

**HANFORD SITE  
SEVERANCE PAY PLAN  
AND SUMMARY PLAN DESCRIPTION FOR  
MISSION SUPPORT ALLIANCE, LLC  
MARKET BASED BENEFIT PLAN EMPLOYEES**

There may be times when economic circumstances, financial conditions, reorganizations or work slowdown make it necessary to enact layoff procedures. This Severance Pay Plan describes the procedures that will be followed and the severance benefits that will be paid to employees who are eligible to participate.

**1. Effective Date.**

The effective date of this Severance Pay Plan (the “Plan”) is August 24, 2009.

**2. Eligibility.**

Certain exempt and non-exempt, non-bargaining salaried employees of Mission Support Alliance, LLC (“MSA”) who are regularly scheduled to work 20 or more hours per week will become Plan Participants and after completion of six months of service will be eligible to receive severance pay benefits if they are laid off as part of a reduction in force. Hourly paid employees and temporary employees are not eligible. All employees of MSA hired after August 24, 2009, who are not eligible for severance benefits under the Hanford Employee Welfare Trust who otherwise meet the requirements of Section 2 are eligible for benefits under the Plan.

Severance pay benefits will not be paid in the following situations:

- a. Where the employee voluntarily terminates his or her employment with MSA, including by accepting a voluntary early out plan, incentive or program; or
- b. Where the employee is discharged for reasons other than as part of a reduction in force; or
- c. Where the employee is hired by another business entity that acquires all or part of MSA’s business; or

- d. Where the employee either declines to apply for comparable employment, or is offered and declines comparable employment, with another business entity that acquires all or part of MSA's business; or
- e. Where the employee fails to execute, or subsequently revokes, any waiver or release of claims required by MSA as a condition to receipt of severance pay; or
- f. In the event that responsibility for performance of part or all of the work and services under the MSA contract with the DOE (or its subcontract with a DOE contractor) is assumed by another contractor or government agency and the employee is transferred to the employ of or is offered employment within the same classification or at a position of comparable responsibility by the successor contractor or government agency, which employment is to commence within 30 days after being laid off.

Notwithstanding Section 2(c), (d), or (f), an employee will be entitled to severance pay where work is outsourced, the employee is offered employment by the firm to which the work is outsourced, declines the offer and is then laid off. Work will be considered outsourced where a new business entity is assigned work previously done by MSA, the employee is offered a position with a one-year guarantee of employment at the same rate of pay, and is also offered continuity of service. To receive severance, the employee must not apply for or accept employment with the new business entity for a period of not less than six (6) months.

### **3. Reduction in Force Severance Pay Benefits.**

A Participant who is laid off as part of a reduction in force, who is eligible for benefits under this Plan and who provides a signed Release of Claims form to MSA will receive severance pay based on continuous length of service with MSA in accordance with the table below.

<b>Continuous Service with MSA</b>	<b>Severance Pay</b>
6 months but less than 2 years	Two (2) Weeks Pay
2 years but less than 10 years	Three (3) Weeks Pay
10 years but less than 15 years	Four (4) Weeks Pay
15 years but less than 20 years	Five (5) Weeks Pay
20 years or more	Six (6) Weeks Pay

“Pay” means the rate of base salary or wage in effect at the date of layoff before any salary reduction contributions to an Internal Revenue Code Section 125 cafeteria plan and excluding payments by MSA on account of medical, disability and life insurance. Pay does not include overtime, shift differential pay, bonuses or any other extraordinary pay.

In no event shall benefits paid under the Plan exceed two times the lesser of the employee’s taxable compensation for the employee’s prior tax year or the Internal Revenue Code Section 401(a)(17) limit for the employee’s prior tax year. Further, in no event shall benefits paid under this Plan be paid later than the last day of the employee’s second tax year following the date of severance.

#### **4. Time and Form of Payment.**

In the event of a permanent layoff, an employee has the option of receiving his or her severance pay in a lump sum or delaying receipt of severance pay for a period of six (6) months. A permanent layoff is one that MSA determines at the time of termination of employment will exceed six (6) months. In the event of the death of an employee prior to receipt of all severance pay to which the employee is entitled, the remaining benefits will be paid to his or her estate. Severance pay benefits will be paid from the general assets of MSA. No trust fund or other segregated fund has been established for this purpose.

No severance pay benefits will be paid until the employee signs any required release of all claims against the Plan Administrator (as defined in Section 7) and MSA, its officers, and affiliates, on a form provided by MSA, and any revocation period established by any applicable law or regulation has expired without revocation of the release by the employee.

**5. Option to Repay Severance Pay.**

An employee who is rehired prior to the expiration of six (6) months may elect to repay severance pay received if (a) the employee was permanently laid off and received a lump sum severance pay allowance, or (b) the employee was on an indeterminate layoff and elected to receive severance pay prior to six (6) months of layoff. Repayment shall be completed within one (1) year from the date of reemployment in which event service credited under Section 3 prior to the layoff will be restored. In the event the employee fails to repay the total severance pay received within one (1) year from the date of reemployment, all service previously accumulated under Section 3 will be permanently extinguished.

Repayment will not be permitted upon reemployment where the layoff is in excess of six (6) months. On rehire, the employee will be entitled to credit for service under Section 3 hereof upon completion of six months of continuous service, which year will be credited under Section 3. If an employee is rehired and is again laid off within one (1) year from the date of the date of reemployment and prior to the repayment of the total severance pay received, the employee will be entitled to the restoration of a pro rata amount of service credited under Section 3.

Except upon repayment as provided in this section, an employee shall never be entitled to severance pay for a period of service credited under Section 3 for which he has previously received severance pay.

**6. Loss of Severance Pay Credits.**

In the event of a termination of employment other than one for which severance pay is due hereunder, all service under Section 3 will be extinguished. In the event the employee is rehired, service under Section 3 will be restored only pursuant to the provisions of the MSA Service Regulations as now in effect or hereafter revised.

**7. Plan Administrator.**

The Plan Administrator is the Mission Support Alliance, LLC Market Based Plan Benefit Committee (the "Plan Administrator"). The Plan Administrator is a named fiduciary under the Plan with the authority to control and manage the operation of the Plan. The Plan Administrator will have the power and authority in its sole discretion to publish such rules for the regulation of the Plan as in the Plan Administrator's sole discretion are deemed necessary and advisable and that are not inconsistent with the terms of the Plan or the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan Administrator shall have the responsibility for completing any reports required by law. The Plan Administrator shall have no responsibility for the payment of any benefits except to its employees.

MSA shall have the responsibility in its sole discretion to determine eligibility for and the amount of benefits due its employees under this plan. MSA shall in its sole discretion process claims for benefits by its employees pursuant to Section 12 of this Plan.

MSA shall have the exclusive responsibility for the payment of benefits to its employees under this Plan.

Inquiries to the Plan Administrator should be addressed to Mission Support Alliance, Market Based Benefit Plan Committee, P.O. Box 650, M/S: H2-24, Richland, WA 99352, attn: Heather Goldie-Baker, Manager of Benefits Administration, telephone number (509) 372-1385.

**8. Plan Sponsor and Plan Number.**

The Plan Sponsor is Mission Support Alliance, LLC (EIN 30 0419594). The Plan Number is 501.

**9. Plan Year.**

The Plan Year is the calendar year ending December 31. All records of the Plan are maintained on this Plan Year.

**10. Type of Plan.**

This Plan is an employee welfare plan that provides severance pay benefits to eligible Participants. The Plan is an unfunded plan administered by the Plan Administrator and MSA. When severance pay benefits are payable under the terms of this Plan, the benefits are paid from the general assets of MSA. All Plan benefits are paid by MSA and no Participant contributions are required. This Plan is intended to meet the requirements for exception to Section 409A of the Internal Revenue Code of 1986, as provided under Section 1.409A-1(b)(9) of the regulations promulgated thereunder, pertaining to bona fide separation pay plans.

**11. Legal Service.**

Any legal notices regarding this Plan should be sent to the Plan Administrator.

**12. Claims Procedure.**

A claim for benefits shall be directed to the Plan Administrator. If a Participant disagrees with an initial response to a claim for benefits under this Plan, the Participant may make a claim to the Plan Administrator. This claim should be in the form of a letter stating why the Participant disagrees and should include all facts and information the Participant wants the Plan Administrator to consider. The Participant will be advised of the acceptance or rejection of his or her claim within 90 days after the claim is received, unless special circumstances require an extension of time for processing the claim. If the Plan Administrator requires an extension,

written notice of the extension will be furnished to the Participant prior to the end of the initial 90-day period. The extension will not exceed an additional period of 90 days. The extension notice from the Plan Administrator will state the special circumstances requiring the extension of time and the date by which the Plan Administrator expects to make a final decision.

In the event the Participant's claim is denied, it must be denied in writing and the denial must state in detail the specific reasons for the denial, the specific plan provisions upon which the denial is based, any additional material or information that the Participant may provide that would entitle him or her to the benefits claimed, and an explanation of why such material or information is necessary. The notice of denial must also explain the steps to be taken if the Participant or his or her beneficiary wishes to submit a claim for review. If notice of denial of the initial claim is not furnished within the time period allowed above, the Participant's claim will be deemed denied and the Participant may proceed to request a review of the denied claim.

A Participant may submit a claim for review by the Plan Administrator. If the Participant chooses to submit a claim for review, then within 60 days after the date the claim is denied, the Participant or his or her authorized representative must make a written request for review. The Participant's request for review of a denied claim should include a statement of the reasons the claim should be allowed. The Participant or his or her representative may examine any documents the Plan Administrator has in its files and will use in reaching a decision, and the Participant may also submit additional written comments that support the Participant's claim.

The Plan Administrator will advise the Participant of the decision in writing within 60 days following receipt of the Participant's request for review, unless special circumstances require an extension of time for processing. If an extension is necessary, a decision will be made as soon as possible, but not later than 120 days after the receipt of the Participant's request for

review. If an extension of time for review is required because of special circumstances, written notice of the extension and the reasons for needing more time will be furnished to the Participant prior to the commencement of the extension. The decision on review will be in writing and will include specific reasons for the decision, as well as specific references to the plan provisions upon which the decision is based. The decision of the Plan Administrator will be final and will be subject to no further appeal or review.

### **13. ERISA Rights.**

This statement of ERISA rights is required by federal law and regulation. A Participant in this Plan is entitled to certain rights and protections under ERISA. ERISA provides that all plan participants shall be entitled to:

- (a) Examine, without charge, at MSA's office and at other locations, such as worksites, all Plan documents, and copies of all documents filed by the Plan with the U.S. Department of Labor, such as annual reports and plan descriptions.
- (b) Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.
- (c) Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each Participant with a copy of this summary financial report.
- (d) Obtain a statement of your total Plan benefits. 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 Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called



“fiduciaries” of the Plan, have a duty to do so prudently and in the interest of Plan Participants and beneficiaries. No one, including MSA or any other person, may fire a Participant or otherwise discriminate against a Participant in any way to prevent the Participant from obtaining a Plan benefit or exercising rights under ERISA. If the Participant’s claim for a Plan benefit is denied in whole or in part, the Participant must receive a written explanation of the reason for the denial. The Participant has the right to have the Plan review and reconsider his or her claim. Under ERISA, there are steps a Participant can take to enforce the above rights. For instance, if a Participant requests materials from the Plan and does not receive them within 30 days, the Participant may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay the Participant up to \$110 a day until the Participant receives the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If the Participant has a claim for benefits that is denied or ignored, in whole or in part, the Participant may file suit in a state or federal court. If it should happen that plan fiduciaries misuse the Plan’s money, or if a Participant is discriminated against for asserting his or her rights, the Participant may seek assistance from the U.S. Department of Labor, or may file suit in a federal court. The court will decide who should pay court costs and legal fees. If the Participant is successful, the court may order the person the Participant has sued to pay these costs and fees. If the Participant loses, the court may order the Participant to pay these costs and fees, for example, if it finds the claim is frivolous. If a Participant has any questions about the Plan, the Participant should contact the Plan Administrator. If the Participant has any questions about this statement or about his or her rights under ERISA, or if the Participant needs assistance in obtaining documents from the Plan Administrator, he or she should contact the nearest office

of the Employee Benefits Security Administration, U.S. Department of Labor, listed in the telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. A Participant may also obtain certain publications about his or her rights and responsibilities under ERISA by calling the Publications Hotline of the Employee Benefits Security Administration.

**14. Right to Amend or Terminate Plan.**

MSA intends this Plan to be a continuing program. Nonetheless, MSA or the Plan Administrator may terminate the Plan at any time. Employees' rights under the Plan to benefits not in pay status shall be extinguished on such termination. The Plan Administrator reserves the right to amend or terminate this Plan at any time and to terminate all Participants' rights to receive benefits hereunder and/or extinguish all service credited under Section 3 to the date of termination or amendment. Until a Participant's involuntary termination of employment under circumstances entitling the Participant to benefits hereunder, the Participant will have no vested or nonforfeitable right to benefits under the Plan.

IN WITNESS WHEREOF, Mission Support Alliance, Market Based Benefit Plan Committee has caused this Severance Pay Plan to be effective the 24th day of August, 2009.

MISSION SUPPORT ALLIANCE, LLC MARKET  
BASED PLAN BENEFIT COMMITTEE

By \_\_\_\_\_  
Todd Beyers, Chairman

Dated: \_\_\_\_\_