

July 2009

Dear Sandia Savings Plan Participant:

This following information is a Summary of Material Modifications to the current Sandia Savings Plans Summary Plan Description (SPD), dated June 1, 2004 and should be kept as a supplement to the SPD.

For participants in the Savings and Income Plan and the Savings and Security Plan:

- The investment options were modified to remove the following funds: the Fidelity Institutional Short-Intermediate Government Portfolio; the Conservative, Moderate, and Aggressive Life Strategy Funds; the Fidelity Growth and Income Fund; and the Spartan International Index Fund.
- The following funds were added to the investment options: the BGI LifePath funds, the SSgA Passive Bond Market Index Fund, and the BGI ACWI XUS Index Fund.
- A lower-priced share class was implemented for the Fidelity Contrafund, Fidelity Balanced Fund, Fidelity Growth Company Fund, Neuberger Berman Guardian Fund, Russell Small Cap Fund, and the Templeton Foreign Fund.
- Participants who have been on military active duty for more than 30 days may request a distribution from their account. If such participants receive the distribution, they may not make an elective deferral or contribution during the 6 month period beginning on the distribution date.
- Hardship withdrawals are now allowed for medical care for dependents, payments for burial or funeral expenses, and expenses related to the repair of damages to your principal residence.

For participants in the Savings and Income Plan:

- Participants may now make Roth 401(k) contributions to the Plan. In addition, the Plan will accept direct rollovers to a Roth 401(k) account from another Roth 401(k) account under a qualified retirement plan.
- Nonspouse beneficiaries are now permitted to roll over their interest in the account of a deceased participant to a qualifying Individual Retirement Account (IRA).
- A participant or beneficiary may not make a formal claim more than 365 days after the date the claimant has knowledge of all material facts that are the subject of the claim. A participant or beneficiary may not submit a dispute to a court with respect to a denied claim under this Plan more than 365 days after the date the Employee Benefits Claim Review Committee renders its final decision upon appeal.

- Eligible employees hired or rehired on or after January 1, 2009, will be eligible to receive a company-matching contribution upon enrollment in the Plan. These employees will automatically receive an additional, service-based Enhanced Contribution that will vest after the employees complete three years of vesting service. This enhanced contribution is equal to 6% of eligible pay for service less than 15 years and 7% of eligible pay for 15 or more years of service.
- If a participant does not make an investment election, contributions will be defaulted into the BGI Life Path fund that corresponds to the year the participant attains age 65.