Participant must be provided with the Special Tax Notice Regarding Plan Payments.

I. INSTRUCTIONS

The Termination Form is used to process all types of plan distributions due to termination of employment including retirement and disability, and in the event of Plan termination. All sections must be completed in full for your request to be processed. If you have made Roth 401(k) contributions to your Plan, the distribution from your Roth 401(k) contribution account may be considered a "Qualified Distribution," which means that the entire amount distributed to you would not be taxable. A "Qualified Distribution" is a distribution from a Roth 401(k) contribution account that (1) is made on account of your death, disability or attainment of age 59½, and (2) made five years or more after the January 1st of the first year that you made a Roth contribution to the Plan. The following example illustrates this rule: Joseph, who was born on October 15, 1954, made his first Roth 401(k) contributions on November 1, 2006. The earliest date on which Joseph could receive a nontaxable distribution of his Roth 401(k) contribution account would be April 15, 2013, when he attains age 59½. If Joseph had been born on October 15, 1950, he could receive a nontaxable distribution of his Roth 401(k) contribution account of his Roth 401(k) contribution account on January 1, 2011, when his five-year holding period ended. If you are unsure if your Roth 401(k) distribution is a Qualified Distribution please read your Summary Plan Description.

> *Note: If the Plan's records, as recorded at ADP, do not reflect that you have 5 years of Roth 401(k) participation or your distribution is not for a qualifying reason under the Roth 401(k) rules and you have elected a distribution of Roth 401(k) contribution account assets (other than a rollover distribution), the taxable portion of the distribution will be subject to the mandatory 20% federal income tax withholding.*

Section II: Check (√) one box to identify the method of distribution for the pre-tax 401(k) money types and the Roth 401(k) money types and complete any additional requested information. The "Installments" option is not available if the account value (including or excluding any rollover account depending upon the Plan's provisions) is $5,000 or less.

> *Note: As required by law, a lump sum distribution from a pre-tax 401(k) contribution account or Roth 401(k) contribution account that is not a Qualified Distribution requires 20% federal income tax withholding on the taxable amount of the distribution. If your account balance is less than $200, the mandatory federal income tax withholding will not be required on your distribution. Installment payments, where the payment period is 10 years (120 months) or more, are not subject to the mandatory 20% federal income tax withholding but are subject to elective federal income tax withholding unless you complete a Form W-4P Election of Withholding. If you do not complete a Form W-4P, 10% federal income tax will be automatically withheld from the distribution amount. For other installment payment periods, 20% federal income tax will be withheld from the distribution amount. State tax withholding may also apply. Please note that your distribution may be subject to a 10% additional tax on premature distributions.*

Special note regarding direct transfers of non-Roth amounts to a Roth IRA: Non-Roth amounts (amounts attributable to contributions other than Roth contributions) transferred to a Roth IRA <u>must be included in the participant's gross income</u>, but are not subject to 10% penalty tax for premature distributions. <u>No amount will be withheld from a direct transfer of non-Roth amounts to a Roth IRA for federal income tax purposes</u>. CAUTION: This means that you will be responsible for making sure you are able to pay the full amount of all required income taxes in connection with such a rollover. Participants considering a direct transfer of non-Roth amounts to a Roth IRA are strongly encouraged to consult their tax advisor before making their election.

Section III: Read the acknowledgment then sign and date the form.

Section IV: Return the completed form to ADP.

AeroVironment Profit Sharing and Salary Deferral 401(k) Plan — Termination Form

Social Security #: ___ – __ – ____

Employee Name: ______________________
Last, First, Middle

Your check will be sent to your address of record. Please call 1-800-541-7705 to confirm/change your address.

Participant must be provided with the Special Tax Notice Regarding Plan Payments.

II. Funds Disbursement Election (check option 1 or 2 below)

1) £ Distributed per instructions below (please make a selection for a, and b if applicable):

a) Amounts other than Roth Accounts (check one box below)

1) Disbursement amount (check one):

£ Full distribution £ Partial distribution ________ . __

2) Form of payment (check one):

£ Lump sum distribution (paid by check to the participant) £ Direct transfer £ Both direct transfer & lump sum distribution

3) Complete the following if you have selected a direct transfer:

Account type to which direct transfer is being made: £ Traditional IRA £ Roth IRA (See instructions for important information)
£ Employer Plan (401(a) qualified Plan, 403(a) qualified annuity, 457(b) eligible deferred compensation Plan, or 403(b) tax-sheltered annuity)

Make Check Payable to: ______________________
Name of Institution / Trustee

If you have chosen to receive both direct transfer & lump sum distribution, please provide the dollar or percent to be transferred. The remaining amount will be paid to you in a lump sum after the mandatory withholding of 20% unless the lump sum distribution is $200 or less.

Direct transfer Amount: $ _______ . __ (Must be at least $500) Or ___ %

NOTE: Before-tax amounts in your account balance are treated as included in your direct transfer before any after-tax money. "After-tax" means only the money in your account which was taxed before it was contributed.

b) Roth 401(k) accounts (check one box below)

1) Disbursement amount (check one):

£ Full distribution £ Partial distribution ________ . __

2) Form of payment (check one):

£ Lump sum distribution (paid by check to the participant) £ Direct transfer £ Both direct transfer & lump sum distribution

3) Complete the following if you have selected a direct transfer:

Account type to which direct transfer is being made: £ Roth IRA
£ Employer Plan (Qualified Plan, 403(a) Qualified Annuity, 457 Plan, or 403(b) Tax-Sheltered Annuity)

Make Check Payable to: ______________________
Name of Institution / Trustee

If you have chosen to receive both direct transfer & lump sum distribution, please provide the dollar or percent to be transferred. The remaining amount will be paid to you in a lump sum after the mandatory withholding of 20% unless the lump sum distribution is $200 or less.

Direct transfer Amount: $ _______ . __ (Must be at least $500) Or ___ %

£ Please check here if you meet the requirements of a Roth Permanent Disability listed below:
Roth Permanent Disability – unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in your death or to be of long-continued and indefinite duration.

(form continues on back à)

Plan Number 595375

2) £ Installments (Only available if account value, including or excluding any rollover account depending upon the Plan's provisions, is $5,000 or more.) The number of payments may not exceed your life expectancy, or the joint life expectancy of you and your beneficiary.

Start Date: ☐☐ Month ☐☐ Day ☐☐☐☐ Year

Number of Payments: ☐☐☐

£ Monthly £ Quarterly

£ Semi-annually £ Annually

Or Amount of Payment $ ☐☐☐☐☐☐☐ . ☐☐

III. Acknowledgement and Signature

I hereby authorize the distribution of funds from my account according to the directions identified above. I understand that there may be certain penalties and/or taxes due. By signing this form, I certify that within the last 180 days I have received a notice describing the tax consequences of my distribution options and the material features of the optional forms of payment available under the Plan. I am aware that I have the right under the Plan to defer distribution until I attain age 70½ (or such earlier deferred date as the Plan may provide) if my account balance exceeds the Plan's cashout limit. I am aware that the Internal Revenue Service recommends that I take 30 days to consider my distribution options; however, by returning this signed form prior to the expiration of the 30-day period, I hereby waive the 30-day waiting period. Further, I certify that no portion of the benefits to which I am entitled from the Plan is subject to a qualified domestic relations order which would affect the payment of any benefits from the Plan. I herby authorize the distribution of funds from my account balance under the Plan according to the directions set forth above. I understand that there may be penalties and/or taxes with my election.

Signature of Employee/Participant

Date:

IV. Return the Form to ADP Retirement Services

ADP Retirement Services
71 Hanover Road
Daily Production Unit MS 572
Florham Park, NJ 07932

SPECIAL TAX NOTICE

Non-Roth

PLEASE READ THIS NOTICE IF YOU ARE RECEIVING A DISTRIBUTION FROM ANY OF YOUR PLAN ACCOUNTS OTHER THAN A DESIGNATED ROTH ACCOUNT (FOR EXAMPLE, YOUR PRE-TAX DEFERRAL ACCOUNT OR EMPLOYER CONTRIBUTION ACCOUNT).

For Payments Not From a Designated Roth Account

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from a tax-qualified retirement plan maintained by your employer (the "Plan") is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are *not* from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

Rules that apply to most payments from a plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (generally, distributions made before age 59½, unless an exception applies. However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

What types of retirement accounts and plans may accept my rollover?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

How do I do a rollover?

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your IRA or employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. Generally, you will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary);
- Required minimum distributions after age 70½ (or after death);

- Hardship distributions;
- ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends);
- Cost of life insurance paid by the Plan;
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution; and
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If you are under age 59½you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax applies to the part of the distribution that you must include in income and is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation;
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary);
- Payments from a governmental plan made after you separate from service if you are a qualified public safety employee and you will be at least age 50 in the year of the separation;
- Payments made due to disability;
- Payments after your death;
- Payments of ESOP dividends;
- Corrective distributions of contributions that exceed tax law limitations;
- Cost of life insurance paid by the Plan;
- Payments made directly to the government to satisfy a federal tax levy;
- Payments made under a qualified domestic relations order (QDRO);
- Payments up to the amount of your deductible medical expenses (without regard to whether you Itemize deductions for the taxable year);
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days;
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution;
- Payments for certain distributions relating to certain federally declared disasters; and
- Phased retirement payments made to federal employees.

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from an IRA when you are under age 59½you will have to pay the 10% additional income tax on early distributions on the part of the distribution that you must include in income, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- The exception for payments made after you separate from service if you will be at least age 55 in the year of the separation (or age 50 for qualified public safety employees) does not apply.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to $10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe State income taxes?

This notice does not describe any State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions is included in the payment so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest is paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of $12,000, of which $2,000 is after-tax contributions. In this case, if you directly roll over $10,000 to an IRA that is not a Roth IRA no amount is taxable because the $2,000 amount not directly rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

If you do a 60-day rollover to an IRA of only a portion of a payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a distribution of $12,000, of which $2,000 is after-tax contributions and no part of the distribution is directly rolled over. In this case, if you roll over $10,000 to an IRA that is not a Roth IRA in a 60-day rollover no amount is taxable because the $2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. Under certain circumstances, you may claim eligibility for a waiver of the 60-day rollover deadline by making a written self-certification. Otherwise, to apply for a waiver from the IRS, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs).*

If your payment includes employer stock that you do not roll over

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

If you have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the outstanding amount of the loan, typically when your employment ends. The offset amount is treated as a distribution to you at the time of the offset. Generally, you may roll over all or any portion of the offset amount. Any offset amount that is not rolled over will be taxed (including the 10% additional income tax on early distributions, unless an exception applies). You may roll over offset amounts to an IRA or an employer plan (if the terms of the employer plan permit the plan to receive plan loan offset rollovers).

How long you have to complete the rollover depends on what kind of plan loan offset you have. If you have a qualified plan loan offset, you will have until your tax return due date (including extensions) for the tax year during which the offset occurs to complete your rollover. A qualified plan loan offset occurs when a plan loan in good standing is offset because your employer plan terminates, or because you sever from employment. If your plan loan offset occurs for any other reason, then you have 60 days from the date the offset occurs to complete your rollover.

If you were born on or before January 1, 1936

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

If your payment is from a governmental section 457(b) plan

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences include that you cannot do a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "If your payment includes employer stock that you do not roll over" and "If you were born on or before January 1, 1936" do not apply.

If you are an eligible retired public safety officer and your payment is used to pay for health coverage or qualified long-term care insurance

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of $3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

If you roll over your payment to a Roth IRA

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to $10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)* and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

If you do a rollover to a designated Roth account in the Plan

You cannot roll over a distribution to a designated Roth account in another employer's plan. However, you can roll the distribution over into a designated Roth account in the distributing Plan. If you roll over a payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. However, the 10% additional tax on early distributions will not apply (unless you take the amount rolled over out of the designated Roth account within the 5-year period that begins on January 1 of the year of the rollover).

If you roll over the payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made both after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying this 5-year rule, you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies).

If you are not a Plan participant

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section “If you were born on or before January 1, 1936” applies only if the participant was born on or before January 1, 1936.

If you are a surviving spouse. If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½

If you are a surviving beneficiary other than a spouse. If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options and the same tax treatment that the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). However, payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities.*

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments).

If your payments for the year are less than $200 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold federal income taxes. However, you may do a 60-day rollover.

Unless you elect otherwise, a mandatory cashout of more than $1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan administrator or the payor. A mandatory cashout is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed $5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information on special rollover rights related to the U.S. Armed Forces, see IRS Publication 3, *Armed Forces' Tax Guide*. You also may have special rollover rights if you were affected by a federally declared disaster (or similar event), or if you received a distribution on account of a disaster. For more information on special rollover rights related to disaster relief, see the IRS website at *www.irs.gov*.

FOR MORE INFORMATION

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at *www.irs.gov*, or by calling 1-800-TAX-FORM.

IMPORTANT INFORMATION ABOUT FAILURE TO DEFER RECEIPT OF DISTRIBUTIONS FROM TAX QUALIFIED RETIREMENT PLANS (e. g. 401(k) Plans, Profit Sharing Plans, Money Purchase Plans and Section 403(b) Plans)

Generally, you cannot be forced to take a distribution from a plan until you reach the later of age 62 or the plan's normal retirement age if your account balance is greater than $5,000. Please review the sections of your summary plan description addressing distribution of plan benefits for further information on the latest date to which you can defer a distribution under your plan and other information that might affect your decision whether or not to defer receiving your distribution. Distributions of previously untaxed amounts (which includes pre-tax employee deferrals, and earnings other than Roth 401(k) earnings attributable to a "qualified" distribution) generally will be subject to current ordinary income tax (and related tax withholding) and, potentially, an additional 10% tax for withdrawals prior to age 59½unless you elect to roll over these amounts to an IRA or another eligible employer plan. If your plan provides an In-Plan Roth Rollover Contribution, the 10% penalty will not generally apply unless you make a withdrawal from your In-Plan Roth Rollover Contribution account prior to the end of the 5-year period required for Roth distributions to be qualified (tax-free). Your tax impact could also be affected by the form in which you take your distribution. For example, taking a distribution in the form of installment payments (if your plan allows installments) rather than a lump sum could, depending on the circumstances, further defer your tax liability. In addition to these tax ramifications and potential loss of future tax deferred earnings, failing to defer receipt of a plan distribution may result in insufficient retirement savings.

If you defer receipt of your distribution, you will continue to have available to you for investment of your account balance the investment alternatives that the plan makes available to actively employed plan participants. Please log on to the plan's Web site or call the Interactive Voice Response for information about the plan's investment alternatives. Your plan may have available to it types or classes of investments that are only available to retirement plans and/or large institutional investors. These types or classes of investments may not be available to retail investors or IRAs. For example, if your plan permits investments in mutual funds, shares you purchase under your plan may be subject to lower (or no) sales charges and lower management fees and other expenses that reduce investment return than shares available for purchase by you or your IRA.

Please contact your plan administrator if you have questions about the forms of distribution available to you. Please contact your tax advisor if you have questions about their tax effects as applicable to your particular situation. Please review the prospectuses and other information provided on the Web site and/or Interactive Voice Response for more information about the sales charges (if any) and fees and expenses that apply to the investment alternatives under your plan. Information about some of the tax consequences of distributions that are eligible for rollover are contained in the Special Tax Notice that is delivered with distributions that are eligible for rollover, including, among other subjects, when earnings on Roth contributions are not subject to current taxation (that is, when a distribution from a Roth account is a "qualified distribution") and a more detailed discussion of the 10% early withdrawal tax referred to above. If your distribution is not eligible for rollover (for example, an in-service hardship distribution), you may obtain a copy of this notice by contacting the ADP Retirement Services Participant Call Center through the Interactive Voice Response.