

THE GATES GROUP RETIREMENT PLAN

**Established October 1, 1944
Amended and Restated Effective as of January 1, 2012**

Core Doc.

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PREAMBLE

The Gates Retirement Plan for Certain Specified Employees of The Gates Corporation and Its Subsidiaries (the "Plan") was established effective October 1, 1944. For a number of years, the Plan consisted of four separate documents, referred to as Doc. 1, Doc. 2, Doc. 3 and Doc. 4, each of which covered separate groups of employees. Effective January 1, 1989, the provisions of Doc. 4 were merged into Doc. 2.

Generally effective as of January 1, 1989, the Plan was amended and restated to reflect amendments adopted since the previous restatement and to comply with changes in the qualification requirements under Section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code") as amended by technical corrections to the Deficit Reduction Act of 1984 ("DEFRA") and the Retirement Equity Act of 1984 ("REA"); the Tax Reform Act of 1986 ("TRA '86"); the Omnibus Budget Reconciliation Act of 1986 ("OBRA '86"); the Omnibus Budget Reconciliation Act of 1987 ("OBRA '87"); the Technical and Miscellaneous Revenue Act of 1988 ("TAMRA"); the Omnibus Budget Reconciliation Act of 1989 ("OBRA '89"); regulations issued under Code Sections 401(a)(4), 401(a)(26), 410(b) and 414(s); the Omnibus Budget Reconciliation Act of 1990 ("OBRA '90"); the Unemployment Compensation Amendments Act of 1992 ("UCA '92"); the Family and Medical Leave Act of 1993 ("FMLA"); and the Omnibus Budget Reconciliation Act of 1993 ("OBRA '93").

Effective January 1, 1997, the Plan was amended and restated to reflect amendments adopted since the previous restatement of the Plan.

Effective July 29, 1996, The Gates Corporation and its related entities were purchased by Tomkins PLC ("Tomkins"). Tomkins subsequently purchased Stant Corporation and its related entities ("Stant"), Schrader-Bridgeport International, Inc. and its related entities ("Schrader") and ACD Tridon North America Inc. (now known as Trico Products Corporation of Tennessee) ("ACD Tridon"). Tomkins elected to treat Gates, Stant, Schrader and ACD Tridon as part of a qualified separate line of business (as defined in Code Section 414(r)) known as the Gates QSLOB.

Stant and Schrader maintained defined benefit pension plans for the benefit of their eligible employees. For administrative ease, effective December 31, 2000, the Pension Plan of Hourly Employees of Camel Tire Care Products and the Schrader Inc. Employees Pension Plan, both of which were maintained by Schrader, were merged into the Plan as Doc. 5 and Doc. 6, respectively. To reflect the merger of these plans and the anticipated merger of additional plans into the Plan, effective January 1, 2002, the name of the Plan was changed to The Gates Group Retirement Plan. In addition, the format of the Plan was revised to create a Core Doc., which contains certain general provisions that apply to all participants in the Plan, and to create separate documents that contain the provisions that separately apply to the various groups of employees covered by the Plan.

Effective January 1, 2000, the Plan was amended and restated to incorporate amendments adopted since the previous restatement and to reflect changes in the qualification requirements under Code Section 401(a), as amended by the Uruguay Round Agreements Act ("GATT"); the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA"); the Small Business Job Protection Act of 1996 ("SBJPA"); the Taxpayer Relief Act of 1997 ("TRA '97"); the Internal Revenue Service Restructuring and Reform Act of 1998 ("IRRA"); and the Community Renewal Tax Relief Act of 2000 ("CRTRA").

Effective January 1, 2002, the Stant Retirement Plan for Salaried Employees and the Epicor Industries, Inc. Hourly Employees Pension Plan were merged into the Plan, as Doc. 7 and Doc. 8, respectively.

Effective January 1, 2003, Doc. 9 was added to the Plan containing provisions referred to as the Stant Cash Accumulation Retirement Plan for Salaried Employees.

Effective January 1, 2006, the Trico Products Corporation Hourly Employees' Pension Plan was merged into the Plan as Doc. 10.

The Plan was last amended and restated, generally effective January 1, 2007, to reflect amendments adopted since the last restatement and to reflect law and regulations, including but not limited to the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"); technical corrections made by the Job Creation and Worker Assistance Act of 2002 ("JCWAA"); the Pension Funding Equity Act of 2004 ("PFEA"); the American Jobs Creation Act of 2004 ("AJCA"); and the Gulf Opportunity Zone Act of 2005 ("GOZA"). That restatement was intended to reflect the requirements contained in the 2006 Cumulative List of Changes in Plan Qualification Requirements, as issued by the Internal Revenue Service in Notice 2007-3.

Effective January 1, 2007, the FEDCO Automotive Components Company, Inc. Bargaining Unit Pension Plan was merged into the Plan as Doc. 11.

Effective September 30, 2009, the Plan was amended to freeze benefit accruals for all non-collectively bargained members.

Effective December 31, 2009, the Plan was amended to freeze benefit accruals for collectively bargained employees represented by the Polyflex IUE-CWA Local 83766.

Effective April 10, 2011, the Plan was amended to freeze benefit accruals for collectively bargained employees who were still accruing benefits at the Galesburg, IL location.

The Plan is now being amended and restated, generally effective January 1, 2012 to reflect amendments adopted since the last restatement (which include some amendments described above plus other amendments including amendments to comply with the Pension Protection Act of 2006, with final regulations under Code Section 415, and with the Heroes Earnings Assistance and Relief Tax Act of 2008). This restatement also amends the Plan, effective April 1, 2012, to add a lump sum distribution option under each Doc. This restatement also amends the Plan to reflect current law and regulations, as such requirements are prescribed by the 2010 Cumulative List of Changes in Plan Qualification Requirements, as issued by the Internal Revenue Service in Notice 2010-90.

The provisions of the Plan are conditioned upon the Plan's qualification under Code Section 401(a) and with Company contributions being deductible under Code Section 404. It is further intended that the Plan also conform to the requirements of Title I of the Employee Retirement Income Security Act of 1974, as amended, and that the Trust be qualified under Code Section 501.

The amended Plan applies only to Members whose employment terminates on or after January 1, 2012. The amended Plan shall have no effect on the benefits of previously retired or terminated persons, such benefits continuing to be determined under the terms and conditions of the Plan as in existence at the time of their retirement or termination, except as otherwise expressly provided in the Plan or adopting resolutions or as required by law.

ARTICLE 1. DEFINITIONS

- 1.1 **"Affiliated Company"** means any entity, whether or not participating in the Plan, which is:
- (a) a member of a controlled group of corporations (as defined in Code Section 414(b)) which also includes as a member the Company;
 - (b) a trade or business under common control (as defined in Code Section 414(c)) with the Company;
 - (c) an organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code Section 414(m)) which includes the Company; or
 - (d) an entity required to be aggregated with the Company pursuant to regulations under Code Section 414(o).

For purposes of determining the limitations of Code Section 415 and for purposes of applying special service crediting rules for Leased Employees, the definitions in Code Sections 414(b) and (c) shall be modified as provided in Code Section 415(h).

- 1.2 **"Annuity Starting Date"** means, except as otherwise provided in the applicable Doc., the first day of the first period for which an amount is paid as an annuity or any other form.
- 1.3 **"Beneficiary"** means any person named by a Member by written designation filed with the Retirement Board to receive payment(s) after the Member's death. Notwithstanding the foregoing, a married Member's Beneficiary shall be his spouse unless Spousal Consent approving the designation of another person to receive payments after the Member's death is on file with the Retirement Board as of the Member's date of death. If no Beneficiary designation is in effect at the Member's death or no person so designated survives the Member and there is no surviving spouse, the Beneficiary shall be the Member's estate. Any benefits payable to the estate of a Member shall be paid in a lump sum of Equivalent Actuarial Value. A Beneficiary shall also mean a Co-Pensioner as defined in Doc. 11.
- 1.4 **"Board of Directors"** means the Board of Directors of The Gates Corporation.
- 1.5 **"Break in Service"** means a period which constitutes a break as set forth in the applicable Doc.
- 1.6 **"Code"** means the Internal Revenue Code of 1986, as amended.
- 1.7 **"Company"** means The Gates Corporation (or any successor by merger, purchase or otherwise) and any Affiliated Company (or any successor by merger, purchase or otherwise) that is authorized to participate in the Plan by the Board of Directors and by which or on behalf of which contributions are made as provided in the Plan. Company shall also include The New Horizons Community Credit Union (formerly the Gates Credit Union) and any successor by merger, purchase or otherwise, which was previously authorized to participate in the Plan. The following entities are participating or have participated in the Plan:
- (a) The Gates Corporation with respect to Doc. 1, Doc. 2 and Doc. 3.

- (b) The New Horizons Community Credit Union (formerly the Gates Credit Union) with respect to Doc. 2. The New Horizon Community Credit Union ceased to exist as of July 10, 2007.
- (c) Effective December 31, 2000, Schrader-Bridgeport International, Inc. with respect to Eligible Employees covered under the provisions of Doc. 5 and Doc. 6 and effective October 17, 2011 with respect to certain salaried employees who had previously participated in Doc. 7, with respect to such employees' benefits under Doc. 7.
- (d) Effective January 1, 2002, Stant Corporation, Stant Manufacturing Inc., Standard-Thomson Corporation, Trico Products Corporation, and Trico Technologies Corporation with respect to eligible salaried Employees covered under the provisions of Doc. 7 and, effective January 1, 2003, Doc. 9, subject to the following:
 - (1) Effective June 26, 2007, Trico Products Corporation and Trico Technologies Corporation were sold to KTRI Holdings, Inc. pursuant to the Stock Purchase Agreement By and Among KTRI Holdings, Inc. and Tomkins Corporation and thus Trico Products Corporation and Trico Technologies Corporation ceased to be Affiliated Companies as of June 26, 2007. The benefits of Trico Products Corporation and Trico Technologies Corporation Members covered by Doc. 7 and Doc. 9 shall be payable in accordance with the terms of those Docs. as amended effective June 25, 2007 and from time to time thereafter.
 - (2) Effective June 18, 2008, Stant Corporation, Stant Manufacturing Inc., and Standard-Thomson Corporation were sold and ceased to be Affiliated Companies. The benefits of Stant Corporation, Stant Manufacturing Inc., and Standard-Thomson Corporation Members covered by Doc. 7 and Doc. 9 shall be payable in accordance with the terms of those Docs. as amended effective June 17, 2008 and from time to time thereafter.
- (e) Effective January 1, 2002, Epicor Industries, Inc. with respect to eligible hourly Employees covered under the provisions of Doc. 8 and with respect to eligible salaried Employees covered under the provisions of Doc. 7 and, effective January 1, 2003, Doc. 9.
- (f) Effective January 1, 2002, Trico Products Corporation with respect to certain eligible hourly Employees at the Vanceboro, NC plant covered under Doc. 8 and effective January 1, 2006, with respect to eligible former hourly employees covered under the provisions of Doc. 10. Notwithstanding the foregoing, effective June 26, 2007, Trico Products Corporation was sold to KTRI Holdings, Inc. pursuant to the Stock Purchase Agreement By and Among KTRI Holdings, Inc. and Tomkins Corporation and thus Trico Products Corporation ceased to be an Affiliated Company. The benefits of Trico Products Corporation Members covered by Doc. 8 and Doc. 10 shall be payable in accordance with the terms of those Docs. as amended effective June 25, 2007 and from time to time thereafter.
- (g) Effective December 31, 2009, FEDCO Automotive Components Company, Inc. as it existed prior to the sale of its assets to Go/Dan Industries, Inc. effective December 28, 2002.

With respect to applying the provisions of each Doc., an entity listed above shall only be included in the term "Company" with respect to the Doc. or Docs. it has adopted by appropriate action for its Eligible Employees pursuant to Section 6.5 of this Core Doc.

- 1.8 **"Core Doc."** means the provisions of the Plan contained in this segment of the Plan which, together with the separate Docs., comprise the Plan.
- 1.9 **"Doc."** means the separate provisions applicable to the various groups of Employees covered by the Plan, as detailed below:
- (a) **"Doc. 1"** means the provisions of the Plan contained in Doc. 1, which covered certain Employees of The Gates Corporation represented by Local #8031 – The United Steelworkers of America (AFL-CIO-CLC) (previously Local #154 - United Rubber, Cork, Linoleum and Plastic Workers of America and Local #154 – The United Steelworkers of America (AFL-CIO-CLC). Pursuant to the terms of the "Collective Bargaining Final Agreement Between United Steel Workers and USW Union, Local Union #8031, AFL-CIO and The Gates Corporation" that was signed June 10, 2008 (the "Final CBA"), effective August 15, 2008, no Employees are eligible to enter Doc. 1; no existing Members are eligible to accrue additional Credited Service under Doc. 1; and the pension multiplier under Section 4.1(b) of Doc. 1 was frozen at \$33.00.
 - (b) **"Doc. 2"** means the provisions of the Plan contained in Doc. 2, which covered salaried and non-union hourly Employees of The Gates Corporation hired before January 1, 1990 who are listed in Appendix J and Appendix K of Doc. 2. Effective September 30, 2009, accruals under Doc. 2 were frozen, as provided in the applicable sections of Doc. 2.
 - (c) **"Doc. 3"** means the provisions of the Plan contained in Doc. 3, which covered certain Employees of The Gates Corporation represented by the unions listed in Appendix C of Doc. 3. Effective December 31, 2009, accruals for collectively bargained employees represented by the Polyflex IUE-CWA Local 83766 under Doc. 3 were frozen, as provided in the applicable sections of Doc. 3. Effective April 10, 2011, accruals for collectively bargained employees represented by Galesburg Local #685, United Steelworkers of America, under Doc. 3 were frozen, as provided in the applicable sections of Doc. 3.
 - (d) **"Doc. 4"** previously consisted of the provisions of the Plan as in effect on December 31, 1988 in Doc. 4 which covered certain non-union hourly Employees of The Gates Corporation. Doc. 4 was merged into Doc. 2 effective January 1, 1989. The locations and employee classifications covered under the prior Doc. 4 as of December 31, 1988 and under Doc. 2 on and after January 1, 1989 are described in Appendix K of Doc. 2.
 - (e) **"Doc. 5"** means the provisions of the Plan contained in Doc. 5, which covered certain Employees previously covered by the Pension Plan for Hourly Employees of Camel Tire Care Products. The Pension Plan for Hourly Employees of Camel Tire Care Products was merged into the Plan effective December 31, 2000.
 - (f) **"Doc. 6"** means the provisions of the Plan contained in Doc. 6, which covered certain Employees previously covered by the Schrader Inc. Employees Pension Plan. The

Schrader Inc. Employees Pension Plan was merged into the Plan effective December 31, 2000.

- (g) **"Doc. 7"** means the provisions of the Plan contained in Doc. 7, which covered salaried Employees of Stant Corporation and other companies participating in Doc. 7 as listed in Section 1.7. The Stant Retirement Plan for Salaried Employees was merged into the Plan effective as of January 1, 2002. Any reference to Doc. 7 includes reference to the Stant Retirement Plan for Salaried Employees as in effect from time to time prior to January 1, 2002. The provisions of Doc. 7 continue to be referred to as the Stant Retirement Plan for Salaried Employees. Effective September 30, 2009, accruals under Doc. 7 were frozen, as provided in the applicable sections of Doc. 7.
- (h) **"Doc. 8"** means the provisions of the Plan contained in Doc. 8, which covered hourly Employees of Epicor Industries, Inc. The Epicor Industries, Inc. Hourly Employees Pension Plan was merged into the Plan effective as of January 1, 2002. Any reference to Doc. 8 includes reference to the Epicor Industries, Inc. Hourly Employees Pension Plan as in effect from time to time prior to January 1, 2002. Effective February 28, 2003, accruals under Doc. 8 were frozen as provided in the Appendix Sections of Doc. 8. The provisions of Doc. 8 continue to be referred to as the Epicor Industries, Inc. Hourly Employees Pension Plan.
- (i) **"Doc. 9"** means the provisions of the Plan contained in Doc. 9, which covered certain salaried Employees of Stant Corporation and the other companies participating in Doc. 9 (as listed in Section 1.7), provided such salaried Employees are hired, or rehired following a Severance Date, on or after January 1, 2003. The provisions of Doc. 9 are referred to as the Stant Cash Accumulation Retirement Plan for Salaried Employees. Effective September 30, 2009, entry into and accruals under Doc. 9 were frozen, as provided in the applicable sections of Doc. 9.
- (j) **"Doc. 10"** means the provisions of the Plan contained in Doc. 10, which covered former hourly collectively bargained Employees of Trico Products Corporation. Over the period from June 14, 2003 through March 26, 2004, Trico Products Corporation closed the plant at which the eligible employees worked so there were no new entrants and no further accruals. The Trico Products Corporation Hourly Employees' Retirement Plan was merged into the Plan effective as of January 1, 2006. Any reference to Doc. 10 includes a reference to the Trico Products Corporation Hourly Employees' Retirement Plan as in effect from time to time prior to January 1, 2006. The provisions of Doc. 10 continue to be referred to as the Trico Products Corporation Hourly Employees' Retirement Plan.
- (k) **"Doc. 11"** means the provisions of the Plan contained in Doc. 11, which covered former collectively bargained employees of FEDCO Automotive Components Company, Inc. Effective December 28, 2002, the assets of FEDCO Automotive Components Company, Inc. ("FEDCO") were sold to Go/Dan Industries, Inc. and all Employees who were covered by the FEDCO Plan ceased to be employed by FEDCO. Subsequently, sponsorship of the FEDCO Plan was transferred to FEDCO's parent company, Buffalo Holding Company ("Buffalo Holding"). The FEDCO Automotive Components Company, Inc. Bargaining Unit Pension Plan was merged into the Plan effective as of December 31, 2009. Any reference to Doc. 11 includes a reference to the FEDCO Automotive Components Company, Inc. Bargaining Unit Pension Plan as in effect prior to December 31, 2009. The provisions of Doc. 11 continue to be

referred to as the FEDCO Automotive Components Company, Inc. Bargaining Unit Pension Plan.

1.10 "Effective Date" means October 1, 1944 with respect to the establishment of the original Plan. The effective date of this amendment and restatement is January 1, 2012. Following are the original effective dates of plans that have been merged into the Plan:

- (a) Pension Plan for Hourly Employees of Camel Tire Care Products - March 1, 1967.
- (b) Schrader Inc. Employees Pension Plan - February 16, 1995.
- (c) Stant Retirement Plan for Salaried Employees – November 13, 1987.
- (d) Epicor Industries, Inc. Hourly Employees Pension Plan – January 1, 1990.
- (e) Trico Products Corporation Hourly Employees' Retirement Plan – 1934.
- (f) FEDCO Automotive Components Company, Inc. Bargaining Unit Pension – August 25, 1960.

1.11 "Eligible Employee" means with respect to each Doc. an Employee eligible to participate under the terms of such Doc.

1.12 "Employee" means any person employed by the Company or an Affiliated Company who receives compensation other than a pension, severance pay, retainer, or fee under contract but excluding:

- (a) any Leased Employee;
- (b) any person who is included in a unit of employees covered by a collective bargaining agreement that does not provide for membership in the Plan;
- (c) any person on the payroll of a third party with whom the Company or an Affiliated Company has contracted for the provision of such person's services;
- (d) any person who is a nonresident alien and receives no earned income from the Company or an Affiliated Company that constitutes income from sources within the United States as defined in Code Section 410(b)(3)(C); and
- (e) any person classified as an independent contract or consultant by the Company or an Affiliated Company (regardless of the status of the individual for income tax withholding or other purposes) for any period during which he is so classified even if such classification is later changed by a court, administrative agency, or prospectively by the Company or Affiliated Company.

The term "employee" as used in the Plan means any individual who is employed by the Company or an Affiliated Company as a common law employee, regardless of whether the individual is an "Employee," and any Leased Employee.

1.13 "Equivalent Actuarial Value" means, except as otherwise provided in the applicable Doc., the equivalent value determined on the following basis:

- (a) for purposes of calculating lump sum payments and any Social Security leveling form of payment, the IRS Interest Rate and IRS Mortality Table; and
- (b) for all other purposes, an annual rate of interest of 8% and a mortality assumption based on the 1983 Group Annuity Table for Males.

1.14 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

1.15 "Hour of Service" means, with respect to any applicable computation period:

- (a) each hour for which an Employee is paid or entitled to payment for the performance of duties for the Company or an Affiliated Company;
- (b) each hour for which an Employee is paid or entitled to payment by the Company or an Affiliated Company on account of a period during which no duties are performed, whether or not the employment relationship has terminated, due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, or leave of absence, but not in excess of 501 hours for any such single continuous period;
- (c) each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to by the Company or an Affiliated Company, excluding any hours credited under paragraph (a) or (b), which shall be credited to the computation period or periods to which the award, agreement or payment pertains, rather than to the computation period or periods in which the award, agreement or payment is made;
- (d) solely for purposes of determining whether an Employee has incurred a Break in Service under the Plan, each hour for which an Employee would normally be credited under paragraph (a) or (b) during a period of Parental Leave, but not more than 501 hours for any single continuous period (Notwithstanding the foregoing, the number of hours credited to an Employee under this paragraph (d) during the computation period in which the Parental Leave began, when added to the hours credited to an Employee under paragraphs (a) through (c) during that computation period, shall not exceed 501. If the number of hours credited under this paragraph (d) for the computation period in which the Parental Leave began is zero, the provisions of this paragraph (d) shall apply as though the Parental Leave began in the immediately following computation period.); and
- (e) solely for purposes of determining whether an Employee has incurred a Break in Service under the Plan, each hour for which an Employee would normally be credited under paragraph (a) or (b) during a period of unpaid leave for the birth, adoption, or placement of a child; to care for a spouse or other immediate family member with a serious illness; or for the Employee's own illness, all pursuant to the Family and Medical Leave Act of 1993.

No hours shall be credited on account of any period during which the Employee performs no duties and receives payment solely for the purpose of complying with workers' compensation, unemployment compensation or disability insurance laws. The Hours of Service to be so credited shall be determined pursuant to Title 29 of the Code of Federal Regulations, Sections 2530.200b-2(b) and (c).

1.16 **"Investment Manager"** means any individual(s) or firms as so defined in Section 3(38) of ERISA.

1.17 **"IRS Interest Rate"** means the interest rate prescribed under Code Section 417(e)(3)(C) for the third full calendar month preceding the applicable Stability Period.

Effective November 1, 2006 through December 31, 2011 with respect to Doc. 10 and effective December 31, 2009 through December 31, 2011 with respect to Doc. 11, the IRS Interest Rate was the interest rate specified under Code Section 417(e)(3)(C) for the fifth full calendar month preceding the applicable Stability Period. Notwithstanding the change in the look back month for the determination of the IRS Interest Rate for Doc. 10 and Doc. 11, a Member's Pension calculated on an equivalent actuarial basis and payable as a lump sum during the period from January 1, 2012 through December 31, 2012 shall not be less than the amount that would have been payable had such lump sum been calculated using the IRS Interest Rate for August 2011.

1.18 **"IRS Mortality Table"** means the mortality table prescribed under Code Section 417(e)(3)(B) as in effect on the first day of the applicable Stability Period.

1.19 **"Leased Employee"** means any person (other than a common law employee of the Company or an Affiliated Company) who performs services for the Company or an Affiliated Company provided all of the following circumstances exist:

(a) Such services are provided pursuant to an agreement between an organization or person (the "leasing organization") and the Company or an Affiliated Company;

(b) Such services have been performed for the Company or an Affiliated Company (or for the Company or an Affiliated Company and related persons determined in accordance with Code Section 414(n)(6) on a substantially full-time basis for a period of at least one year; and

(c) Such services are performed under the primary direction or control of the Company or an Affiliated Company.

1.20 **"Limitation Year"** means the calendar year.

1.21 **"Member"** means a person (other than a Beneficiary) entitled to an accrued benefit under the Plan, including a person whose Pension amount is determined to be zero solely because of the Matchmaker Plan Offset under Doc. 2 or Doc. 3 or the Matchmaker Offset (known as the Tomkins Automotive 401(k) Plan Offset, prior to January 1, 2012 and as the Stant 401(k) Plan Offset, prior to March 6, 2008) under Doc. 7.

1.22 **"Pension"** means monthly payments payable to a Member or his Beneficiary.

1.23 **"Plan"** means, prior to January 1, 2002, The Gates Retirement Plan for Certain Specified Employees of The Gates Corporation and Its Subsidiaries and, effective January 1, 2002, The Gates Group Retirement Plan.

1.24 **"Plan Year"** means the calendar year.

- 1.25 **"Retire"** or **"Retirement"** means termination of employment from the Company and all Affiliated Companies with eligibility for an immediate pension or retirement award. Retirement does not include a termination of employment with eligibility only for a Vested Termination Pension.
- 1.26 **"Retirement Board"** means the Tomkins North America Retirement Board, LLC which is the board appointed to administer and supervise the Plan as provided in Article 5.
- 1.27 **"Social Security Retirement Age"** means age 65 with respect to a Member who was born before January 1, 1938; age 66 with respect to a Member who was born after December 31, 1937 and before January 1, 1955; and age 67 with respect to a Member who was born after December 31, 1954.
- 1.28 **"Spousal Consent"** means written consent given by a Member's spouse to an election made by the Member which specifies the form of Pension and the Beneficiary designated by the Member. The specified form or specified Beneficiary shall not be changed unless further Spousal Consent is given, or the spouse expressly waives the right to consent to any future changes. Spousal Consent shall be witnessed by a Plan representative or notary public and shall acknowledge the effect on the spouse of the Member's election. The requirement for Spousal Consent may be waived by the Retirement Board if it is established that there is no spouse, that the spouse cannot be located, that a legal separation has occurred or for such other reasons as may be established by applicable regulations. Spousal Consent shall be applicable only to the particular spouse who provides such consent.
- 1.29 **"Stability Period"** means the Plan Year in which occurs the Annuity Starting Date for a distribution.
- 1.30 **"Statutory Compensation"** means compensation from the Company and any Affiliated Company as defined in U.S. Treasury Department regulations 1.415(c)-2(d)(4) (i.e., "Information required to be reported under sections 6041, 6051 and 6052" ("W-2 Pay") plus amounts that would be included in wages but for an election under Code Section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B)), 402(k), or 457(b)). For purposes of applying the top-heavy provisions under Section 2.4 and, effective for Limitation Years beginning on and after January 1, 2008, for purposes of applying the maximum benefit limitations under Section 2.3 and identifying Highly Compensated Employees under Section 2.8, Statutory Compensation shall not exceed the maximum limitation on compensation under Code Section 401(a)(17). Statutory Compensation shall also include the amounts required to be recognized under the provisions of U.S. Treasury Department regulation 1.415(c)-2(e)(3)(ii) (i.e., compensation paid by the later of 2½ months after an Employee's severance from employment with the Company and all Affiliated Companies or the end of the Plan Year that includes the Employee's severance from employment with the Company and all Affiliated Companies if the payment is regular compensation for services during the Employee's regular working hours, or compensation for services outside the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses or similar payments, and, absent a severance from employment, the payments would have been paid to the Employee while the Employee continued in employment with the Company or an Affiliated Company). Statutory Compensation shall exclude all amounts required to be excluded under the provisions of U.S. Treasury Department regulation 1.415(c)-2.
- 1.31 **"Tomkins"** means Tomkins Corporation and any successor thereto.

1.32 "Trust" means a trust or trusts of Plan funds.

1.33 "Trustee" means the trustee or trustees by whom Plan funds are held.

ARTICLE 2. BENEFIT PROVISIONS AND GOVERNMENTAL RESTRICTIONS

2.1 Membership

Employees became Members of the Plan in accordance with the terms of the applicable Docs.

2.2 Benefit Provisions

The benefits provided under the Plan are set forth in the applicable Doc.

2.3 Code Section 415 Limitations—Maximum Annual Pension

(a) Maximum Pension

Notwithstanding any provisions of the Plan to the contrary, the annual benefit payable to a Member under the Plan shall be subject to the maximum limitations set forth in Code Section 415 and any regulations or rulings issued thereunder. The increased limitations of Code Section 415(b) effective on and after January 1, 2002 apply to all current and former Members (with benefits limited by Code Section 415(b)) who had an Accrued Benefit under the Plan immediately prior to January 1, 2002 (other than an Accrued Benefit resulting from a benefit increase solely as a result of the increases in limitations under Code Section 415(b)).

(b) Adjustment of Benefit and Maximum Dollar Limitation

If the benefit payable under the Plan would (but for this Section) exceed the limitations of Code Section 415 by reason of a benefit payable under another defined benefit plan aggregated with this Plan under Code Section 415(f), the benefit under this Plan shall be reduced only after all reductions have been made under such other plan. As of January 1 of each calendar year beginning on or after January 1, 2002, the maximum dollar limitation shall be adjusted as indexed. Such adjustment of the maximum dollar limitation shall also apply to retired Members.

(c) Definition of Remuneration

With respect to Limitation Years beginning on and after January 1, 2008, remuneration with respect to applying the Code Section 415 maximum limitation for any Member means Statutory Compensation.

With respect to Limitation Years beginning prior to January 1, 2008, the term "remuneration" with respect to applying the Code Section 415 maximum limitation for any Member means the wages, salaries and other amounts paid in respect of such Member by the Company or an Affiliated Company for personal services actually rendered. Remuneration shall include, but not by way of limitation, bonuses, overtime payments and commissions. Remuneration shall exclude deferred compensation, stock options and other distributions which receive special tax benefits under the Code. Notwithstanding the foregoing, in compliance with Code Section 415(c)(3), remuneration shall include (i) with respect to calendar years on and after January 1, 1998, elective amounts which are not includible in the gross income of the employee

by reason of Code Section 125, 402(g)(3) or 457, and, in addition, (ii) for calendar years on and after January 1, 2001, elective amounts which are not includible in the gross income of the employee by reason of Code Section 132(f)(4). For purposes of this Section, effective for Plan Years beginning on or after January 1, 2002, amounts that are not includible in gross income by reason of Code Section 125 include any amounts not available to an employee in cash in lieu of group health coverage because the employee is unable to certify that he has other health coverage, provided that such amounts will be treated as amounts under Code Section 125 only if the Company or an Affiliated Company does not request or collect information regarding the employee's other health coverage as part of the enrollment process for the health plan.

2.4 Top-Heavy Provisions

(a) Definitions

The following definitions apply to the terms used in this Section:

- (1) "Applicable Determination Date" means the last day of the preceding calendar year.
- (2) "Applicable Valuation Date" means the date within the preceding calendar year as of which annual Plan costs are or would be computed for minimum funding purposes.
- (3) "Average Remuneration" means the average Statutory Compensation (as defined in Section 2.3(c) and as limited by Code Section 401(a)(17)) of a Member for the five consecutive years of his Continuous Service after December 31, 1983 during which he received the greatest Statutory Compensation from the Company or any Affiliated Company, excluding any Statutory Compensation for service after the last Plan Year with respect to which the Plan is top-heavy.
- (4) "Key Employee" means any employee or former employee (including any deceased employee) who at any time during the Plan Year that includes the applicable determination date was an officer of the Company or an Affiliated Company having Statutory Compensation greater than \$130,000 (as adjusted under Code Section 416(i)(1) for Plan Years beginning after December 31, 2002), a 5-percent owner (as defined in Code Section 416(i)(1)(B)(i)) of the Company or an Affiliated Company, or a 1-percent owner (as defined in Code Section 416(i)(1)(B)(ii)) of the Company or an Affiliated Company having Statutory Compensation greater than \$150,000 (the determination of who is a key employee shall be made in accordance with Code Section 416(i) and the applicable regulations and other guidance of general applicability issued thereunder).
- (5) "Non-Key Employee" means any employee who is not a key employee.
- (6) "Permissive Aggregation Group" means each plan in the required aggregation group and any other qualified plan(s) of the Company or an Affiliated Company in which all members are non-key employees, if the resulting

aggregation group continues to meet the requirements of Code Sections 401(a)(4) and 410.

- (7) "Required Aggregation Group" means each other qualified plan of the Company or an Affiliated Company (including plans that terminated within the five-year period ending on the determination date) in which there are members who are key employees or which enables the Plan to meet the requirements of Code Section 401(a)(4) or 410.
- (8) "Top-Heavy Ratio" means the ratio of (i) the present value of the cumulative Accrued Benefits under the Plan for key employees to (ii) the present value of the cumulative Accrued Benefits under the Plan for all key employees and non-key employees; provided, however, that if an individual has not performed services for the Company at any time during the one-year period ending on the applicable determination date, any accrued benefit for such individual (and the account of such individual) shall not be taken into account; and provided further, that the present values of Accrued Benefits under the Plan for an employee as of the applicable determination date shall be increased by the distributions made with respect to the employee under the Plan and any plan aggregated with the Plan under Code Section 416(g)(2) during the one-year period (five-year period in the case of a distribution made for a reason other than severance from employment, death, or disability) ending on the applicable determination date and any distributions made with respect to the employee under a terminated plan which, had it not been terminated, would have been in the required aggregation group.

(b) Determination of Top Heavy Status

(1) When Top-Heavy

The Plan shall be "top-heavy" with respect to any Plan Year if, as of the Applicable Determination Date, the Top-Heavy Ratio exceeds 60 percent.

The Top-Heavy Ratio shall be determined as of the Applicable Valuation Date in accordance with Code Sections 416(g)(3) and (4)(B). The post-retirement mortality table and the annual interest rate used in determining the minimum contribution for funding standard account purposes shall be used.

(2) Aggregation

For purposes of determining whether the Plan is top-heavy, the present value of accrued Pensions under the Plan will be combined with the present value of accrued benefits or account balances under each other plan in the Required Aggregation Group.

In the Company's discretion, accrued benefits or account balances under each plan in the Required Aggregation Group may be combined with the present value of accrued benefits or account balances under any other qualified plan(s) in the Permissive Aggregation Group.

(3) Determination of Accrued Benefit

The accrued benefit of a Non-Key Employee under the Plan or any other defined benefit plan in the aggregation group shall be determined:

- (i) under the method, if any, that uniformly applies for accrual purposes under all plans maintained by the Company or an Affiliated Company; or
- (ii) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule described in Code Section 411(b)(1)(C).

(c) Consequences of Being Top Heavy

The following provisions shall be applicable to Members for any calendar year with respect to which the Plan is top-heavy:

(1) Vesting

In lieu of the service requirement for eligibility for a Vested Termination Pension, any Member who has completed three years of Continuous Service shall be entitled, upon termination of service with the Company and all Affiliated Companies, to a Vested Termination Pension.

(2) Minimum Benefit

The accrued Pension of a Member who is a Non-Key Employee shall not be less than two percent of his average remuneration multiplied by the number of years of his Continuous Service, during the calendar years for which the Plan is top-heavy, but not in excess of 10. For purposes of the preceding sentence, years of Continuous Service shall be disregarded to the extent that such years of Continuous Service occur during a Plan Year when the Plan benefits (within the meaning of Code Section 410(b)) no key employee or former key employee. Such minimum benefit shall be payable at a Member's Normal Retirement Date. If payments commence at a time other than the Member's Normal Retirement Date, the minimum accrued Pension shall be of Equivalent Actuarial Value to such minimum benefit.

(d) Cessation of Top Heavy Status

If the Plan is top-heavy with respect to a calendar year and ceases to be top-heavy for a subsequent calendar year, the following provisions shall be applicable:

- (1) The accrued Pension in any such subsequent calendar year shall not be less than the minimum accrued Pension provided in paragraph (c)(2) above, computed as of the end of the most recent calendar year for which the Plan was top-heavy.
- (2) If a Member had completed three years of Continuous Service on or before the last day of the most recent calendar year for which the Plan was top-heavy, he

shall continue to have a nonforfeitable right to his accrued Pension, computed as of any subsequent date, and deferred to commence on his Normal Retirement Date.

- (3) If a Member had not completed three years of Continuous Service on or before the last day of the most recent calendar year for which the Plan was top-heavy, the vesting provisions of paragraph (c)(1) above shall continue to be applicable to the portion of this accrued Pension determined as of the last day of the calendar year in which the Plan was top-heavy, and the regular service requirement for eligibility for a Vested Termination Pension shall again be applicable with respect to the remaining portion of his accrued Pension; provided however, that in no event shall the vested percentage of such remaining portion be less than the percentage determined under paragraph (c)(1) above as of the last day of the most recent calendar year for which the Plan was top-heavy.

2.5 Distribution Limitation

Notwithstanding any other provisions of the Plan, all distributions from the Plan shall conform with Code Section 401(a)(9) and the regulations issued under Code Section 401(a)(9), including the incidental death benefit provisions of Code Section 401(a)(9)(G). Further, such regulations shall override any Plan provision that is inconsistent with Code Section 401(a)(9). If a Member dies after Pension payments have commenced, any payments continuing on to his spouse or Beneficiary shall be distributed at least as rapidly as under the method of distribution being used as of the Member's date of death. With respect to distributions under the Plan on and after January 1, 2003, the Plan will apply the minimum distribution requirements of Code Section 401(a)(9) and the regulations. The following rules shall apply to all distributions:

- (a) Any additional benefits accruing to a Member in a calendar year after the first distribution calendar year will be distributed beginning as of the first payment interval ending in the calendar year immediately following the calendar year in which such amounts accrue.
- (b) If a Member's Pension is being distributed in the form of a joint and survivor annuity for the joint lives of the Member and a non-spouse Beneficiary, annuity payments to be made on or after the Member's required beginning date to the designated Beneficiary after the Member's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Member using the table set forth in Q&A-2 of Section 1.401(a)(9)-6 of the Treasury regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Member and a non-spouse Beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated Beneficiary after the expiration of the period certain. If the Annuity Starting Date occurs in a calendar year which precedes the calendar year in which the Member reaches age 70, in determining the applicable percentage, the Member/Beneficiary age difference is reduced by the number of years that the Member is younger than age 70 on the Member's birthday in the calendar year that contains the Annuity Starting Date.
- (c) If the Member's Pension is being distributed in the form of a period certain and life annuity option, the period certain may not exceed the applicable distribution period for

the Member under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the Annuity Starting Date. If the Annuity Starting Date precedes the year in which the Member reaches age 70, the applicable distribution period for the Member is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations plus the excess of 70 over the age of the Member as of the Member's birthday in the year that contains the Annuity Starting Date.

- (d) For purposes of this Section, the following definitions shall apply:
- (1) "Designated Beneficiary" means an individual other than the Member's spouse who is designated to receive survivor benefits under a joint and survivor annuity or a period certain annuity as an optional form of payment. Such designated Beneficiary shall constitute the designated beneficiary as such term is used under Code Section 401(a)(9) and Section 1.401(a)(9)-4 of the Treasury regulations.
 - (2) "Distribution calendar year" means a calendar year for which a minimum distribution is required. For distributions beginning before a Member's death, the first distribution calendar year is the calendar year immediately preceding the calendar year that contains the Member's required beginning date.
 - (3) "Life expectancy" is life expectancy as computed using the Single Life Table in Section 1.401(a)(9)-9, Q & A-1 of the Treasury regulations.
 - (4) "Required beginning date" means, with respect to a Member who is a 5-percent owner as defined in Code Section 416(i), the April 1 of the calendar year following the calendar year in which the Member attains age 70½ and, with respect to a Member who is not a 5-percent owner and who attains age 70½ on or after January 1, 2000, the April 1 following the later of the calendar year in which the Member attains age 70½ or the calendar year in which the Member Retires.

2.6 Suspension of Benefits Notice

If the applicable Doc. provides that a Member's benefits are to be suspended after his Normal Retirement Date, such Member shall be provided with a "Suspension of Benefits Notice" by personal delivery or first class mail during the first calendar month for which the Member's Pension will be suspended. Such notice shall contain -

- (a) a description of the specific reasons why payments are suspended;
- (b) a general description of the Plan provisions relating to the suspension of benefits;
- (c) a copy of the relevant Plan provisions;
- (d) a statement that applicable Department of Labor regulations may be found in Section 2530.203-3 of the Code of Federal Regulations; and

- (e) a statement that a review of the suspension may be requested under the Plan's claims procedure, together with a description of such procedures.

If the summary plan description ("SPD") contains information which is substantially the same as the information required by this Section, the notification may refer the Member to the relevant pages of the SPD, provided that the Member is informed as to how to obtain a copy of the SPD or the relevant pages, and that written requests for information are honored within 30 days.

2.7 Direct Rollovers

- (a) Direct Rollover Right

Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this Section, a Distributee may elect, at the time and in the manner prescribed by the Retirement Board, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

- (b) Definitions

- (1) "Direct Rollover" means a payment by the Plan to an Eligible Retirement Plan specified by the Distributee.
- (2) "Distributee" means a Member, a Member's surviving spouse, a Member's spouse or former spouse who is an alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), with regard to the interest of such alternate payee, and a non-spouse Beneficiary of a deceased Member.
- (3) "Eligible retirement plan" means any of the following types of plans that accept the distributee's eligible rollover distribution:
 - (i) a qualified plan described in Code Section 401(a);
 - (ii) an annuity plan described in Code Section 403(a);
 - (iii) an individual retirement account or individual retirement annuity described in Code Section 408(a) or 408(b), respectively;
 - (iv) an annuity contract described in Code Section 403(b);
 - (v) an eligible plan under Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan; and
 - (vi) a Roth IRA described in Code Section 408A.

Notwithstanding the foregoing, with respect to a non-spouse Beneficiary, an eligible retirement plan shall mean an individual retirement account described

in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), or a Roth IRA described in Code Section 408A (collectively, "IRA") that is established on behalf of the non-Spouse Beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Code Sections 402(c)(11) and 408(d)(3)(C)(ii).

- (4) "Eligible Rollover Distribution" means a distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include:
- (i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary; or for a specified period of 10 years or more;
 - (ii) any distribution to the extent such distribution is required under Code Section 401(a)(9); and
 - (iii) any after-tax amount unless such amount is rolled over or transferred (i.e., directly rolled) to an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), or a Roth individual retirement account described in Code Section 408A(b); or transferred (i.e., directly rolled over) to:
 - (A) a qualified plan described in Code Section 401(a); or
 - (B) an annuity plan described in Code Section 403(b)provided that a plan described in subparagraph (A) or (B) agrees to separately account for such after-tax amount and earnings thereon.

In the event that the provisions of this Section or any part thereof cease to be required by law as a result of subsequent legislation or otherwise, this Section or any applicable part thereof shall be ineffective without the necessity of further amendments to the Plan.

(c) Waiver of 30-Day Notice for Mandatory Cashouts

If a Member's Pension is distributable mandatorily in a lump sum payment pursuant to the terms of the applicable Doc. or to Section 7.3 of this Core Doc. and the distribution is a distribution to which Code Sections 401(a)(11) and 417 do not apply, then such distribution may commence sooner than 30 days after the notice required under Treasury Regulation Section 1.411(a)-11(c) is given, provided that:

- (1) the Retirement Board clearly informs the Member that the Member has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option); and
- (2) the Member, after receiving the notice, affirmatively elects a distribution.

(d) Waiver of 30-Day Notice for Other Distributions

If a distribution is not described in paragraph (c) above either because the Member's Pension is not mandatorily distributable in a lump sum payment or the distribution is one to which Code Sections 401(a)(11) and 417 apply, a Member may, after receiving the notice required under Code Sections 411 and 417, affirmatively elect to have his benefit commence sooner than 30 days following his receipt of the required notice, provided all of the following requirements are met:

- (1) the Retirement Board clearly informs the Member that he has a period of at least 30 days after receiving the notice to decide when to have his benefit begin, and if applicable, to choose a particular form of payment;
 - (2) the Member affirmatively waives the 30-day period referred to above and elects a date for benefits to begin, and if applicable, an optional form of payment, after receiving the notice;
 - (3) the Member is permitted to revoke his election until the later of his Annuity Starting Date or seven days following the day he received the notice; and
 - (4) payment does not commence sooner than seven days following the day after the notice is received by the Member nor more than 180 days following the day after the notice is received by the Member except that the 180-day period may be extended due to administrative delay).
- (e) An election under this Section may be revoked on a form provided by the Retirement Board, and subsequent elections and revocations may be made at any time and from time to time during the election period specified. An election shall be effective on the Member's Annuity Starting Date and may not be modified or revoked after his Annuity Starting Date unless otherwise provided. A revocation of any election shall be effective when the completed form is filed with the Retirement Board.

2.8 Limitation on Highly Compensated Employees and on High-25 Employees

(a) When Section Applies

The provisions of this Section shall apply:

- (1) in the event the Plan is terminated, to any Member who is a Highly Compensated Employee or Highly Compensated Former Employee of the Company or an Affiliated Company; and
- (2) in any other event, to any Member who is one of the 25 Highly Compensated Employees or Highly Compensated Former Employees of the Company or an Affiliated Company with the greatest Statutory Compensation in any Plan Year.

The amount of the annual payments to any one of the Members to whom this Section applies shall not be greater than the amount that would be paid on behalf of the

Member under a single life annuity that is of Equivalent Actuarial Value to the sum of the Member's accrued benefit and the Member's other benefits under the Plan.

(b) When Section Does Not Apply

The provisions of this Section shall not apply if:

- (1) after payment of the Pension or other benefits to any one of the Members to whom this Section applies, the value of Plan assets equals or exceeds 110 per cent of the value of current liabilities (as that term is defined in Code Section 412(l)(7)) of the Plan;
- (2) the value of the Pension and other benefits payable to any one of the Members to whom this Section applies is less than one per cent of the value of current liabilities of the Plan before distribution; or
- (3) the value of the Pension and other benefits payable to any one of the Members to whom this Section applies does not exceed the amount described in Code Section 411(a)(11)(A).

(c) Repayment of Lump Sum Distributions

To the extent permitted by law, if any Member to whom this Section applies elects to receive a lump sum payment in lieu of his Pension, the Member shall be entitled to receive his benefit in full provided he agrees to repay to the Plan any portion of the lump sum payment which would otherwise be restricted and he provides adequate security to guarantee such repayment in accordance with rules established by the Internal Revenue Service.

(d) Termination of Plan

Notwithstanding the above, in the event the Plan is terminated, the restrictions of this Section shall not be applicable if the benefits payable to any Highly Compensated Employee and any Highly Compensated Former Employee are limited to benefits that are nondiscriminatory under Code Section 401(a)(4).

(e) For purposes this Section, the following terms shall have the following meanings:

- (1) "Highly Compensated Employee" means for a Plan Year any employee of the Company or an Affiliated Company (whether or not eligible for membership in the Plan) who:
 - (i) was a 5-percent owner (as defined in Code Section 416(i)) for such Plan Year or the prior Plan Year; or
 - (ii) for the preceding Plan Year received Statutory Compensation in excess of \$80,000. The \$80,000 dollar amount in the preceding sentence shall be adjusted from time to time for cost of living in accordance with Code Section 414(q).

Notwithstanding the foregoing, employees who are nonresident aliens and who receive no earned income from the Company or an Affiliated Company which constitutes income from sources within the United States shall be disregarded for all purposes of this Section.

The Company's Plan Year election as described above, shall be used consistently in determining Highly Compensated Employees for determination years of all employee benefit plans of the Company and Affiliated Company for which Code Section 414(q) applies (other than a multiemployer plan) that begin with or within the same calendar year, until such election is changed by Plan amendment in accordance with IRS requirements.

The provisions of this Section shall be further subject to such additional requirements as shall be described in Code Section 414(q) and its applicable regulations, which shall override any aspects of this Section inconsistent therewith.

- (2) "Highly Compensated Former Employee" means for a Plan Year any former employee of the Company or an Affiliated Company who had terminated employment prior to the Plan Year and who was a Highly Compensated Employee for either the year of termination or any Plan Year ending on or after the employee's 55th birthday.

(f) When Section is Ineffective

If it should subsequently be determined by statute, court decision acquiesced in by the Commissioner of the Internal Revenue Service, or ruling by the Commissioner of the Internal Revenue Service, that the provisions of this Section are no longer necessary to qualify the Plan under the Code, this Section shall be ineffective without the necessity of further amendment to the Plan.

2.9 Limitation on Benefits In the Event of a Liquidity Shortfall

Notwithstanding any provisions of the Plan to the contrary, in the event the Plan has a liquidity shortfall within the meaning of Code Section 401(a)(32), the Trustee shall, as directed by the Retirement Board, cease payment during the period of such liquidity shortfall of:

- (a) any payment in excess of the monthly amount payable under a single life annuity (plus any social security supplements described in Code Section 411(a)(9)) to any Member or Beneficiary whose Annuity Starting Date occurs during such period;
- (b) any payment for the purchase of an irrevocable commitment from an insurer to pay benefits; or
- (c) any other payment specified in regulations promulgated under Code Section 401(a)(32).

2.10 Limitations Based on Funded Status of the Plan

Notwithstanding any provision of the Plan to the contrary, the following provisions shall apply as required by Code Section 436 except to the extent the exception under Code Section 436(d)(4) applies:

- (a) In the event the Plan's adjusted funding target attainment percentage for a Plan Year is less than 60 percent, benefit accruals shall cease during the period benefit accruals are restricted under the provisions of Code Section 436(e). To the extent benefit accruals were not otherwise frozen under the Plan, benefit accruals that were not permitted to accrue pursuant to the application of the provisions of the preceding sentence shall be restored automatically as of the Code Section 436 measurement date as of which the limitations under Code Section 436(e) cease to apply if:
 - (1) the continuous period of the limitation is 12 months or less; and
 - (2) the Plan's enrolled actuary certifies that the adjusted funding target attainment percentage for the Plan would not be less than 60 percent taking into account the restored benefit accruals for the prior Plan Year.
- (b) In the event the Plan's adjusted funding target attainment percentage for a Plan Year falls below the threshold defined under Code Section 436(d)(1) and/or (3) the Trustee shall, as directed by the Retirement Board, cease payment of any prohibited payment during the period specified in, and to the extent necessary to comply with the provisions of Code Section 436(d).
- (c) In no event shall a prohibited payment be paid during any period the Company is a debtor in a case under Title 11, United States Code, or similar federal or state law, to the extent necessary to comply with the provisions of Code Section 436(d)(2).
- (d) In no event shall an amendment that has the effect of increasing liabilities of the Plan by reason of increases in benefits, establishment of new benefits, changing the rate of benefit accrual, or changing the rate at which benefits become nonforfeitable become effective during the period such amendment would violate the provisions of Code Section 436(c).
- (e) If an optional form of benefit that is otherwise available under the terms of the Plan is not available because of the application of Code Section 436(d)(1) or (2), a Member or Beneficiary, as applicable, shall be eligible to elect another form of benefit available under the Plan or to defer payment to a later date (to the extent permitted under applicable qualification requirements and Plan provisions).
- (f) If an optional form of benefit that is otherwise available under the terms of the Plan is not available because of the application of Code Section 436(d)(3), a Member or Beneficiary, as applicable, shall be eligible to defer his entire payment to a later date (to the extent permitted under applicable qualification requirements and Plan provisions) or to bifurcate the benefit into unrestricted and restricted portions. If a Member or Beneficiary elects to bifurcate the benefit, the Member or Beneficiary shall be eligible to elect, with respect to the unrestricted portion of the benefit, any optional form otherwise available under the Plan with respect to the Member's or Beneficiary's entire benefit and in such a case, if the

Member or Beneficiary elects payment of the unrestricted portion of the benefit in the form of a prohibited payment, the Member or Beneficiary shall be eligible to elect:

- (1) to receive payment of the restricted portion of the benefit in any optional form of benefit under the Plan that is not a prohibited payment and that would have been permitted with respect to the Member's or Beneficiary's entire benefit; or
- (2) if the Retirement Board has determined, in a consistent and nondiscriminatory manner, that Members and Beneficiaries may defer only the restricted portion of their benefits, to defer commencement of the restricted portion of his benefit until after the restrictions on prohibited payments lapse and receive said amount in any optional form of payment available under the Plan. Such election shall be subject to any other applicable qualification requirements and shall be made in accordance with all Plan rules regarding elections of forms of benefit. The deferred commencement date of the restricted portion shall be treated as a new Annuity Starting Date.

For purposes of this Section, the terms "Code Section 436 measurement date," "adjusted funding target attainment percentage," "prohibited payment," "unrestricted portion of the benefit," and "restricted portion of the benefit" shall have the meanings given under Code Section 436, the regulations thereunder, and any applicable Internal Revenue Service guidance.

In the event that the provisions of this Section 2.10 or any part thereof cease to be required by law as a result of subsequent legislation or otherwise, this Section or any applicable part thereof shall be ineffective without the necessity of further amendments to the Plan.

2.11 Limitations on Unpredictable Contingent Event Benefit

Notwithstanding any provision of the Plan to the contrary, if a Member or Beneficiary is entitled to an "unpredictable contingent event benefit" (as defined under Code Section 436(b)) with respect to any event occurring during any Plan Year, such unpredictable contingent event benefit shall not be provided to such Member or Beneficiary if the Plan's adjusted funding target attainment percentage (as defined in Code Section 436 and the regulations thereunder) for such Plan Year is less than 60 percent or would be less than 60 percent taking into account such occurrence; provided, however, that such unpredictable contingent event benefit shall become payable if and when the Plan meets the exemption under Code Section 436(b)(2).

In the event that the provisions of this Section 2.11 or any part thereof cease to be required by law as a result of subsequent legislation or otherwise, this Section or any applicable part thereof shall be ineffective without the necessity of further amendments to the Plan.

2.12 Special Rules for Members in Qualified Military Service

(a) Treatment of Differential Wage Payments

Effective January 1, 2009, notwithstanding any provision of the Plan to the contrary, differential wage payments (as defined in Section 3401(h)(2) of the Code) paid to an individual by the Company shall not be included in the definition of compensation

used for calculating any benefits under any Doc. but shall be included as compensation for purposes of applying the provisions of the Code, to the extent required by the Code and regulations.

(b) Mandatory Survivor Benefits on Behalf of Member Who Dies in Qualified Military Service

Notwithstanding any provision of the Plan to the contrary, in the case of a Member who dies while performing qualified military service (as defined in Section 414(u) of the Code) and while his reemployment rights are protected by the Uniformed Services Employment and Reemployment Rights Act of 1994 and any related legislation or guidance, the survivors of such Member shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) as if the Member had been reemployed by the Company and then terminated employment from the Company and all Affiliated Companies on account of death.

(c) Service Credit for Vesting Purposes and Determining Eligibility for Early Commencement

Effective January 1, 2007, notwithstanding any provision of the Plan to the contrary, if an individual who was an Employee dies while performing qualified military service (as defined in Section 414(u) of the Code) and while his reemployment rights are protected by the Uniformed Services Employment and Reemployment Rights Act of 1994 and any related legislation or guidance, such individual's period of time in qualified military service through the date he died shall be counted as service for vesting purposes under the Plan and for purposes of determining eligibility for early commencement, in accordance with the applicable rules under the Doc. in which the Member participated.

ARTICLE 3. CONTRIBUTIONS

3.1 Company Contributions

It is the intention of the Company to continue the Plan and make the contributions that are necessary to maintain the Plan on a sound actuarial basis and to meet the minimum funding standards prescribed by law. However, subject to the provisions of Article 6, the Company may discontinue its contributions at any time. Any forfeitures shall be used to reduce the Company's contributions otherwise payable or to pay Plan expenses.

3.2 Contribution Conditioned on Deductibility

The Company's contributions to the Plan are conditioned upon their deductibility under Code Section 404. If all or part of the Company's deductions for contributions to the Plan are disallowed by the Internal Revenue Service, the portion of the contributions to which that disallowance applies shall be returned to the Company without interest, but reduced by any investment loss attributable to those contributions. The return shall be made within one year after the date of the disallowance of deduction.

3.3 Recovery for Mistake of Fact

The Company may recover without interest the amount of contributions to the Plan made on account of a mistake of fact, reduced by any investment loss attributable to those contributions, if recovery is made within one year after the date of those contributions.

3.4 Irrevocability of Contributions

Except as provided above or in Section 4.6 and except when there are excess assets on Plan termination, any and all contributions made to the Trust by the Company shall be irrevocable and shall be used in accordance with the provisions of the Plan.

ARTICLE 4. FUNDS

4.1 Funds Held in Trust

All assets comprising the funds of the Plan, unless used to purchase immediate or deferred annuities from an insurance company, shall be held in a Trust. Such assets shall be held by a Trustee appointed by the Retirement Board, under a trust agreement. The Trustee shall have such powers as to investment and reinvestment, control and disbursement of the funds as are provided in the trust agreement. The Retirement Board may at any time remove any Trustee. On such removal or upon resignation of any Trustee, the Retirement Board may designate a successor Trustee.

4.2 Investment Manager(s)

The Retirement Board may appoint one or more Investment Managers to manage the investment of part or all of the funds of the Trust. The Investment Manager will have such powers to invest and reinvest pension funds as contained in the investment management agreement and the investment policy provided by the Retirement Board. Authority over and responsibility for the management of the assets so designated shall be the sole responsibility of that Investment Manager. The Retirement Board may at any time remove any Investment Manager. On such removal or upon resignation of any Investment Manager, the Retirement Board may designate a successor Investment Manager.

4.3 Exclusive Benefit

No part of the corpus or income of the funds of the Plan shall be used for, or diverted to, purposes other than for:

- (a) the exclusive benefit of Members and other persons entitled to benefits under the Plan; and
- (b) expenses incident to the operation of the Plan,

before the satisfaction of liabilities outstanding with respect to them. No person shall have any interest in or right to any part of the assets of the Trust, or earnings of the Trust, except as to the extent expressly provided in the Plan and in the Trust agreement.

4.4 Purchase of Annuities

In the Retirement Board's discretion, annuities may be purchased using the funds of the Trust for any part of the Pensions or other benefits provided under this Plan.

4.5 Disbursement of Funds

The Retirement Board shall determine the manner in which the funds of the Plan shall be disbursed. The Retirement Board shall also determine the form of voucher or warrant to be

used in making disbursements and the qualification of persons authorized to approve and sign the same.

4.6 Expenses

To the extent permitted by applicable law, expenses incident to the operation of the Plan, including but not limited to compensation of all agents, actuaries, trustees, counsel, investment managers, accountants and all other persons employed by the Retirement Board, may be paid from the Trust to the extent not paid by the Company.

ARTICLE 5. ADMINISTRATION OF THE PLAN

5.1 Appointment of Retirement Board

The general administration of the Plan and the responsibility for carrying out the provisions of the Plan shall be placed in a Retirement Board appointed by the Board of Directors and the board of directors of Tomkins. The Retirement Board shall be the "named fiduciary" within the meaning of Section 402(a) of ERISA and shall carry out the duties of the "administrator" of the Plan within the meaning of Section 3(16)(A) of ERISA.

5.2 Retirement Board Authorizations and Delegations

The Retirement Board may:

- (a) appoint from their number such committees with such powers as they shall determine;
- (b) authorize one or more of their number or any agent to make any payment on their behalf, or to execute or deliver any instrument;
- (c) retain counsel, who also may be counsel for the Company or an Affiliated Company, employ agents, and provide for such clerical, medical, accounting, consulting and actuarial services, as they may require in order to carry out the provisions of the Plan;
- (d) allocate among themselves or delegate to other persons all or such portion of their duties under the Plan, other than those granted to the Trustee under the trust agreement, as they, in their sole discretion, shall decide; and
- (e) delegate the day-to-day administration of the Plan to staff of a retirement department of the Company or an Affiliated Company.

5.3 Administration and Interpretation

Subject to the limitations of a Plan, the Retirement Board shall have all powers necessary to carry out the provisions of the Plan, satisfy the requirements of applicable law, and from time to time establish rules and regulations as it deems necessary, desirable or appropriate for the administration of the Plan and the transaction of its business.

The Retirement Board shall have total and complete discretion to interpret the Plan; including, but not limited to, the discretion to:

- (a) determine all questions arising in the administration, interpretation and application of the Plan including the power to construe and interpret the Plan;
- (b) decide all questions relating to an individual's eligibility to participate in the Plan and/or eligibility for benefits and the amounts thereof;
- (c) decide all facts relevant to the determination of eligibility for benefits or participation;

- (d) make such adjustments which it deems necessary or desirable to correct any arithmetical or accounting errors; and
- (e) determine the amount, form and timing of any distribution to be made hereunder.

In making its decisions, the Retirement Board shall be entitled to, but need not rely upon, information supplied by a Member, Beneficiary, or representative thereof. The Retirement Board shall have full and complete discretion to determine whether a domestic relations order constitutes a qualified domestic relations order, and whether the alternate payee otherwise qualifies for benefits hereunder. The Retirement Board may correct any defect, supply any omission, or reconcile any inconsistency in such manner and to such extent as it shall deem necessary to carry out the purposes of this Plan. The Retirement Board's decisions in such matters shall be binding and conclusive as to all parties. In providing for the administration of the Plan, the Retirement Board may delegate responsibilities for the operation and administration of the Plan.

5.4 Actuary

The Retirement Board shall engage an "enrolled actuary," as such term is defined in ERISA Section 103(a)(4)(C), to perform actuarial valuations in accordance with generally accepted actuarial principles and practices, and to provide public statements of actuarial opinion relating to the Plan, as required by law.

5.5 Reliance on Tables and Opinions

The members of the Retirement Board and the Company and its officers and directors shall be entitled to rely upon all tables, valuations, certificates and reports furnished by an actuary designated by the Retirement Board, upon all certificates and reports made by any accountant selected or approved by the Retirement Board, and upon all opinions given by any legal counsel selected or approved by the Retirement Board. Further, the Retirement Board is authorized to adopt administrative tables and procedures as it sees fit for any and all purposes.

5.6 Service in More than One Fiduciary Capacity

Any individual, entity, or group of persons may serve in more than one fiduciary capacity with respect to the Plan and/or the funds of the Plan.

5.7 Disputes - Bargaining Employees

Any dispute or difference between the Company or the Retirement Board and any Member for whom a union is the collective bargaining representative and who is an applicant for a pension or who is retired, as to eligibility for, or amount, or payment of a Pension provided under the Plan, shall be discussed, and if possible, settled and adjusted by the union's plant grievance committee and the Retirement Board, who shall meet within one week after request by the union.

Any such dispute or differences not settled or adjusted may be referred to arbitration in the same manner as provided in the collective bargaining contract then in force for reference to

arbitration. In case of any such reference to arbitration, the arbitrator shall have authority only to interpret and apply the provisions of the Plan, insofar as may be necessary to the determination of such dispute or difference, but he shall not have authority in any way to alter, add to, or subtract from any of such provisions. Further, his decision on any such dispute or difference which shall properly have been referred to him shall be binding upon all interested parties. The fees and expenses of the arbitrator shall be shared equally by the union and the Company.

5.8 Electronic Transmission of Notices to Members

Notwithstanding any provision of the Plan to the contrary, any notice required to be distributed to Members, Beneficiaries and alternate payees pursuant to the terms of the Plan may, at the direction of the Retirement Board, be transmitted electronically to the extent permitted by, and in accordance with any procedures set forth in, applicable law and regulations.

5.9 Limitation on Liability

The Board of Directors, the board of directors of Tomkins, the members of the Retirement Board, and any officer, employee or agent of the Company shall not incur any liability individually or on behalf of any other individuals or on behalf of the Company for any act, or failure to act, made in good faith in relation to the Plan or Trust. However, this limitation does not relieve any of them from responsibility or liability for any fiduciary responsibility, obligation or duty to the extent required under applicable law. In addition, to the extent permitted under applicable law, a fiduciary under the Plan who is a Member or a Beneficiary may have his or her benefit reduced in the event of a willful breach of fiduciary duty to the Plan or a criminal act against the Plan and the foregoing limitation on liability shall not apply.

5.10 Indemnification from Liability

The Retirement Board, the Board of Directors, the board of directors of Tomkins, and the officers, employees and agents of the Company shall be indemnified against any and all liabilities arising by reason of any act, or failure to act, in relation to the Plan or the funds of the Plan, including without limitation expenses reasonably incurred in the defense of any claim relating to the Plan or the funds of the Plan, and amounts paid in any compromise or settlement relating to the Plan or the funds of the Plan, except for actions or failures to act made in bad faith. The foregoing indemnification shall be from the funds of the Plan to the extent of those funds and to the extent permitted under applicable law; otherwise, from the assets of the Company. Notwithstanding the foregoing, indemnification shall not extend to any persons or entities, or apply in respect of any action or failure to act, if such indemnification would give rise to a claim of subrogation against the Company or Tomkins, or if such liability is not limited under Section 5.9 above.

5.11 Compensation and Bonding

No member of the Retirement Board shall receive any compensation from the Plan for services as such. Except as may be otherwise required by law, no bond or other security need be required of any member in that capacity in any jurisdiction.

5.12 Claims Procedures

(a) Filing a Claim

Notwithstanding any provision of the Plan to the contrary, claims for benefits and inquiries concerning the Plan (or concerning present or future rights to benefits under the Plan) shall be submitted in writing to the Retirement Board's delegate, in accordance with procedures prescribed by the Retirement Board.

(b) Notice of Claim Denied

In the event that a claim for benefits is denied in whole or in part, the Retirement Board's delegate shall notify the claimant in writing of the denial and of the right to a review of the denial. The written notice shall set forth, in a manner calculated to be understood by the claimant, specific reasons for the denial, specific references to the provisions of the Plan on which the denial is based, a description of any information or material necessary for the claimant to perfect the claim, an explanation of why the material is necessary, and an explanation of the review procedure under the Plan.

The written notice shall be given to the claimant within a reasonable period of time (not more than 90 days) after the Retirement Board's delegate received the claim, unless special circumstances require further time for processing and the claimant is advised of the extension. In no event shall notice be given more than 180 days after the Retirement Board's delegate received the claim.

(c) Review Procedure

The Retirement Board shall be the named fiduciary that has the authority to act with respect to any appeal from a denial of benefits or a determination of benefit rights. No member of the Retirement Board who either made the initial adverse determination or is the subordinate of an individual who made the initial adverse determination may act with respect to the review of such determination.

- (1) A claimant whose claim for benefits was denied in whole or part, or the claimant's duly authorized representative, may appeal the denial by submitting to the Retirement Board a request for a review of the claim within 60 days after receiving written notice of the denial from the Retirement Board's delegate. The Retirement Board shall give the claimant or his representative an opportunity to review pertinent materials, other than legally privileged documents, in preparing the request for a review. The request for a review shall be in writing and addressed to the Retirement Board. The request for a review shall set forth all of the grounds on which it is based, all facts in support of the request, and any other matters that the claimant deems pertinent. The Retirement Board may require the

claimant to submit such additional facts, documents, or other materials as it may deem necessary or appropriate in making its review.

- (2) The Retirement Board shall act on each request for a review within 60 days after receipt, unless special circumstances require further time for processing and the claimant is advised of the extension. In no event shall the decision on review be rendered more than 120 days after the Retirement Board received the request for a review. The Retirement Board shall give prompt written notice of its decision to the claimant and the Retirement Board. In the event that the Retirement Board confirms the denial of the claim for benefits in whole or in part, the notice shall set forth, in a manner calculated to be understood by the claimant, the specific reasons for the decision and specific references to the provisions of the Plan on which the decision is based.

The written notice shall be given to the claimant within a reasonable period of time (not more than 90 days) after the Retirement Board received the claim, unless special circumstances require further time for processing and the claimant is advised of the extension. In no event shall the notice be given more than 180 days after the Retirement Board received the claim.

(d) Retirement Board Panel Rules and Procedures

The Retirement Board shall adopt such rules, procedures, and interpretations of the Plan as it deems necessary or appropriate in carrying out its responsibilities under this Section.

(e) Exhaustion of Remedies

No legal action for benefits under the Plan shall be brought unless and until the claimant:

- (1) has submitted a written claim for benefits in accordance with (a) above;
- (2) has been notified by the Retirement Board's delegate that the claim is denied;
- (3) has filed a written request for a review of the claim in accordance with (c)(1) above; and
- (4) has been notified in writing that the Retirement Board has affirmed the denial of the claim;

provided, however, that legal action may be brought after the Retirement Board's delegate or the Retirement Board has failed to take any action on the claim within the time prescribed by (a) and (b) above.

ARTICLE 6. CERTAIN RIGHTS OF THE COMPANY

6.1 Company's Right to Amend Plan

The Board of Directors, by action taken at a meeting held either in person or by telephone or other electronic means, or by unanimous written consent in lieu of a meeting, may amend the Plan, in whole or in part, at any time and from time to time and retroactively, if deemed necessary or appropriate. In addition, the Retirement Board may approve amendments provided such amendments:

- (a) are required because of statute, regulations, or rulings of a judicial body;
- (b) are considered desirable design changes as a result of statute, regulations, or rulings of a judicial body provided such amendments do not significantly increase the cost of the Plan or significantly affect benefit levels under the Plan;
- (c) are considered necessary or desirable to facilitate the administration of the Plan, provided such amendments do not significantly increase the cost of the Plan or significantly affect benefit levels under the Plan;
- (d) are considered desirable, provided such design amendments do not significantly increase the cost of the Plan or significantly affect benefit levels under the Plan; or
- (e) are necessitated to conform the provisions of the Plan to the terms of a collective bargaining agreement that has been approved on behalf of the Company by its duly authorized representative.

No modification or amendment shall make it possible for any part of the funds of the Plan to be used for, or diverted to, purposes other than for the exclusive benefit of persons entitled to benefits under the Plan.

Except to the extent permitted under Code Section 411(d)(6)(B) and the regulations thereunder, no amendment shall be made which has the effect of decreasing the Accrued Benefit of any Member or of reducing the nonforfeitable percentage of the Accrued Benefit of a Member below that nonforfeitable percentage thereof computed under the Plan as in effect on the later of the date on which the amendment is adopted or becomes effective.

For purposes of this Section, a Plan amendment that has the effect of eliminating or reducing an early retirement benefit or retirement-type subsidy, or eliminating an optional form, with respect to benefits attributable to service before the amendment shall be treated as reducing a Member's Accrued Benefit. In the case of a retirement-type subsidy, the preceding sentence shall apply only with respect to a Member who satisfies (either before or after the amendment) the pre-amendment conditions for the subsidy. Notwithstanding the preceding, the Accrued Benefit of a Member, early retirement benefit, retirement-type subsidy, or optional form of benefit may be reduced to the extent permitted under Code Section 412(d)(2) or to the extent permitted under the U.S. Treasury Department regulations 1.411(d)-3 and 1.411(d)-4.

Notwithstanding any provision of the plan to the contrary, for purposes of Doc. 1, Doc. 2 and Doc. 3, the term Accrued Benefit as used above shall mean the Member's accrued Pension payable at his Normal Retirement Date.

6.2 Plan Termination

The Board of Directors, by resolution, may terminate the Plan for any reason at any time.

In case of termination, the rights of Members to the Pensions accrued under the Plan to the date of such termination, to the extent then funded or protected by law, if greater, shall be nonforfeitable. The funds of the Plan shall be used for the exclusive benefit of persons entitled to benefits under the Plan as of the date of such termination, except that any funds not required to satisfy all liabilities of the Plan for Pensions because of erroneous actuarial computation shall be returned to the Company.

The Retirement Board shall determine on the basis of actuarial valuation the share of the funds of the Plan allocable to each person entitled to benefits under the Plan in accordance with ERISA Section 4044, or corresponding provisions of any applicable law in effect at the time.

In the event of a partial termination of the Plan, the provisions of this Section shall be applicable to Members affected by that partial termination.

6.3 Conditions of Employment Not Affected by Plan

The establishment of the Plan shall not be construed as conferring any legal rights upon any Employee or any person for a continuation of employment, nor shall it interfere with the Company's right to discharge any Employee and to treat him without regard to the effect which such treatment might have upon him as a Member or potential Member of the Plan.

6.4 Incapacity of a Member

In the event that the Retirement Board shall find that a Member or other person entitled to a Pension is unable to care for his affairs because of illness or accident or because he is a minor, the Retirement Board may direct that any Pension payment due him (unless claim shall have been made therefor by a duly appointed legal representative), be paid to his spouse, a child, a parent or other blood relative, or to a person with whom he resides. Any such payment so made shall be a complete discharge of the liabilities of the Plan.

Furthermore, if the Retirement Board receives on behalf of a Member a power of attorney with respect to such Member valid under state law, the Retirement Board shall comply with the instructions of the named attorney to the extent that the Retirement Board would comply with such instructions if given by the Member and such instructions are consistent with the power of attorney.

6.5 Adoption and Withdrawal From the Plan

(a) If Company Becomes Subsidiary or Affiliated Company

If any company is now or hereafter becomes a subsidiary or Affiliated Company of the Company, the Board of Directors may include the employees of such subsidiary or

Affiliated Company in the membership of the Plan upon appropriate action by such company necessary to adopt the Plan.

In such event, or if any persons become Eligible Employees of the Company as the result of the merger or consolidation or as the result of acquisition of all or part of the assets or business of another company, the Board of Directors shall determine to what extent, if any, credit and benefits shall be granted for previous service with such subsidiary, affiliated or other company, but subject to the continued qualification of the Trust for the Plan as tax-exempt under the Code.

(b) Termination of Subsidiary or Affiliated Company

Any such subsidiary or Affiliated Company may terminate its participation in the Plan upon appropriate action.

In which event, the funds of the Plan held on account of Members in the employ of such company not yet retired, after provision in full for all Members who have retired from the employ of such company, shall be determined by the Retirement Board on the basis of actuarial valuation. The funds shall be applied as if the Plan were terminated, or shall be segregated into a separate Plan and Trust. If the Plan is to be continued as a separate Plan and Trust, the Retirement Board shall provide the Trustee with a certification to that effect. Further, the board of directors of such company shall succeed to all the powers and duties of the Board of Directors.

6.6 Plan Mergers or Consolidation

The Board of Directors, by resolution, may merge this Plan with another qualified plan, subject to any legal requirements. However, the Plan may not be merged or consolidated with, nor may its assets or liabilities be transferred to, any other plan unless each person entitled to benefits under the Plan would, if the resulting plan were then terminated, receive a benefit immediately after the merger, consolidation, or transfer which is equal to or greater than the pension he would have been entitled to receive immediately before the merger, consolidation or transfer if the Plan had then terminated.

6.7 Information

Each Member or other person entitled to a benefit, before any benefit shall be payable to him or on his account under the Plan, shall file with the Retirement Board the information that it shall require to establish his rights and benefits under the Plan.

6.8 Prevention of Escheat

If the Retirement Board cannot ascertain the whereabouts of any person to whom a payment is due under the Plan, the Retirement Board may, no earlier than three years from the date such payment is due, mail a notice of such due and owing payment to the last known address of such person as shown on the records of the Retirement Board or the Company. If such person has not made written claim therefore within three months of the date of the mailing, the Retirement Board may, if it so elects and upon receiving advice from counsel to the Plan,

direct that such payment and all remaining payments otherwise due such person be cancelled on the records of the Plan and the amount thereof applied to reduce the contributions of the Company. Upon such cancellation, the Plan shall have no further liability therefore except that, in the event such person or his Beneficiary later notifies the Retirement Board of his whereabouts and requests the payment or payments due to him under the Plan, the amount so applied shall be paid to him in accordance with the provisions of the Plan.

ARTICLE 7. NONALIENATION OF BENEFITS

7.1 Nonalienation of Benefits

Except as required by any applicable law or the following provisions of this Article, no benefit payable under the provisions of the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge. Any attempt so to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge the same shall be void. Nor shall any benefit be in any manner liable for or subject to the debts, contracts, liabilities, engagement, or torts of any beneficiary except as specifically provided in the Plan.

7.2 Assignability

All of the Employee's rights under this Plan shall be non-assignable whether by voluntary action of such Employee or by operation of law, except for federal and state withholding for income taxes attributable to the Pension paid in accordance with the Plan.

7.3 Qualified Domestic Relations Orders

Notwithstanding the foregoing, payment shall be made in accordance with the provisions of any judgment, decree, or order which:

- (a) creates for, or assigns to, a spouse, former spouse, child or other dependent of a Member the right to receive all or a portion of the Member's benefit under the Plan for the purpose of providing child support, alimony payments or marital property rights to such spouse, child or dependent;
- (b) is made pursuant to a State domestic relations law;
- (c) does not require the Plan to provide any type of benefit, or any form of payment, not otherwise provided under the Plan; and
- (d) otherwise meets the requirements of Section 206(d) of ERISA, as amended, and Code Section 414(p) as a "qualified domestic relations order," as determined by the Retirement Board.

If the present value of the benefit set forth in the qualified domestic relations order is \$5,000 or less at the time set forth in the qualified domestic relations order for payment, a lump sum payment of the Equivalent Actuarial Value shall be made.

7.4 Certain Judgments and Settlements

A Member's benefit under the Plan shall be offset or reduced by the amount the Member is required to pay to the Plan as a result of a judgment or settlement described in Code Section 401(a)(13)(C).

7.5 Federal Tax Levies

A Member's benefit under the Plan shall be distributed as required because of the enforcement of a federal tax levy made pursuant to Code Section 6331 or the collection by the United States on a judgment resulting from an unpaid tax assessment.

ARTICLE 8. GENERAL PROVISIONS

8.1 Governing Law

The Plan shall be construed, regulated and administered under ERISA as in effect from time to time, and under the laws of the state of Colorado, except where ERISA controls.

8.2 Non-Gender Clause

The masculine pronoun shall include the feminine. Singular shall include plural and plural shall include singular.

8.3 Captions

Any captions, titles or catch lines at the start of or opposite any Section or Paragraph, are inserted for convenience only and have no bearing on the intent or proper construction of any provisions of this Plan.

IN WITNESS WHEREOF, and as conclusive evidence of the adoption of the foregoing instrument comprising The Gates Group Retirement Plan (Amended and Restated as of January 1, 2012), as approved by the Board of Directors on the 20 day of December, 2011, the Company has caused this document to be executed by its duly authorized officer.

THE GATES CORPORATION

Ross G. Bratley

Name

CFO

Title