payment from the Plan.

F. LOANS

A.39. May I borrow funds held in my Account under the Plan?

If you are actively employed by Carleton LSS or are a “party-in-interest” as defined in the Employee Retirement Income Security Act of 1974, you are eligible to borrow funds from your 401(k) Account and Rollover Account under the Plan.

A.40. What are the rules governing loans under the Plan?

The principal rules governing loans under the Plan are as follows:

- You may only have one loan outstanding under the Plan at any time and no loan will be made within 12 months of any prior loan. (If you rollover your account from the Litton Savings Plan, you may rollover and continue to pay off any loan outstanding under that plan at the time of rollover.)
- If you have had no outstanding loan under the Plan within the preceding year, the maximum amount that you may borrow from the Plan is 50 percent of your 401(k) Account and Rollover Account, but not more than \$50,000. If you had an outstanding loan under the Plan within the preceding year, the \$50,000 maximum is reduced by the highest outstanding balance of your prior loan within the preceding year.
- No loan may be for less than \$500. If the maximum amount you are eligible to borrow is less than \$500, you do not qualify for a loan.
- A loan must be repaid within a maximum period of five years unless the loan is used to purchase your primary residence, in which case the maximum loan period is ten years.
- The interest rate charge on a loan will be at the prime rate that is listed in the Wall Street Journal on the first day of the month in which the loan is made.
- Repayment of a loan must be made on a level amortization schedule. Repayment will be by payroll deduction while you are employed by Carleton LSS.

- A loan will be secured by your Account under the Plan, and you will be required to sign a promissory note, a security agreement, and other legal documents relating to your loan.
- You must pay all fees and expenses incurred by Carleton LSS or the Plan in connection with the loan before or when the loan is made to you, except for any fees and expenses Carleton LSS decides to pay. Additional information on the fees and expenses you must pay in connection with a load is set forth in the Carleton LSS Loan Guidelines, which are available upon request from Human Resources.
- A loan will be considered to be an investment of your 401(k) Account and Rollover Account. Any interest on the loan will be added to your 401(k) Account and Rollover Account and any expense or loss relating to the loan will be subtracted from your 401(k) Account and Rollover Account.
- Any interest you pay on your loan will not be deductible for federal income tax purposes.
- The full amount of any loan generally must be repaid within 90 days of your retirement, death, or earlier termination of your employment with Carleton LSS and any unpaid amount will reduce the benefit payable to you from the Plan.

Further details regarding loans from the Plan are set forth in the Carleton LSS Loan Guidelines, which are available upon request from Human Resources.

You may request a loan application using the ABG Web website or the ABG Voice toll-free telephone system. You will find instructions for using the website and the toll-free telephone system in Part I of this document.

G. OTHER INFORMATION YOU SHOULD KNOW

A.41. Who administers the Plan?

Carleton LSS is generally responsible for the administration of the Plan. Its Board of Directors may appoint a committee to administer the Plan. If it did, the committee would be authorized to apply the terms of the Plan to determine when you are eligible to enter the Plan, what your benefit is, and when you are entitled to a benefit payment, among other questions. The committee would also make decisions on benefit claims. If there has been no committee appointed, Carleton LSS retains authority over these matters.

A.42. Who holds the plan assets?

The assets of the Plan are held in a trust fund. The Board of Directors of Carleton LSS appoints the trustee or trustees of this trust fund. The Board of Directors may remove or change the trustee at any time.

A.43. Who will pay the expenses of the Plan?

Certain expenses may be charged against the Plan assets and therefore may be paid out of participant's Accounts. These expenses may include, for example, investment advisory fees, recordkeeping and accounting fees, and other external costs that are incurred for services necessary to operate and maintain the Plan.

A.44. May I transfer or pledge my interest in my Account? Can creditors attach my Account? What are qualified domestic relations orders?

Generally, you may not transfer your interest in your Account under the Plan to anyone else or pledge it as security, and your creditors may not attach your account for payment of your debts. However, if you have a federal tax liability the Internal Revenue Service may levy your Account to satisfy your tax liability.

There is another exception to this general rule that will apply if your interest under the Plan is the subject of a qualified domestic relations order. Under this exception, the Plan must comply with certain orders of a court made pursuant to state domestic relations laws that create, assign, or recognize the right of your spouse, former spouse, child, or other dependent to all or any part of your interest under the Plan. The Plan must comply with such an order if it satisfies various requirements under federal law and is, therefore, a "qualified" domestic relations order. For example, in order to be qualified, an order must relate to providing alimony payments, marital property, or child support to your spouse, former spouse, child, or other dependent. Payment of part or all of your interest under the Plan may be made directly to your spouse, former spouse, child, or other dependent under a qualified domestic relations order.

Carleton LSS will determine whether a court order is a qualified domestic relations order. Participants and beneficiaries may obtain from the Director of Human Resources, without charge, a copy of the Plan's procedures for making such a determination.

A.45. What if I already have an IRA? May I also make 401(k) contributions to the Plan?

Yes. You may have an IRA and also make 401(k) contributions to the Plan. However, your participation in this Plan may limit the deduction you can take for a contribution to a traditional individual retirement account, depending on your income and whether you file a joint return. If you are married, your participation in this Plan may also limit the deduction your spouse may take for a contribution to his or her own IRA, again depending on the amount of your income and filing status. You should consult your tax advisor regarding the limits on deductible IRA contributions. You may also wish to consult Internal Revenue Service Publication 590 regarding these limits.

A.46. Do I have to file a claim to receive benefits under the Plan?

You should file an application for payment when you are entitled to payment of your account. Under some circumstances, payment may be made automatically without your filing an application or consent.

The following procedure applies to you only if you disagree with the amount of benefit paid to you under the Plan or wish to claim a benefit that has not been paid to you.

Your claim for benefits under the Plan must be made in writing and submitted to Carleton LSS. If your claim is denied in whole or in part, Carleton LSS will notify you of the denial within 90 days after receipt of your claim. If, however, special circumstances require more time for processing your claim, this 90-day period may be extended to 180 days. If this extension is required, Carleton LSS will, before the end of the first 90-day period, notify you in writing of the special circumstances and the date by which you may expect a decision on your claim.

A notice of denial of claim will be written in clear, understandable language, and will include (1) the specific reason for denial, (2) a reference to the specific Plan provision upon which the denial is based, (3) a description of any additional material or information that is necessary to perfect your claim, as well as an explanation of why the material or information is needed, and (4) an explanation of how you can have the decision reviewed, including the applicable time limits and your right to bring a civil action under section 502(a) of the Employee Retirement Income Security Act following an adverse decision upon review. If you do not receive this notice in the 90-day period plus any required extension, you should consider your claim denied.

You, or your duly authorized representative, may request, in writing, that Carleton LSS conduct a full and fair review of the denial that takes into account all comments, documents, and records submitted by you relating to your claim, whether or not it was submitted or considered in connection with the initial decision on your claim. You must submit this request to Carleton LSS within 60 days after you receive the written notice of denial, or at a later time that Carleton LSS finds reasonable under the circumstances. In connection with this review, you or your representative may (a) upon request and free of charge, have reasonable access to, and obtain copies of, all documents, records, and other information relating to your claim and (b) submit written comments, documents, records, and other information relating to your claim.

Whether a document, record, or other information relates to your claim depends on whether it was relied upon in making a decision on your claim; was submitted, considered, or generated in the course of making the decision on your claim; or demonstrates compliance with this claim procedure.

Carleton LSS will furnish you with a written decision on your claim within 60 days of the receipt of your request for review. If, however, there are specific circumstances that require more time for processing your claim, this period may be extended to 120 days. If this extension is required, Carleton LSS will notify you in writing before the end of the first 60-day period.

Carleton LSS's decision on review will (1) be written in clear, understandable language, (2) include specific reasons for the decision, and (3) include specific references to the Plan provision upon which the decision is based. If you do not receive a decision on review by the end of the first 60-day period plus any required extension, you should consider your claim

denied on review. If your claim is denied upon review you may bring a civil action under section 502(a) of the Employee Retirement Income Security Act.

If a committee has been appointed for the Plan (see paragraph A.41), the committee will take the place of Carleton LSS under the claims procedure.

A.47. When would the Plan be top heavy, and what does that mean?

The Plan would be “top heavy” in any calendar year if, as of the preceding December 31, the account balances of certain officers, shareholders, and highly compensated employees make up more than 60 percent of the Plan’s assets. Carleton LSS determines whether the Plan is top heavy by applying rules contained in the Internal Revenue Code. In a top heavy year, certain minimum contributions may be required.

A.48. Can the Plan be changed or terminated?

This summary reflects the terms of the Plan as in effect on January 1, 2007. Carleton LSS reserves the right to amend the Plan at any time and may in some cases amend the Plan retroactively. It also reserves the right to terminate the Plan at any time.

This paragraph illustrates, and does not limit, the authority of Carleton LSS to amend the Plan. Carleton reserves the right to determine all of the terms and conditions of the Plan in effect from time to time, including, without limit, all provisions relating to eligibility to participate, accounting and allocations, payment of benefits, and plan administration. Carleton LSS shall have the right to determine the funding medium or media to be used for the investment of Accounts from time to time and may designate one or more trustees, insurance companies, investment managers, or other fiduciaries who shall be responsible from time to time for holding and investing the assets of the Plan. Carleton LSS reserves the right to, at any time, merge or consolidate the Plan with any other plan or transfer the assets of the Plan to any other plan or split the Plan into two or more plans. All rights reserved to Carleton LSS under the Plan may be exercised by Carleton LSS unilaterally and shall not be subject to bargaining with any union.

Benefits under the Plan are not insured by the Pension Benefit Guaranty Corporation because the Pension Benefit Guaranty Corporation does not insure benefits under defined contribution plans like this Plan.

A.49. How does the Plan treat veterans who return to employment?

The Plan provides for returning veterans in compliance with the Uniformed Services Employment and Reemployment Rights Act. A participant whose employment is interrupted by a period of qualified military service as defined in the Internal Revenue Code, and who is entitled to reemployment rights under chapter 43 of title 38, United States Code, and who returns to employment with Carleton LSS pursuant to those rights may elect to make additional 401(k) contributions; the maximum amount of additional 401(k) contributions the participant may make is the amount of 401(k) contributions the participant would have been able to make if he or she had remained employed during the period of qualified military service. The time for making additional 401(k) contributions begins on the participant’s reemployment date and lasts for five years or, if shorter, three times the period of qualified military service. If the participant

elects to make additional 401(k) contributions, Carleton LSS will make matching contributions for the participant in the amount Carleton LSS would have made had the additional 401(k) contributions been made during the period of qualified military service.

A.50. What type of Plan is this?

The Plan is a defined contribution employee pension plan as defined in the Employee Retirement Income Security Act.

H. YOUR RIGHTS UNDER ERISA

The Department of Labor has prepared the following description of your rights under the Employee Retirement Income Security Act of 1974 (“ERISA”).

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

- Examine, without charge, at the plan administrator’s office and at other specified locations, such as worksites, all documents governing the Plan, 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 Pension and Welfare Benefit Administration.
- Obtain, upon written request to the plan administrator, copies of all documents governing the operation of the Plan and copies of the latest annual report (Form 5500 series) and updated summary plan description. The plan administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan’s annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you the present value of your accounts under the Plan as of the most recent plan valuation, whether you have a vested right to benefits under the Plan and, if not, how many more years you must 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 a year. The Plan must provide the statement free of charge.

In addition to creating rights for participants, ERISA imposes duties upon the people who are responsible for the operation of the 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 and other participants and beneficiaries. No one, including Carleton LSS or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA. If your claim for a benefit from 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 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 administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision 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 is frivolous. If you have any questions about your Plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Pension and Welfare Benefits Administration, Department of Labor, listed in your directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits 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 Pension and Welfare Benefits Administration.

I. ADMINISTRATIVE INFORMATION

Plan Number: 001

The Plan Sponsor: Carleton Life Support Systems Inc.
2734 Hickory Grove Road
Davenport, Iowa 52804
Telephone No.: 563-383-6000

Plan Sponsor 57-1169120
Federal Employer
Identification Number:

Plan Administrator and Carleton Life Support Systems Inc. is the plan
Agent for Service of administrator and agent for service of legal process. Legal
Legal Process: process may be served on Carleton Life Support Systems
Inc., at the address as shown above. Service of legal
process may also be made upon the trustee of the Plan
named below.

Trustee of the Trust Reliance Trust Company
Established under the Plan: 1100 Abernathy Road
500 Northpark Building, Suite 400
Atlanta, Georgia 30328
Telephone No.: 404-266-0663

Carleton Life Support Systems Inc. may remove the trustee and appoint another trustee, at any time.

Director of Human Resources:

For investment information described in paragraph A.20, beneficiary designation forms, and questions about the Plan contact the Director of Human Resources at the Carleton Life Support Systems Inc. address and telephone number, under “Plan Sponsor” above.

Plan Year:

The Plan Year is the 12-month period beginning on January 1 and ending on December 31.

Effective Date of Summary:

This summary reflects the Plan as amended through January 1, 2007. Different provisions applied with respect to plan participation before January 1, 2007. Please contact Human Resources for information about the terms of the Plan before January 1, 2007.

Collective Bargaining Agreements

The Plan is maintained in part pursuant to a collective bargaining agreement between Carleton LSS and District Lodge No. 102 of International Association of Machinists and Aerospace Workers Production and Maintenance Unit No. 388 and a collective bargaining agreement between Carleton LSS and Local Lodge 1215 of District Lodge No. 102 of International Association of Machinists and Aerospace Works (AFL-CIO). A participant or beneficiary may obtain a copy of such an agreement upon written request to Carleton LSS. Carleton LSS may make a reasonable charge for a copy. The agreements are available for examination without charge by participants and beneficiaries during normal business hours at the office of Carleton LSS.

Using the Telephone and Website To Make Elections and Changes, To Give Directions, and to Obtain Information

To change investment directions for future contributions, change the investment mix of your Account, or obtain information on your account balances, Investment Funds, loans, and distributions, you must contact the Plan’s recordkeeper, the Alliance Benefit Group of Illinois, directly, using either of the following procedures:

Telephone the Alliance Benefit Group toll-free, using a touch tone telephone, and give your new directions or request using the ABG Voice system. The telephone number is 1-800-242-4238. You will need to provide your Social Security number and your personal identification number (PIN). On the ABG Voice system, you can obtain information, make changes and give directions using the telephone key pad and following the voice prompts. You can also speak to an ABG representative during business hours by calling the Participant Call Center at a different

number: 1-888-412-2445. The Personal Call Center will provide personal assistance without the use of the key pad system. Participant Call Center business hours are 7:30 a.m. to 5 p.m. (CST), Monday through Friday, except certain holidays.

Access your Account through the Internet, using the ABG website, and obtain information or transmit your directions or request by following the instructions you will find there. The address is www.abgil.com. You will be asked to enter your Social Security number and your PIN.

Human Resources can provide you with instructions for using the ABG Voice and Web systems and can give you a brochure explaining the information available through these systems.