

**SUMMARY PLAN DESCRIPTION**

**FOR**

**MODERN GROUP LTD.**

**EMPLOYEE STOCK OWNERSHIP PLAN**

December, 2010

## PREAMBLE

Modern Group Ltd. (the "Company") is pleased to inform you that it is continuing to sponsor a retirement plan to provide you with some retirement income. This is a summary of the Modern Group Ltd. Employee Stock Ownership Plan as restated effective November 1, 2002, and also includes the First and Second Amendments to the Plan.

This summary gives you a general description of the way your Plan works. However, the rules and governmental regulations that apply to your Plan are very complicated. Because this is only a general summary of a complicated legal plan document, every possible situation that could arise under the Plan is not explained in this summary. Also, if there are any differences between the information in this summary plan description and the actual Plan document, the Plan document will be followed.

We encourage you to talk with the Plan Administrator (listed on page 18) if you have questions after reading this summary.

# TABLE OF CONTENTS

	<u>Page</u>
BACKGROUND OF YOUR PLAN .....	1
PARTICIPATION .....	1
MAKING YOUR CONTRIBUTIONS.....	2
THE COMPANY'S CONTRIBUTIONS.....	2
YOUR PLAN ACCOUNTS AND THEIR INVESTMENT .....	3
SPECIAL ESOP RULES RELATING TO COMPANY STOCK .....	4
VESTING AND SERVICE .....	5
RETIRING UNDER THE PLAN.....	7
DEATH BENEFITS UNDER THE PLAN .....	9
LEAVING EMPLOYMENT BEFORE RETIREMENT .....	9
APPLYING FOR A BENEFIT.....	10
WITHDRAWALS .....	12
MISCELLANEOUS INFORMATION .....	13
YOUR RIGHTS.....	15
ADMINISTRATIVE INFORMATION .....	18

## **BACKGROUND OF YOUR PLAN**

### **What kind of retirement plan does the Company provide for its employees?**

Your retirement Plan is a "defined contribution" plan. This means that the Company decides each year what amount to contribute to the Plan for that year. Company contributions made to the Plan for a year are divided among the eligible Plan participants and recorded in separate accounts for them. Your retirement benefit will be equal to the total vested account balance you accumulate during your period of Plan participation.

The term "ESOP" means "employee stock ownership plan." Contributions to the ESOP accounts are invested primarily in shares of Company stock. (As a practical matter, a portion of the ESOP accounts may be invested in other types of investments from time to time.)

The ESOP account balances that are invested in Company stock are adjusted at least annually to reflect the current appraised value of the Company stock. Any account balances that are not invested in Company stock are adjusted at least annually to reflect the investment gain or loss of the general trust fund.

## **PARTICIPATION**

### **Who is eligible to participate in the Plan?**

All employees, who have completed 1,000 hours are eligible to participate in the Plan.

You will enter the Plan on the day you complete six consecutive months of employment, if you are credited with 1,000 hours of service during that period. Otherwise, you will enter the Plan if you complete 1,000 hours of service during a 12-month period. The first 12-month period begins with your date of hire. Each subsequent 12-month period begins with the first day of the plan year (November 1 through October 31) beginning after your date of hire.

If your employment with the Company is subject to a collective bargaining agreement, you will not be covered by the Plan unless the collective bargaining agreement negotiated with the Company provides for members to be included.

### **When will I actually become a "participant"?**

As stated above, if you are credited with 1,000 hours of service during your first six months of your employment, you will enter the day you satisfy these conditions. Otherwise, you will begin participating in the Plan after you have completed the 12-month eligibility requirements (described above). These dates are known as your "entry dates."

Example: If Jim was hired by the Company on May 3, 2010, and he completes 1,000 hours by November 2, 2010, he will become a participant on November 2, 2010, if he is still employed on that date.

**What will happen if I terminate employment with the Company and then am reemployed by the Company?**

Once you become a participant, you will remain a participant until you retire or quit working for the Company and receive your entire vested account balance. If you are later reemployed by the Company, you will immediately become a participant again.

### **MAKING YOUR CONTRIBUTIONS**

**Can I make contributions to the Plan?**

No. You cannot make contributions (including rollover contributions) to the Plan. Also, the Plan does not accept direct transfers from other plans.

### **THE COMPANY'S CONTRIBUTIONS**

**What types of contributions may the Company make to the Plan?**

The Company may make an "ESOP contribution." The amount of the contribution made by the Company will be determined each year by the Company's Board of Directors.

**What is the Company's "ESOP contribution"?**

The "ESOP contribution" will be invested primarily in Company stock. The trustees may also invest in other assets if the liquidity of the ESOP permits it, and the trustees conclude that this is a prudent decision.

The ESOP may enter into loan agreements for the purpose of purchasing Company stock. Under these agreements, there may be minimum amounts which the ESOP is required to repay each year on any outstanding loans. If there is an outstanding ESOP loan, the ESOP may use part or all of the Company's ESOP contribution to repay the loan. In that case, a portion of the Company stock that was purchased with the loan proceeds would be allocated to participants each plan year as the loan is repaid.

Generally, to share in any ESOP contribution for a plan year, you must be credited with at least 1,000 hours for that year and be employed on the October 31 valuation date.

However, if you retire (including disability retirement) from the Company during the year, including you will share in any ESOP contribution for that year regardless of your number of hours during that year. Similarly, if you die while employed by the Company, your account will share in any ESOP contribution for that year.

Your share of any ESOP contribution or shares to be allocated as a result of a loan payment is based on a ratio of your compensation for the plan year to the total compensation of all participants (including yours) who are eligible to share in such allocation.

Example: Assume Mary's annual compensation is \$20,000, and the total annual compensation of all participants (including Mary) is \$800,000. If the Company makes an ESOP contribution equal to 10,000 shares or a loan payment that results in 10,000 shares being available to allocate, Mary's share of the stock to be allocated would be 250 shares [ $\$20,000 \div \$800,000 \times 10,000 = 250$  shares].

## **YOUR PLAN ACCOUNTS AND THEIR INVESTMENT**

### **What accounts are maintained for you under the Plan?**

Separate accounts for each participant are maintained for the different types of contributions that can be made to the Plan. These accounts are:

Stock Account  
Nondeductible Voluntary Contribution Account  
Other Investment Account

All participants who receive an allocation of the Company's ESOP contribution will have a balance in the Stock Account (to the extent such contribution is invested in Company stock), the Other Investment Account (to the extent such contribution is invested in other investments (including life insurance), or cash dividends or earning distributions are made). The Nondeductible Voluntary Account contains amounts transferred from the prior Profit Sharing Plan.

### **Who invests the Plan assets?**

The Company has entered into a trust agreement with the individual(s) listed in the Administrative Information section to serve as the Plan's trustees and subject to direction by the Plan Administrator to manage the Plan's investment in Company stock. The Company's ESOP contributions are invested primarily in Company stock. The Trustee may also be authorized to invest the other assets of the Plan if so directed by the Plan Administrator.

### **How are my accounts credited with investment gain or loss?**

As of each October 31, an appraisal of the Company stock will be made by an independent appraiser as required under the Internal Revenue Code. The value of the shares of Company stock held in your stock account is based on the appraised value. The Company may designate an additional appraisal date from time to time.

All other assets of the Plan are invested in various investments under the trust fund. The investment gain or loss of those assets is also determined on each October 31 valuation date. Your share of the gain or loss of the non-stock accounts in the trust is based on a comparison of your account balances to the total account balances of all participants determined on the prior valuation date reduced by any distributions made from the accounts since that valuation date.

Under this method of allocating trust fund gain or loss, any distribution of an account is based on the account balance determined as of the most recent October 31 valuation, with no earnings for the period from the October 31 valuation date to the actual date of distribution. If complete distribution of your vested account balance is made from the Plan, your account will be closed and will not share in any trust gain or loss for the year it was distributed.

### **How will I know the amount in my account?**

After each October 31 valuation date, you will receive a statement of your account. (Because of the time needed to gather and process the necessary information, the statement showing information for a particular valuation date is usually available a few months after that valuation date.) The Plan Administrator can tell you when statements should be available. This statement will tell you the dollar value of your account balance and number of shares at the beginning of the plan year, your share of contributions for the year, and the ending dollar value of your account balance and number of shares and the vested amount of such.

## **SPECIAL ESOP RULES RELATING TO COMPANY STOCK**

### **How does an ESOP work?**

Because this Plan is an employee stock ownership plan, also called an ESOP, employer contributions are invested primarily in Company stock either directly or are used to make payments on loans used to acquire Company stock. The more successful the Company is during the years you have an account under the ESOP, the more that account should be worth.

### **How does an ESOP make distributions?**

The vested value of your accounts will be distributed to you after you leave the Company. Distribution will be in cash rather than Company stock. The value of the stock will be as of the valuation date immediately preceding the distribution. You will be notified of any specific rules that may apply at the time you apply for a distribution. (See also the sections "Retiring Under the Plan" beginning on page 7, "Death Benefits Under the Plan" beginning on page 9, and "Leaving Employment Before Retirement" beginning on page 9.)

### **Who votes the Company stock in the Plan?**

Currently, the Company stock is a non-registration type class. Therefore, your voting rights are limited. You are able to vote shares in your Stock Account with respect to mergers, consolidations, reclassification, liquidation, dissolution, sale of substantially all assets, or similar transactions. If you are entitled to direct the voting of your shares of stock, you will be notified by the Trustees. Failure to exercise your vote on such matters means the Trustee will vote your shares as directed by the Plan Administrator. The Trustees will vote the shares of stock held in your account on all other issues as directed by the Plan Administrator.

If the Company stock becomes a registration type class, your voting rights will be different. You will be entitled to direct the voting of the shares allocated to your stock account on all matters at each shareholders' meeting. The Trustees will vote the shares of stock held in your account on all other issues as directed by the Plan Administrator.

Any Company stock in the Plan held by the Trustees that has not been allocated to participants' stock accounts is voted by the Trustees as directed by the Plan Administrator.

## **VESTING AND SERVICE**

### **What is vesting?**

Under the Plan, "vesting" is earning a nonforfeitable right to the value of your Plan accounts.

### **How do I become vested?**

You become fully "vested" in your Company accounts when you satisfy any of the Plan's retirement requirements (including disability retirement) or die while employed or while performing Qualified Military Service.

You can also become vested in a percentage of any Company contributions based on the number of years of service you complete.

Vesting is as follows for the Company contribution accounts:

<u>Years of Service</u>	<u>Vested Percentage</u>
less than 3	0%
3 or more	100%

You are always 100% vested in your Nondeductible Voluntary Account.

### **How are my years of service determined?**

You will be credited with one year of service for each computation period in which you complete at least 1,000 hours of employment with the Company. The computation period is the 12-month period from November 1 through October 31.

### **How are my hours determined for purposes of the Plan?**

You earn an hour for each hour you are paid or given back pay by the Company for the performance of duties. You will also earn an hour for each hour of paid absences for reasons such as vacation, holidays, illness, disability, jury duty, active military duty or leave of absence. However, you cannot earn more than 501 hours for any one period during which you do not actually perform duties.

### **Can I lose the service I have earned?**

Yes, unless after your reemployment you complete a Year of Service and neither of the items below apply:

If you have a break in service after January 1, 1985, (1) you were not vested before you left, (2) the break was at least 5 consecutive years, and (3) the break was equal to or longer than your years of vesting service before the break.

If you had a break in service prior to January 1, 1985, (1) you were not vested before you left and (2) the break was equal to or longer than your years of vesting service before the break.

If you have any questions about losing your service, please see the Plan Administrator.

### **What is a break in service?**

A break in service is any plan year in which you do not complete more than 500 hours.

### **What happens to my Company contributions that are not vested?**

If you are not fully vested when you quit working for the Company (see page 5), the nonvested portion of your accounts will be forfeited the earlier of when you receive complete distribution of the vested portion or have five consecutive breaks in service.

If you have no vested account balance under the Plan, any nonvested balance will be forfeited automatically when you quit working for the Company.

Any forfeited amounts during a year will be reallocated to other eligible participants. Forfeitures attributable to your Stock and Other Investment Accounts will be reallocated to participants who are employed on the October 31 valuation date and are credited with 1,000 hours of employment for the plan year. Such reallocated forfeitures will be allocated to eligible participants in proportion to their compensation.

## **RETIRING UNDER THE PLAN**

### **When may I retire under the Plan?**

Your normal retirement date is the last day of the month in which you reach age 62.

If you continue to work for the Company after your normal retirement date, your late retirement date is the last day of the month in which you actually retire. If you are a 5% owner (not including ESOP shares) and continue to work beyond age 70½, you must begin to receive a minimum distribution each year you continue to work. When you actually retire, you can elect one of the payment options available under the Plan.

You may also retire before your normal retirement date. Your early retirement date is the last day of the month in which you reach age 55 and have 6 years of service (see page 5).

You may also retire if you become disabled while employed by the Company. Your disability retirement date is the last day of any month in which you retire because you have suffered a disability. You will be considered disabled for purposes of the Plan if

you have qualified for disability benefits under the Company's long term disability plan or you would be eligible for long-term disability benefits if you were covered under the disability plan.

### **What will my benefit be when I retire?**

When you retire (as of a normal, late, early, or disability retirement date), your benefit will equal your full account balance determined as noted below. You will be given tax information about your distribution when you become eligible to receive a retirement distribution.

Payment of full and partial shares of Company stock and cash balances will be made in substantially equal installment payments over a period of five years. The Plan Administrator will inform you of the options available.

Your distribution will be based on the value of your accounts determined as of the valuation date (October 31) immediately prior to the date of distribution. You should keep this in mind when deciding on your retirement date.

### **When can I begin to receive my benefit?**

If your account balance is under \$1,000, you will automatically receive your benefit in a lump sum, unless you elect to have it rolled over into an IRA or another plan, as soon as practicable after the valuation for the year in which you retire is completed.

If your account balance is \$1,000 or over, you may choose to receive your retirement benefit as soon as administratively possible after you retire or you may elect to delay payment of your benefit. However, your retirement benefit must begin to be paid to you by the following April 1 after you reach age 70½ for 5% owners and by the April 1 following the later of age 70½ or termination of employment for other participants. The amount distributed must be at least the required minimum amount determined under IRS rules.

Unless you elect to defer, actual payment of your retirement benefit will begin not later than one year after the close of the Plan Year in which you retire. You must file an application with the Plan Administrator requesting a distribution, or you will be deemed to have elected to delay payment.

## **DEATH BENEFITS UNDER THE PLAN**

### **Will my beneficiaries receive any benefit if I die?**

If you die before payment of your Plan benefit has been made, your beneficiary will receive the entire vested balance in your account. If your account balance is under \$1,000, your beneficiary will automatically receive your benefit as a lump sum cash-out. If your account balance is \$1,000 or over, payment of full and partial shares of Company stock and cash balances will be made substantially equal installment payments over a period of five years. The Plan Administrator will inform your beneficiary of the options available.

The distribution will be based on the value of your accounts determined as of the valuation date (October 31) immediately prior to the date of distribution.

If you die while employed by the Company, your account is 100% vested, regardless of your age or how many years of service you have earned. If you die after you quit working for the Company, the vested status of your account will have been determined at the time you quit working for the Company. (See "Vesting and Service" on page 5.)

If you started to receive your benefit in substantially equal installment payments prior to your death, your beneficiary will continue to receive those payments. No other death benefit will be payable under the Plan.

If you received your entire vested account balance before your death, there is no death benefit payable under the Plan.

### **Whom may I name as my beneficiary?**

If you are married, your spouse is automatically your beneficiary. However, you can name a different beneficiary, if your spouse consents in writing. Your spouse's written consent must be witnessed by a notary public or Plan representative. Any written designation of your spouse as beneficiary will NOT remain in effect if you divorce. However, a qualified domestic relations order might require that some or all of your death benefit will be paid to your former spouse.

If you are not married, you can name anyone as your beneficiary.

A beneficiary designation form is available from the Plan Administrator.

## **LEAVING EMPLOYMENT BEFORE RETIREMENT**

### **Will I be entitled to a vested benefit if I quit working for the Company before I am eligible to retire under the Plan?**

If you quit working for the Company before you are eligible for retirement under the Plan, you will be entitled to receive a termination benefit. Your termination benefit will be your total vested account balances under the Plan determined as noted below. (See "Vesting and Service" on page 5.)

If your account balance is under \$1,000, you will automatically receive your benefit as a lump sum cash-out. If your account balance is \$1,000 or over, payment of full and partial shares of Company stock and cash balances will be made substantially equal installment payments over a period of five years. The Plan Administrator will inform you of the options available.

Your distribution will be based on the value of your accounts determined as of the valuation date (October 31) immediately prior to the date of distribution. Payment of your Stock Account may be delayed until any loan associated with those shares has been paid in full.

### **When can I begin to receive my benefit?**

If your vested account balance is less than \$1,000, you will automatically receive your benefit in a cash lump sum, unless you elect to have it rolled over into an IRA or another plan, as soon as practicable after the valuation date following your termination of employment.

If your account balance is \$1,000 or over, you may choose to receive your termination benefit as soon as administratively possible under the terms of the Plan or you may elect to delay payment of your benefit. However, your termination benefit must begin to be paid to you by the following April 1 after you reach age 70½. The amount distributed must be at least the required minimum amount determined under IRS rules.

If you elect to receive your termination benefit, actual payment will begin not later than one year after the close of the fifth Plan Year following your termination of employment. You must file an application with the Plan Administrator requesting a distribution, or you will be deemed to have elected to delay payment.

## **APPLYING FOR A BENEFIT**

### **What steps should I (or my beneficiary) take to apply for a benefit?**

If you retire or terminate employment, you should contact the Plan Administrator. If you die, your beneficiary should contact the Plan Administrator. The Plan Administrator will provide you (or your beneficiary) with an application form which should be completed and returned to the Plan Administrator. You or your beneficiary will normally be sent distribution paperwork when a distribution of your Accounts can be made from the Plan.

To determine your eligibility for a vested benefit under the Plan, the Plan Administrator may request information from you such as proof of your age. The Plan Administrator, in its discretion, will decide if you (or your beneficiary) are entitled to payment of a benefit. If you disagree with the Plan Administrator's determination of your entitlement to a benefit, you should then file a claim with the Plan Administrator. That claim should state what benefits to which you feel you are entitled along with supporting information.

You will be notified in writing if your claim for a benefit is denied, normally within 90 days. The written notice will include reasons for the determination, references to Plan provisions, a description of any additional information that is needed and a description of the process for requesting a review of the denial. The request for a review must be made in writing within 60 days of receipt of notice that your claim was denied. You will normally be given written notice of the results of the Company's review within 60 days. The written notice will include specific reasons for the decision and pertinent plan provisions. If the Company does not respond within 60 days, the claim is denied.

It is important that you notify the Company of any change in your address (or name) as long as you have a vested benefit under the Plan. This will allow the Company to forward information to you regarding your Plan benefit. Failure to notify the Company of address (or name) changes could result in loss of future trust earnings on your balance if the Company is unable to locate you to distribute your benefit from the Plan when it becomes payable.

At the direction of the Plan Administrator, reasonable steps shall be taken to insure the accuracy of each benefit calculation under the Plan. However, if there is an overpayment of a benefit to a participant or beneficiary for any reason, it shall be the responsibility of the participant or beneficiary to repay the overpayment to the Trust Fund after notification. An overpayment may be corrected by a direct repayment by the participant or beneficiary to the Trust Fund or, in the case of installment payments, by a reduction of future benefit payments from the Plan until the overpayment is repaid in full.

### **What are the tax consequences of a distribution from the Plan?**

You will be given some general information at the time you receive a distribution from the Plan. However, you should contact your own tax advisor for more specific information about your situation. .

Distributions from the Plan are subject to income taxes. Any distribution before age 55 and separation from service will be subject to a penalty tax (currently 10%) in addition to regular income taxes. You may avoid current income taxes and any penalty tax by rolling over the distribution to an IRA, including a Roth IRA, a 403(b), a 457(b), or another qualified plan. Any lump sum payment will be subject to mandatory 20% withholding of federal income tax unless you elect a direct rollover to an IRA or another qualified plan. General information about eligibility for rollover will be available when you receive a distribution. Your own tax advisor can give you more detailed information.

Distribution to a spouse as beneficiary will be subject to taxes unless the spouse elects a direct rollover to an IRA (including a Roth IRA), another qualified plan, a 403(b) annuity plan, or an eligible 457(b) plan. Distribution of a participant's benefit to a non-spouse beneficiary will be subject to taxes unless it is rolled over from this Plan to an inherited IRA. Your own tax advisor can give you more detailed information.

## WITHDRAWALS

### **Can I withdraw amounts from my ESOP accounts?**

Under the Internal Revenue Code, after reaching age 55, a participant who has been a participant in the Plan for at least ten years may obtain a distribution of part of his Company stock account while he is still employed. These rules are sometimes referred to as "diversification" rules. The reason for allowing these diversification distributions is to give you the opportunity of investing part of your retirement funds in some other manner.

There is a 6-year diversification election period which begins on the first day of the plan year following the year in which you meet the age and participation requirements. The percentage that you can diversify is applied on a cumulative basis over the 6-year election period. This means that in determining how much you are allowed to diversify in a current year, any previous distribution(s) made earlier in the election period will be taken into account. Specifically, the number of stock shares in your existing account will be determined as of the most recent valuation date, and then any prior diversification distributions that you have already made in prior years will be added to the existing stock shares with the result being the aggregate shares of your Company stock. The amount that you are allowed to diversify in the current year is then equal to 25% (or a maximum of 50% in the 6th year) of the aggregate shares, less any prior distributions. Only one such distribution is permitted during each plan year in the election period.

If you wish to diversify, the Plan Administrator will provide information regarding your options for the amounts you diversify.

In addition, a participant who is 100% vested in his accrued benefit and who has participated in the Plan for 10 or more years subsequent to November 1, 1984, may receive an in-service withdrawal not to exceed 25% of his vested accrued benefit. In addition, effective June 15, 2000, a participant who is 100% vested in his accrued benefit may receive 1 in-service withdrawal of all or less than all of his or her accrued benefit in any plan year commencing with the Plan Year within which the calendar year within which the participant will attain age 70-1/2.

**Can I request distribution of my Nondeductible Voluntary Account while I am still employed by the Company?**

Yes, you may make one withdrawal in any 12-month period with your spouse's written consent.

**MISCELLANEOUS INFORMATION**

**What is counted as my compensation for purposes of the Plan?**

Your "compensation" under the Plan for a plan year is equal to your total wages or salary (including any overtime or bonuses) from the Company for that plan year. Any contributions that you make under a Section 125 cafeteria plan or a Section 132(f) transportation fringe benefit plan maintained by the Company will also be included in your compensation figure used for the Plan. Also, any 401(k) contributions that you choose to make to a plan sponsored by the Company during a plan year will be included in your compensation figure that is used to determine your share of Company contributions. Compensation paid to you by the later of 2½ months after your termination of employment or the end of the plan year in which your termination of employment occurred that is for services performed prior to termination, including accrued sick pay, accrued vacation pay, or accrued leave pay will be taken into consideration in the calculation of plan compensation. Amounts paid for any other reason after your termination of employment (such as severance pay) will not be taken into consideration in the calculation of plan compensation.

For the year in which you become a participant in the Plan, compensation will not include amounts paid by the Company before your participation date.

Federal law limits the amount of annual compensation that can be counted for some highly compensated employees.

The Company has placed limits on the amount of compensation taken into account in allocating contributions to the accounts of capital equipment sales representatives.

**Is there any overall limit on contributions to my account?**

The Internal Revenue Code places a limit on the amount of contributions that can be made to defined contribution plans. Therefore, any benefits determined under the Plan may be restricted by those limitations. For the plan year beginning in 2010, the annual limit on contributions (and forfeitures) for any participant is the lesser of (1) \$49,000 or (2) 100% of his taxable compensation. Gross pay (including salary deferrals) is used in applying this IRS percentage limit. For more information about these limitations and their effect, if any, on your benefit, contact the Plan Administrator.

### **Can my benefit be affected by a divorce decree?**

If the Company receives a domestic relations order requiring payment of your vested account balance to a former spouse, a child, or other dependent, the Company will decide whether the order meets the requirements of a "qualified" domestic relations order. Any amounts paid under a "qualified" domestic relations order will be subtracted from your vested account balance. Must have a qdro to pay other than the participant.

Participants and beneficiaries may obtain, without charge, a copy of the procedures governing qualified domestic relations orders from a member of the Plan Administrator (contact information listed on page 18). You should contact the Company if you have any questions about a potential order. QDRO fees will be charged to the participant and/or alternate payee. These fees will be divided between the participant and the alternate payee in the same percentage as the participant's account is divided between the participant and the alternate payee, unless the domestic relations order provides a different division of fees.

### **What is a top-heavy plan?**

A plan is "top-heavy" in a plan year if more than 60% of the total account balances are provided to certain officers and owners of the Company. If a plan is top-heavy, minimum contribution and special vesting rules apply. If you want additional information about whether your Plan is top-heavy, ask the Plan Administrator.

### **Can the Plan be amended or terminated?**

It is hoped that this Plan will continue indefinitely. But the Company has the right to amend or terminate the Plan. However, amendment or termination will not take away amounts already credited to your individual account. Of course, the value of your account at any time is affected by trust gain or loss.

Benefits under this Plan are not insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates because your Plan benefit is determined solely by the amount in your individual account.

You will be entitled to 100% of the value of your account if you are employed on the date of Plan termination. Amounts already forfeited are not subject to restoration if distribution of vested amounts has been made or 5 consecutive breaks in service have already occurred. After any approval of the termination requested by the Company is received from the Internal Revenue Service, all participants are entitled to receive the full vested value of their account. Amounts may be distributed sooner if the Company does not request approval of the termination.

### **How does a period of military service affect my participation in the Plan?**

After being discharged from the military, your reemployment rights are protected by law by the Uniformed Services Employment and Reemployment Rights Act of 1994 which requires that your period of military service be counted for vesting and benefit accrual purposes (as if you had been continuously employed by the Company) and that you receive credit for compensation during your period of military service based on your rate of earnings. In addition, the Company will make up any contribution that was allocated while you were gone.

Any wages paid to you by the Company during your period of military service will be treated as Compensation for purposes of the Plan.

If you are a veteran who has been rehired, please contact the Plan Administrator for more information about your rights.

### **Are any fees charged for distributions from my account?**

Yes. QDRO fees will be charged to the participant and/or alternate payee. These fees will be divided between the participant and the alternate payee in the same percentage as the participant's account is divided between the participant and the alternate payee, unless the domestic relations order provides a different division of fees.

## **YOUR RIGHTS**

### **Do I have any protections under the Plan?**

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants shall be entitled to:

#### ***Receive Information About Your Plan and Benefits***

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 Employee Benefits Security Administration.

Obtain, upon written request to the Plan Administrator, copies of 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 value of your Accounts and your vested interest in your Accounts. This statement must be provided at least once each plan year. The Plan must provide the statement free of charge.

#### *Prudent Actions by Plan Fiduciaries*

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

#### *Enforce Your Rights*

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who

should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees; for example, if it finds your claim is frivolous.

*Assistance with Your Questions*

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publication hotline of the Employee Benefits Security Administration.

**Where can I get more information about my Plan?**

You should contact the Plan Administrator (listed on page 18) with any questions you may have. The Plan Administrator's address and telephone number are the same as the Company's.

**ADMINISTRATIVE INFORMATION**

**Name of Plan:**

Modern Group Ltd. Employee Stock Ownership Plan

**Plan Number:**

001

**Type of Plan:**

Defined Contribution Employee Stock Ownership Plan

**Plan Year:**

Each November 1 through the following October 31

**Plan Sponsor**

Modern Group Ltd.  
2501 Durham Road  
Bristol, Pennsylvania 19007  
(215) 949-9224

**Plan Administrator:**

ESOP Investment and Advisory Committee  
Modern Group Ltd.  
2501 Durham Road  
Bristol, Pennsylvania 19007  
(215) 949-9224

**Plan Sponsor's Employer Identification Number (EIN):**

23-2116893

All Plan assets are held in a trust fund. The trust fund will be the funding medium used for the accumulation of assets from which benefits are provided.

**Trustee(s):**

Thomas Callahan	Jo-Ann Demkowicz
John Lauf	Dorothy Coffin
Carl Rathenmacher	Marc Fisher
Rick DiJacklin	

c/o Modern Group Ltd.  
2501 Durham Road  
Bristol, Pennsylvania 19007

**Agent for Legal Process:**

Plan Administrator and/or Trustees