

# **Carleton Life Support Systems Inc. Retirement Plan**

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**August 18, 2003**

**Summary Plan Description**

**FINAL**

**Reissued 8/28/03**

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## Introduction

CARLETON LIFE SUPPORT SYSTEMS INC. (“Carleton LSS”) will establish the Carleton Life Support Systems Inc. Retirement Plan upon Carleton LSS’s acquisition of the Life Support Division of Litton Systems, Inc. (“Litton Life Support”). The closing date of the acquisition will be referred to in this document as the “Acquisition Date.”

This document is a summary plan description of the Carleton Life Support Systems Inc. Retirement Plan as it applies to individuals hired by Carleton LSS on the Acquisition Date who had been employees of Litton Life Support immediately before their hire by Carleton LSS. There is a separate summary plan description for individuals hired by Carleton LSS after the Acquisition Date or not employed by Litton Life Support immediately before their hire by Carleton LSS.

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 J.

A. ELIGIBILITY

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

All employees of Carleton LSS who have completed 30 days of service with Carleton LSS are eligible to participate in the Plan, except for employees described in paragraph A.5.

Once you satisfy the Plan's eligibility requirement, you will become a participant on the first day of the following month. However, if you are employed by Carleton LSS on the Acquisition Date and you had already satisfied the eligibility requirement, you will become a participant on the Acquisition Date.

A.2. How is service counted for eligibility purposes?

Service is counted for purposes of the Plan's 30-day eligibility requirement in the same way service is counted for purposes of the Plan's vesting requirements. See paragraph E.3.

A.3. Does service with any other employer count for eligibility purposes?

See paragraph E.5 for an explanation of what service with other employers is counted for eligibility purposes.

A.4. If my employment with Carleton LSS terminates after I become a participant and I am later rehired, when will I become a participant in the Plan again?

If you are a participant in the Plan when your employment terminates, and you are later rehired by Carleton LSS, you will become a participant again immediately, unless your prior service is disregarded under the Plan's break in service rules. (See paragraph E.4.) If your prior service is disregarded, you will become a participant again in accordance with paragraph A.1.

A.5. Which employees are not eligible for 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. CARLETON LSS CONTRIBUTIONS

B.1. What contributions does Carleton LSS make under the Plan?

Carleton LSS will make two kinds of contributions to the Plan, subject to Carleton LSS's retention of the right to amend the Plan.

Service-weighted contributions.

Carleton LSS will make a service-weighted contribution for a calendar year for each qualifying participant. (See paragraph B.2 for a definition of "qualifying participant.") The service-weighted contribution will be a percentage of covered pay, determined as follows:

If the qualifying participant has completed this number of years of benefit service by <u>January 1 of a calendar year:</u>	The service-weighted contribution for the qualifying participant for that calendar year will be: _____
0, 1, 2, 3, or 4 years	0.50% of covered pay for that calendar year
5, 6, 7, 8, or 9 years	1.25% of covered pay for that calendar year
10, 11, 12, 13, or 14 years	2.00% of covered pay for that calendar year
15, 16, 17, 18, or 19 years	2.75% of covered pay for that calendar year
20, 21, 22, 23, or 24 years	3.50% of covered pay for that calendar year
25, 26, 27, 28, or 29 years	4.25% of covered pay for that calendar year
30 or more years	5.00% of covered pay for that calendar year

Supplemental contributions – Rule of 100.

Carleton LSS will also make a supplemental contribution for a calendar year for each qualifying participant who satisfies the following two requirements for that year:

(1) Transferred from Litton Life Support. The qualifying participant became an employee of Carleton LSS on the Acquisition Date and had been in the employ of Litton Life Support on the day before the Acquisition Date.

(2) Rule of 100. The qualifying participant meets the Rule of 100 on January 1 of the calendar year for which the contribution is being made (or, for 2003, on the Acquisition Date).

The Rule of 100 requires that the sum of a participant's age number and service number, as described below, be 100 or more:

- Age number. The age number is  $2\frac{1}{2}$  times the participant's age on the birthday that immediately precedes, or, if applicable, coincides with the January 1 of the calendar year for which the contribution is being made (or, for 2003, the Acquisition Date).
- Service Number. The service number is the number of full years of benefit service completed by the participant by the January 1 of the calendar year for which the contribution is being made (or, for 2003, the Acquisition Date).

Examples. A participant who is age 35 on the Acquisition Date, and who completed 13 full years of benefit service by that date meets the Rule of 100 on the Acquisition Date ( $[2\frac{1}{2} \times 35] + 13 = 100.5$ ). A participant who is age 35 on the Acquisition Date, and who completed 12 full years of benefit service by that date does not meet the Rule of 100 on the Acquisition Date ( $[2\frac{1}{2} \times 35] + 12 = 99.5$ ).

The supplemental contribution for a participant who satisfies the requirements described in (1) and (2) above will be a percentage of covered pay based on the participant's age and completed years of benefit service as of January 1 of the year for which a contribution is made. The supplemental contribution percentage of a participant who satisfies the requirements described in (1) and (2) above will increase each year as the participant's age and years of benefit service increase. The contribution chart attached to this summary shows the supplemental contribution percentage applicable to each possible age and service combination.

Example. A qualifying participant who was age 50 and had 15 years of benefit service on January 1, 2003. According to the supplemental contribution chart, the participant's supplemental contribution for 2003 will be 2.05 percent of covered pay. On January 1, 2004, the participant's age will be 51, and he will have 16 years of benefit service, so his supplemental contribution percentage for 2004 will be 2.23 percent of covered pay, according to the chart.

See paragraph B.3 for the definition of covered pay and paragraph B.4 for the definition of benefit service.

B.2. Who is a "qualifying participant" for a calendar year?

You are a "qualifying participant" for a calendar year if you are employed by Carleton LSS during the year in an eligible position (see paragraph A.1), and you have covered pay for the year.

B.3. What is covered pay?

Your covered pay is the compensation paid to you by Carleton LSS during a calendar year, 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.

B.4. What is benefit service?

Benefit service is the period of service that determines the contribution percentage to which you are entitled. Benefit service is, generally, your period of service as an employee of Carleton LSS measured from your most recent date of hire. For an employee whose employment is subject to a collective bargaining agreement, benefit service is the period of service taken into account as seniority under the collective bargaining agreement. If, after the Acquisition Date, a participant's employment terminates but the participant is rehired by Carleton LSS within 60 months, service completed before the termination will be aggregated with service completed after the rehire for purposes of counting benefit service. For a non-bargaining unit employee whose employment terminated before the Acquisition Date who was rehired within 12 months, service before the termination will be aggregated with service after the rehire.

Service with Litton Life Support and its predecessor Bendix before the Acquisition Date will be treated as service with Carleton LSS, under the circumstances described in paragraph E.5.

(A different definition of service applies to determine your eligibility to participate and vesting. See paragraphs E.3 and E.4.)

B.5. Are there limits on contributions to the Plan or on my share of the contributions?

Yes. Carleton LSS's contributions for any year cannot exceed the maximum amount deductible for federal income tax purposes.

Also, federal tax law limits the total amount that can be contributed to your accounts (including matching contributions made for you) under this and any other Carleton LSS plans for any year to the lesser of 100 percent of your pay or \$40,000.

B.6. When will Carleton LSS make its contribution for a calendar year?

Carleton LSS will calculate its contribution with each pay period and will make its contribution at a time determined by Carleton LSS.

C. ROLLOVERS

C.1. May I transfer a payment from another 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 or, if you receive the payment in cash, you can roll it over to this Plan within 60 days of receipt. 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.

Note that you may make a rollover contribution of a qualifying distribution from another plan even before you complete 30 days of eligibility service with Carleton LSS.

#### D. INVESTMENT OF CONTRIBUTIONS

##### D.1. How does the Plan account for the Carleton LSS contributions made for me?

There will be a separate bookkeeping account under the Plan in your name to account for the contributions made for you by Carleton LSS.

##### D.2. How is an account invested under the Plan?

Your account under the Plan will be invested under the Plan’s trust fund.

The Plan’s trust fund will be invested by a trustee appointed from time to time by the Board of Directors of Carleton LSS.

Your account will be adjusted upward or downward as of each valuation date to reflect the net gain or loss on the trust fund’s investments since the last valuation date, after all fees and expenses charged to the Plan are taken into account. If you are entitled to payment of a benefit under the Plan, the value of your account as of the valuation date preceding payment (multiplied by your vested percentage) will determine the amount payable to you.

#### E. VESTING

E.1. 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 account in which you have not yet earned a vested interest.

The portion of your account in which you do have a vested interest is not subject to forfeiture, except under the circumstances described in paragraph E.8 (regarding lost participants).

E.2. When does my interest in my account become vested?

Your interest in your 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 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.

If you make a rollover contribution (see paragraph C.1), you are always 100 percent vested in the portion of your account attributable to the rollover.

E.3. 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 E.4 below). 365 days of vesting service equal one year of vesting service.

All periods of service added together as vesting service will count as service for the purposes of the Plan's eligibility requirement. See paragraph A.2.

#### E.4. 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 E.3 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 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 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 account accumulated before your break in service.

Note that the break in service rules described in this paragraph E.4 apply to the crediting of a participant's service for eligibility as well as vesting purposes. The rules that govern benefit service are different. See paragraph B.4.

E.5. 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.

E.6. 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.

E.7. What happens to my account if my employment terminates before I become 100 percent vested?

If your employment with Carleton LSS terminates before you become 100 percent vested, you will forfeit the portion of your account in which you do not have a vested interest. The forfeiture will take place when the vested portion of your account balance is paid to you or, if earlier, when your break in service is five years long. If you have no vested interest in your account, forfeiture will take place when your employment terminates.

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 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 account balance is \$1,000, then the vested portion of your 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 account.

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

E.8. 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 in 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.

F. PAYMENT OF BENEFITS

F.1. 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 \$5,000, no payment will be made before you reach age 65 without your written consent.

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.

F.2. What if I continue working past age 65?

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

F.3. What death benefits are payable under the Plan?

Upon your death before 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.

F.4. 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 the Director of 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.

F.5. May I withdraw funds held in my account while I am employed by Carleton LSS?

You may not withdraw funds from your account under the Plan while you are employed by Carleton LSS or an affiliate.

F.6. 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 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 C.1. Generally, any payment to you from 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 your 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.

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

This summary reflects the federal tax law in effect in August 2003. 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.

## G. NO LOANS

### G.1. May I borrow funds held in my account under the Plan?

Participants may not borrow funds from their accounts under the Plan.

## H. OTHER INFORMATION YOU SHOULD KNOW

### H.1. 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.

### H.2. 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.

### H.3. 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.

H.4. How does Plan participation affect the limits on tax deductible IRA contributions?

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.

H.5. 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. 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. 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 review relevant documents and may submit issues and comments, in writing, as to why you think your claim should not be denied.

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 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 H.1), the committee will take the place of Carleton LSS under the claims procedure.

#### H.6. 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 and more rapid vesting may be required.

#### H.7. Can the Plan be changed or terminated?

This summary reflects the terms of the Plan as in effect on August 18, 2003. 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.

H.8. 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. If a participant's employment is interrupted by a period of qualified military service as defined in the Internal Revenue Code, and the participant is entitled to reemployment rights under chapter 43 of title 38, United States Code, and the participant returns to employment with Carleton LSS pursuant to those rights, then Carleton LSS will make contributions for the participant in the amount Carleton LSS would have contributed during the period of qualified military service had the participant remained employed during that period, or, if that is not reasonably ascertainable, in an amount equal to the contributions Carleton LSS would have made during that period on the basis of the participant's average compensation for the 12 months preceding the period of qualified military service. The participant will be credited with service for vesting purposes for the period of qualified military service.

H.9. What type of Plan is this?

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

I. 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.

J. ADMINISTRATIVE INFORMATION

Plan Number: 002

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  
Established under the Plan: First Tier Bank & Trust  
129 N. Union Street  
Olean, New York 14760  
Telephone No.: 716-376-5219

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

Director of Human Resources: For beneficiary designation forms and questions about the Plan contact the Director of Human Resources at the Carleton Life Support Systems Inc. address above.

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

Effective Date and Application of Summary: This summary reflects the Plan as in effect on August 18, 2003, for participants who were hired by Carleton LSS on the Acquisition Date and were employees of Litton Life Support immediately before their hire by Carleton LSS. Different provisions apply with respect to other participants. Please contact the Director of Human Resources for additional information about the terms of the Plan that apply to other participants.

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.

[ATTACH CONTRIBUTION CHART]

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