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June 27, 2000

DISCLOSURE  
PH 12:00

Office of Employee Benefits Security  
Labor-Management Services Administration  
U.S. DEPARTMENT OF LABOR  
Room N-4633  
200 Constitution Avenue, N.W.  
Washington, DC 20216

U.S. DEPT. OF LABOR  
FOIA/PUBLIC DISCLOSURE  
00 JUL 24 PM 12:28

Re: The Lockheed Employment Services, Inc. SERP Plan

Dear Sir:

Pursuant to the provisions of Department of Labor regulations at Code of Federal Regulations Section 2520.104-23, you are hereby notified that the employer named in Item (1) below maintains a plan, identified in Item (2) below, primarily for the purposes of providing deferred compensation to a select group of management or highly compensated employees. Item (3) below sets the approximate number of participants in the Plan as of the effective date.

Item (1): The name, address and employer identification number of the employer maintaining the Plan are as follows:

Lockheed Employment Services, Inc.  
2340 Hollywood Way  
Burbank, CA 91505

95-4341911

Item (2): Name and Plan Identification Number of the Plan to which this notification applies:  
The Supplemental Savings Plan of Lockheed Employment Services, Inc., Plan Number 005.

Item (3): Plan participation as of January 1, 2000 was 1 Participant.

If you have any questions regarding this Plan please contact me at (858) 458-4819.

Sincerely,

Kenneth A. Murray  
Consultant

SUPPLEMENTAL SAVINGS PLAN  
OF  
LOCKHEED EMPLOYMENT SERVICES, INC.

ARTICLE I

PURPOSE OF THE PLAN

This Plan is established to supplement the benefits of certain employees under the Lockheed Employment Services, Inc. Salaried Employees Savings Plan Plus ("Savings Plan") whose benefits are reduced by (1) the limitation on Annual Additions under Code Section 415 and (2) the compensation limit under Code Section 401(a)(17). It is intended that this Plan shall be an Excess Benefit Plan as defined in Section 3 (36) of the Employee Retirement Income Security Act of 1974.

The terms and definitions used in the Savings Plan are incorporated by reference in this Plan unless superseded by this Plan's terms.

ARTICLE II

DEFINITIONS

1. PLAN -- Supplemental Savings Plan of Lockheed Employment Services, Inc.
2. ANNUAL ADDITION -- The term defined in Section 5.02(c) of the Savings Plan.
3. BOARD OF DIRECTORS -- The Board of Directors of Lockheed Employment Services, Inc.
4. CODE -- The Internal Revenue Code of 1986, as amended from time to time.
5. COMMITTEE - The Administrative Committee appointed by the Board of Directors.
6. CORPORATION -- Lockheed Employment Services, Inc. and its Subsidiaries.
7. PARTICIPANT -- Any employee who meets the Article III eligibility requirements.
8. SAVINGS PLAN -- The Lockheed Salaried Employees Savings Plan Plus.

9. **EXCESS SAVINGS AMOUNT** - The amount a Participant specifies to be credited to the Participant's Account in lieu of paying such amount to the Participant in cash, in accordance with the Participant's election to defer such payment.

### ARTICLE III

#### ELIGIBILITY FOR PARTICIPATION

Employees of the Corporation who are Participants in the Savings Plan and (1) whose benefits in that Plan are affected by (a) the Annual Additions limitation of Code Section 415 or (b) the Code Section 401(a) (17) compensation limit may participate in the Plan.

### ARTICLE IV

#### PLAN BENEFITS

Each Participant shall be entitled to receive a benefit under this Plan which is the difference between the Participant's benefit under the Savings Plan and the approximate benefits that would have been payable under that Plan except for (1) the limitations on Annual Additions to a Participant's Account under Code Section 415, as provided in Section 5.02 of the Savings Plan, and/or (2) the Elective Deferral limitation of Code Section 402(g), and/or (3) the compensation limit under Code Section 401(a)(17).

### ARTICLE V

#### EXCESS SAVINGS AMOUNT

1. An eligible employee may become a participant by filing with the Committee documents specifying the Excess Savings Amount to be deducted from his wages and credited to his participant's Account. The Excess Savings Amount deducted and credited shall be equal to the difference between the percentage requested by the Participant on the election form in accordance with Section 3 of the Savings Plan and

(a) the Participant's actual Elective Deferral Percentage under the Savings Plan as limited by the Annual Additions limit, or

(b) the Participant's actual Elective Deferral Percentage under the Savings Plan as limited by the Code Section 402(g) Elective Deferral limit, or

(c) the Code Section 401(a)(17) compensation limit.

2. Such amount shall be effective coincident with the effective date of the Participant's Elective Deferral under the Savings Plan, and shall be irrevocable for that Plan Year.

## ARTICLE VI

### PARTICIPANT'S ACCOUNT

A separate Participant's Account shall be maintained for each Participant which shall show in dollars (1) the Excess Savings Amount specified by the Participant and (2) the corresponding Corporation Matching Contributions, and in terms of Units, (3) the portion of the Participant's Account designated as "invested" in each of the funds currently available under the Savings Plan. The Units shall be valued in accordance with the procedures followed in the Savings Plan.

## ARTICLE VII

### CORPORATION MATCHING CONTRIBUTION

When the Participant's Excess Savings Amounts are credited to his Participant's Account, the Corporation will credit to the account an amount equal to sixty percent (60%) of such Excess Savings Amounts. The Corporation Matching Contribution, when added to the Corporation Matching Contribution made under the Savings Plan, shall not exceed four and eight tenths percent (4.8%) of the Participant's eligible Compensation.

## ARTICLE VIII

### ALLOCATION SPECIFICATIONS

1. Upon becoming a Participant, the Participant shall elect to have the value of the amount equal to the sum of (1) the Participant's Excess Savings Amount and (2) the Corporation Matching Contributions credited to his Participant's Account allocated to the Funds by filing with the Committee. The election shall specify the percent of the total allocation to be designated as "invested" in each fund, following the procedures established under the Savings Plan. A Participant may change the investment specifications and have the value of all Units credited to his Participant's Account reallocated in accordance with the procedures established under the Savings Plan.

ARTICLE IX

PAYMENT OF BENEFITS

1. A Participant shall receive a cash payment in an amount equal to the dollar value of the Units in his Participant's Account coincident with or immediately following the date of Termination of Employment for any of the reasons set forth in Section 8.01 of the Savings Plan. Upon termination of employment for any other reason, a Participant shall receive a cash payment in an amount equal to the sum of the following:

(a) Amount of Payment

(1) The dollar value of the Units in his Participant's Account credited to the Excess Savings Amounts; and

(2) The vested portion of the dollar value of the Units in his Participant's Account which were credited to Corporation Matching Contributions. The vested portion of Corporation Matching Contributions shall be determined in accordance with the following:

<u>Years of Service</u>	<u>Vested Percent</u>
Less than 1 year	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 years or more	100%

(3) When a Participant terminates Employment for reasons other than those set forth in Section 8.01 of the Savings Plan, the Participant shall forfeit all Units credited to the Participant's Account to which he is not entitled as a benefit under the provisions of this Article IX, and the Participant shall have no further rights in those Units.

(b) Payment Options

(1) When an eligible employee becomes a Participant, he shall file with the Committee an election for the method of payment of benefits, as provided in paragraph (b)(2) of this Article IX. The election shall be irrevocable, and is applicable to the entire amount of the Participant's Account. However, a Participant may petition the Committee at any time prior to one year before his retirement to request a change in the method of payment described in paragraph (b)(2) of this Article IX, which the Committee, at its sole discretion, may grant.

(2) A Participant may elect, in lieu of a cash payment, that the total number of Units in his Account be paid to him in five (5), ten (10), fifteen (15), or twenty (20) equal annual installments beginning on the last day of the month following the month in which the Participant's employment has been terminated. The dollar amount of each payment shall be equal to the dollar value of the Units to be paid in the installment, determined on the Valuation Date immediately preceding the date payment is due. When a Participant dies before payments begin, the Participant's method of payment election shall cease and his beneficiary shall receive a lump sum payment. When a Participant dies on or after payments begin, but before payment of the entire amount due him, the dollar value of the remaining balance of the Units in the Participant's Account shall be paid in a lump sum to the Participant's beneficiary. The dollar value of the lump sum payment shall be determined on the Valuation Date immediately following the Participant's date of death. Election of the method of payment must be made in writing by filing with the Committee when the Participant begins participation in the Plan. The election shall be irrevocable, as provided in Paragraph (b) of this Article IX.

(c) Immediate Payout Upon Change in Control

(1) Notwithstanding any other provision of the Plan, all amounts accumulated and unpaid in each Participant's Account, as determined in paragraph (a) of this Article IX, shall be paid in a single lump sum within fifteen (15) calendar days following a Change in Control. Paragraph (b) of this Article IX regarding Payment Options shall not apply to payments under this paragraph (c) and any elections made thereunder shall be void.

(2) For purposes of this Plan, a Change in Control shall be deemed to have occurred if (i) any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), other than a trustee or other fiduciary holding securities under an employee benefit plan of Lockheed Employment Services, Inc. ("LESI") or any of its subsidiaries, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of LESI representing thirty percent (30%) or more of the combined voting power of LESI's then outstanding securities; or (ii) during any period of two (2) consecutive years (not including any period prior to the adoption of this paragraph (c)), individuals who at the beginning of such period constitute the Board of Directors of LESI, and any new director (other than a director designated by a person who has entered into an agreement with LESI to effect a transaction described in clause (i) or (iii) of this paragraph) whose election by the Board of Directors of LESI or nomination for election by LESI's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof; or (iii) the shareholders of LESI approve a merger or consolidation of LESI with any other corporation, other than a merger or consolidation which would result in the voting securities of LESI outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least eighty percent (80%) of the combined voting power of the voting securities of LESI or such surviving entity outstanding immediately after such merger or consolidation or (iv) the

shareholders of LESI approve a plan of complete liquidation of LESI or an agreement for the sale or disposition by LESI of all or substantially all of LESI assets.

(3) A Change in Control shall not, however, include any transaction which has been approved by individuals who at the beginning of any period of at least two (2) consecutive years (not including any period prior to the adoption of this paragraph (c)) constitute the Board of Directors of LESI, and any new director (other than a director designated by a person who has entered into an agreement with LESI to effect a transaction described in clause (i) or (iii) whose election by the Board of Directors or nomination for election by shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved.

(4) This paragraph (c) shall apply only to a Change in Control of LESI and shall not cause immediate payout of any Participant's Account in any transaction involving LESI's sale, liquidation, merger, or other disposition of any subsidiary.

(5) The Board of Directors may cancel or modify this paragraph (c) at any time prior to a Change in Control. In the event of a Change in Control, this paragraph (c) shall remain in force and effect, and shall not be subject to cancellation or modification for a period of five (5) years, and any other provision defining a capitalized term used in this paragraph (c) shall not, for purposes of this paragraph (c), be subject to cancellation or modification during the five year period.

## ARTICLE X

### TRUST

The Plan is an unfunded plan, therefore no trust shall be established. The Company shall establish on its books a special unfunded Reserve Account for each Participant. As of the end of each calendar quarter, or more frequent by if elected by the Committee, the Company shall credit income on the balance in each Reserve Account. Income shall be credited at the rate declared by the Committee acting in its sole discretion after taking into account, among other factors, the investment performance of investment funds under the Savings Plan, the Participant's investment elections under the Savings Plan, the Company's cost of funds and the expected performance of certain Company investments.

## ARTICLE XI

### ADMINISTRATION

The Plan shall be administered by the Committee or in cases where amendments are necessary to implement changes not affecting the overall functioning of the Plan; and such

changes will not, in the judgment of the Board of Directors, substantially alter the nature or expense of the affected plan, then the power to amend shall also be designated to the Board of Directors under guidance from counsel. The Committee shall have the right to construe the Plan, to interpret any provision thereof, to make rules and regulations relating to the Plan, and to determine any factual question arising in connection with the Plan's operation after such investigation or hearing as the Committee may deem appropriate. Any decision made by the Committee under the provisions of this Article shall be conclusive and binding on all parties concerned.

## ARTICLE XII

### AMENDMENT OR TERMINATION OF THE PLAN

The Board of Directors shall have the right to amend or terminate the Plan at any time. When Plan is amended or terminated, a Participant's plan benefits shall not be less than the Plan benefits to which the participant would have been entitled if the Participant had retired immediately prior to the amendment or termination.

## ARTICLE XIII

### EMPLOYMENT RIGHTS

Nothing in the Plan shall be deemed to give any person any right to remain an employee of the Corporation or affect any right of the Corporation to terminate a person's employment.

## ARTICLE XIV

### EFFECTIVE DATE

The effective date of the Plan is March 1, 1996.

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Watson Wyatt & Company

Suite 300  
9339 Genesec Avenue  
San Diego, CA 92121-2105



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