# OSRAM SYLVANIA SAVINGS PLAN

## SUMMARY PLAN DESCRIPTION
## for Salaried Employees

## (As of October 1, 2011)

# Table of Contents

# YOUR OSRAM SYLVANIA SAVINGS PLAN

## Introduction

It is important to build a financial reserve for your future – savings you can draw on when you retire or when unexpected needs arise. Saving for any long-term goal is difficult. The expense of meeting today's needs can distract from saving for tomorrow.

The Company recognizes how difficult it is to save – that is why we offer the OSRAM SYLVANIA Savings Plan (the "Plan"). The Plan provides a convenient, flexible, and tax-efficient way to save for the future.

Under the Plan, you choose how much you want to save. Through convenient payroll deductions you may contribute from 2% to 25% of your pay (subject to certain limitations described below). You may save part of your pay on a tax-deferred basis. This results in tax savings today while setting aside money for the future.

Money from the Plan can provide valuable income at retirement. Plan benefits may also be paid if you terminate your employment or die before retirement. In addition, you may borrow or, under certain circumstances, withdraw part of your account balance while you are working.

This summary plan description booklet explains the basic features of the Plan applicable to salaried employees as originally effective on October 1, 2011. Different summary plan description booklets have been prepared for hourly-rated employees and union employees. If you have any questions after reading this booklet, please contact the Your Benefits Resources Customer Service Center at (800) 965-4413.

Keep in mind that this information only summarizes the main provisions of the Plan as of October 1, 2011. The official Plan documents, not this summary, govern the operation of the Plan. If there is any difference between the provisions of this summary and the official Plan documents, the official Plan documents will control.

## Eligibility and Enrollment

### Eligibility

If you were a member in the Siemens Savings Plan on September 30, 2011, and you are employed by the Company on October 1, 2011, you will continue as a member of this Plan. Otherwise, you are eligible for Plan membership if you are an employee of the Company, unless you are:

- a leased employee or independent contractor, even if there is a subsequent, contrary determination of this classification by a court or government agency;
- covered by a collective bargaining agreement that does not provide for Plan membership; or
- an inbound delegate.

By "Company," we mean OSRAM SYLVANIA Inc. or an affiliated company that elects to participate in the Plan.

You will become a member of the Plan as soon as possible after you are hired, unless you are hired as a temporary employee.

If you are hired as a temporary employee, you will become a member after you complete one year of service. A year of service is a 12-month period in which you complete 1,000 or more hours of service. Your initial 12-month period starts on your date of hire. If you do not complete at least 1,000 hours of service during this initial 12-month period, you must complete at least 1,000 hours of service during any Plan Year that starts after your date of hire. A “Plan Year” is each 12-month period beginning on January 1.

## Automatic Enrollment/Declining Participation

If you do not enroll or contact the Your Benefits Resources Customer Service Center to decline to participate in the Plan, the Company automatically will begin deducting 3% of your pay on a tax-deferred basis, starting as soon as possible after the date you first become eligible to join the Plan. In addition, your tax-deferred contributions automatically will increase by 1% each year until your tax-deferred contribution rate reaches 10% of your pay.

You can always stop or change these automatic deductions and automatic increases by contacting the Your Benefits Resources Customer Service Center at (800) 965-4413 or www.yourbenefitsresources.com/osramsylvania.

As described in the booklet, you have the opportunity to contact the Your Benefits Resources Customer Service Center and provide investment direction for your contributions and plan balances. If you are automatically enrolled in the Plan, your accounts will be invested in the Plan’s default investment option, which is the LifePath Fund appropriate to the year you will attain age 65.

You can elect at any time to invest your contributions in any other investment options offered under the Plan. In addition, at any time, you can transfer amounts that are automatically deducted from your pay and invested in the applicable LifePath Fund to any other investment option under the Plan.

If you do not want to contribute to the Plan, or if you want to contribute at a different level or to make after-tax contributions or Roth 401(k) contributions, simply visit the Your Benefits Resources Customer Service Center at (800) 965-4413 or www.yourbenefitsresources.com/osramsylvania. You will need to provide the following information:

- how much you want to save as a percentage of your pay - referred to as your contribution rate;
- the type of contributions you want to make – tax-deferred, Roth 401(k), after-tax, or a combination of these contribution types;
- how you want your money invested by choosing from among the investment options offered by the Plan and;
- your beneficiary designation.

  (Note: If you are married and you elect a beneficiary other than your spouse, federal law requires that your spouse must consent to this designation. If you die without designating a beneficiary, payments will be made in the following order: first to your surviving spouse; if you do not have a surviving spouse, then to all of your surviving children in equal shares; and if you do not have a surviving spouse or surviving children, then to your estate.)

You can also elect to have your contributions automatically increase every year on January 1 by a certain percentage until you hit the maximum you want to contribute or applicable Plan limits.

If eligible, you can also elect a per pay period amount of “catch-up” contributions. (See the section on “Catch-up Contributions”.)

Deductions from your pay according to the contribution rate and type of contributions you elect, will begin as soon as possible after you enroll.

## Your Contributions

You may save from 2% to 25% of your pay (in 1% increments) in the Plan. Contributions for certain highly paid members may be limited to a lower percentage of pay. (See “Government Limitations” below.) The first 6% of pay you save is called basic contributions. Basic contributions are matched by the Company (see the section on “Company Contributions”). If you want to save more than 6% of your pay, you may make supplemental contributions. Supplemental contributions are not matched by the Company.

For this purpose, “pay” is defined as your regular base salary or wages, including your tax-deferred contributions, sales commissions, sales bonuses, production incentive payments, lump sum wage increases received while you are eligible to participate in the Plan, and any before-tax contributions you make to any Company-sponsored group insurance plan (such as the medical and dental plan). It does not include other commissions, management or incentive awards, profit sharing, stock received pursuant to employee stock option plans or other stock purchase plans, bonuses, overtime, shift differentials or other premiums, supplemental vacation benefits, accrued but unused vacation pay, moving expense reimbursements or other fees or allowances, welfare benefits, car and expense allowances and similar payments, severance pay, or amounts deferred under any compensation plan or other deferred savings plan.

The Internal Revenue Service limits the amount of pay that may be considered for Plan purposes. For calendar year 2011, the annual limit is $245,000, and for 2012, the annual limit is $250,000. The Internal Revenue Service may adjust this amount in future years.

In addition to choosing the amount you save, you must also decide what type of contribution to make. There are three types of contribution:

- tax-deferred (before-tax),
- Roth 401(k), and
- after-tax.

You may make all tax-deferred contributions, all Roth 401(k) contributions, all after-tax contributions, or any combination of the three. However, as described in more detail below, tax-deferred and Roth 401(k) contributions are subject to certain IRS limits (see “Government Limitations”).

Participants who will be 50 or older during the calendar year can elect to make tax-deferred or Roth 401(k) contributions above the IRS and savings plan limits, as described below. These additional contributions are called “catch-up” contributions.

## Tax-Deferred Contributions

When you make tax-deferred contributions, the money goes into the Plan from your paycheck before federal income taxes are withheld. In effect, your tax-deferred contributions reduce the amount of your earnings subject to current federal income taxes (and, in most cases, state and local income taxes as well). You pay federal income taxes on the remaining portion of your pay only, not on your total pay. Because you are taxed on only part of your pay, instead of 100%, you pay less in current taxes. Your tax-deferred contributions and their investment earnings will not be taxed as long as they remain in the Plan. However, your total pay, including your tax-deferred contributions, will be subject to Social Security and Medicare withholding taxes.

For example, if you earn $50,000 and contribute 6%, or $3,000, as a tax-deferred contribution to the Plan, your $3,000 goes into the Plan before federal income taxes are withheld. As a result, you currently pay federal income taxes on only $47,000 ($50,000 less $3,000), not $50,000. So, your current taxes are lower.

Keep in mind, however, that if you are under age 59½, tax-deferred contributions may be withdrawn while you are employed by the Company only if you can demonstrate that there is a “financial hardship”. (See the section on “Financial Hardship Withdrawal”.) Tax-deferred contributions and their earnings are not taxed until they are withdrawn or paid from the Plan.

## How Your Other Benefits Are Affected

When you make tax-deferred contributions to the Plan, any other pay-related benefits such as life insurance and disability remain unaffected and continue to be based on your eligible pay before deducting tax-deferred contributions.

## Roth 401(k) Contributions

When you make Roth 401(k) contributions, the money is deducted from your pay after taxes have been withheld. In other words, these contributions do not reduce the amount of your pay subject to taxes. However, your Roth 401(k) contributions are not subject to tax when distributed from the Plan. In addition, earnings on your Roth 401(k) contributions are distributed from the Plan tax-free if the distribution is a “qualified distribution.” Your distribution will be a qualified distribution if the following two conditions are met:

(1) the distribution must occur after one of the following:

(a) you have reached age 59½,

(b) you become disabled (as defined in the Internal Revenue Code), or

(c) you die;

AND

(2) the distribution must occur after the expiration of a “5-year participation period.”

The 5-year participation period is the 5-year period that begins on January 1 of the calendar year in which you first make a Roth 401(k) contribution to the Plan and ends on the last day of the calendar year that is five years later. For example, if you make your first Roth deferral under the Plan on October 1, 2011, your 5-year participation period will end on December 31, 2015. You do not have to make a Roth contribution in each of the five years.

Keep in mind, however, that if you are under age 59½, Roth 401(k) contributions may be withdrawn while you are employed by the Company only if you can demonstrate that you have a “financial hardship.” (See the section on “Financial Hardship Withdrawal”.) Your Roth 401(k) contributions are always distributed tax-free, but the earnings on your Roth 401(k) contributions that are paid to you in a distribution that is not a qualified distribution are taxed when they are withdrawn or paid from the Plan. (See the section on “When You Pay Taxes”.)

## After-Tax Contributions

When you make after-tax contributions, the money is deducted from your pay after taxes have been withheld. Similar to Roth 401(k) contributions, after-tax contributions do not reduce the amount of your pay subject to taxes. However, earnings on your after-tax contributions are always taxed when they are withdrawn or paid from the Plan. (See the section on “When You Pay Taxes”.)

Keep in mind, however, that after-tax contributions may be withdrawn at any time regardless of your age, subject to certain Plan limitations. (See the section on “Regular Withdrawals”.)

## Catch-up Contributions

The Plan allows participants who will be 50 or older during the calendar year to make tax-deferred or Roth 401(k) contributions in excess of the IRS and savings plan limits. (See the section on “Government Limitations”.) These additional contributions are called “catch-up” contributions. Except as described below under “Government Limitations,” catch-up contributions are not eligible for Company matching contributions.

You must make a separate election for catch-up contributions in addition to your regular tax-deferred, Roth 401(k), and after-tax elections.

To elect catch-up contributions you decide the amount, in whole dollars, that you want to have deducted from your pay. Your catch-up contribution election is a per pay period amount. You also have to decide if your catch-up contributions will be treated as tax-deferred contributions, Roth 401(k) contributions, or a combination of the two.

Catch-up contributions can be started at any time during or after the calendar year in which you reach age 50, changed at any time, and stopped at any time. However, they automatically stop when you reach the catch-up contribution limit or when your income reaches the pay limit established by the IRS for the calendar year. Your election automatically will continue to apply in each successive calendar year unless you elect to make a change or elect to discontinue your contributions.

All of the other provisions of the Plan (such as your investment options, loans and withdrawals) that apply to tax-deferred and Roth 401(k) contributions also apply to catch-up contributions.

## Government Limitations

The federal government limits the maximum allowable tax-deferred and Roth 401(k) contributions that may be made by each Plan member in a calendar year. The limit for 2011 is $16,500, and for 2012 is $17,000. This is a combined limit and applies to your total tax-deferred and Roth 401(k) contributions. The IRS may adjust this amount in future years.

If your tax-deferred plus Roth 401(k) contributions reach this limit at some point in a calendar year, your future contributions for that year automatically will be changed to after-tax contributions unless you elect to have them discontinued. You may elect to discontinue your contributions at any time by visiting Your Benefits Resources Customer Service Center at (800) 965-4413 or www.yourbenefitsresources.com/osramsylvania. If you discontinue your contributions, you are responsible for resuming them at the beginning of the next calendar year.

The limits on tax-deferred and Roth 401(k) contributions apply in total to all tax-deferred and Roth 401(k) contributions you make to any employer-sponsored plan, including another employer's plan that you may have participated in during the year. For example, if you are hired by the Company and have made tax-deferred and/or Roth 401(k) contributions in the same calendar year to another employer's plan, you are responsible for ensuring that your total contributions do not exceed the limit for the year. If you exceed the limit, you may request a refund of your excess contributions from the Plan by contacting the Your Benefits Resources Customer Service Center no later than March 1 of the following year (i.e., March 1, 2012 for the 2011 year).

In addition to limiting your tax-deferred and Roth 401(k) contributions, the federal government also sets certain guidelines to make sure that a reasonable cross-section of employees at all compensation levels takes advantage of the Plan. If the Plan doesn't meet these guidelines, some employees (considered "highly compensated" under federal regulations) may be required to have their tax-deferred, Roth 401(k), and/or after-tax contributions reduced or refunded. You are considered highly compensated in the Plan Year beginning January 1, 2011 if you earned more than $110,000 in 2010, and in 2012 if you earned more than $110,000 in 2011. The IRS may adjust this amount in future years. If these limitations affect you, you will be notified of any adjustment to your contributions.

There is also a limit on the total amount of all contributions (tax-deferred, Roth 401(k), after-tax, and Company) that are made on your behalf in a Plan Year. The limit is $49,000 for 2011 and $50,000 for 2012, or 100% of your pay, if less. Catch-up contributions are not taken into account for the purpose of these limits. The IRS may adjust the dollar limit in future years. You will be notified if your benefits under the Plan are affected by these rules.

## Changing Contributions

There may be times when you want to increase or decrease your tax-deferred, Roth 401(k), and/or after-tax contributions. You may change your contribution rate – or stop contributions altogether – by visiting Your Benefits Resources Customer Service Center at (800) 965-4413 or www.yourbenefitsresources.com/osramsylvania. Your new rate is sent to your payroll department and takes effect as soon as possible after you make your election.

Changes in your pay automatically change the dollar amount of your contributions. For example, if you save 6% and your annual salary increases from $50,000 to $52,000, your contributions will automatically increase from $3,000 to $3,120.

### Automatic Increase In Contributions

If you are not subject to the automatic enrollment provisions described above, you may choose to participate in the automatic contribution escalation feature. By doing so, your contributions will automatically increase every year, on January 1, at a rate that you choose. You may choose to automatically increase your tax-deferred, Roth 401(k), and/or after-tax contribution rate. You may also elect the percentage at which you want this automatic increase to stop. This feature is voluntary, and you may start, stop, or change your automatic contribution escalation election at any time. To take advantage of this feature, visit Your Benefits Resources Customer Service Center at (800) 965-4413 or www.yourbenefitsresources.com/osramsylvania.

### Rollover Contributions

Subject to certain limitations, you may roll over amounts that you received from another employer's retirement plan or from a conduit individual retirement account (IRA) into this Plan. That way, you may postpone taxes on the money you receive and allow it to grow at the same time. A "conduit" IRA is an IRA you set up to roll over taxable amounts you receive from another employer's qualified plan. After you terminate employment with the Company, lump sum distributions from the OSRAM SYLVANIA Pension Plan may be rolled into this Plan.

You may roll over amounts from a Roth account in another retirement plan directly into this Plan, but you may not roll over amounts from a Roth IRA into this Plan. IRS regulations prohibit the rollover of Roth IRA accounts into qualified plans such as this Plan. If you roll over a Roth account from another qualified plan into this Plan, the Roth beginning date for purposes of satisfying the 5-year participation period (described above under "Roth 401(k) Contributions") in this Plan will be the earlier of (1) the date you began Roth contributions to this Plan, or (2) the date you began Roth contributions to the prior retirement plan. This Roth beginning date will apply to all Roth 401(k) and Roth rollover balances in this Plan.

Rollovers are subject to approval. You will be asked to provide specific information and documentation relative to your rollover. Based on legal requirements, you must roll over your distribution within 60 days of the day you receive this money. Contact the Your Benefits Resources Customer Service Center for further details regarding a rollover to the Plan.

## Company Contributions

### Matching Contributions

To add to your future financial security, the Company makes matching contributions to the Plan on your behalf. Company contributions and their earnings are not taxed until withdrawn or paid from the Plan.

If you were hired or rehired **before January 1, 2007**, the Company matches 50% of your basic contributions. If you were hired or rehired on **or after January 1, 2007**, the Company matches 100% of your basic contributions. "Basic contributions" are the first 2% to 6% of your pay that you contribute, regardless of whether you save on a tax-deferred, Roth 401(k), or after-tax basis. This means that, in addition to your basic Contributions, your balance in the Plan will grow by the amount of the Company matching contributions. Company matching contributions are deposited each pay period. You will not receive matching contributions for any payroll period during which you do not contribute to the Plan.

For example: Your annual total pay is $50,000 and you contribute 6% ($3,000) to the Plan. If you were hired or rehired on or after January 1, 2007, the Company matches 100% of your contribution, so the Company would add $3,000 to your account, bringing your total Plan savings for the year to $6,000.

### Service-Based Company Contributions

The service-based company contribution (SBCC) is made if you are a salaried employee of the Company who participated in the OSRAM SYLVANIA Inc. Pension Plan for Salaried Employees ("OSRAM Pension Plan") on January 1, 2007. You are eligible for this contribution, if:

- Your Age plus Accredited Service (as defined in the OSRAM Pension Plan) as of October 1, 2007 equaled or exceeded 55, and you elected not to continue to participate in the OSRAM Pension Plan after September 30, 2007,

  OR

- Your age plus Accredited Service as of October 1, 2007 was less than 55.

If you are a salaried employee of the Company and you were participating in the OSRAM Pension Plan on December 31, 2010, you also are eligible for the SBCC beginning January 1, 2011.

However, if you terminate employment with the Company and all related employers and you are later rehired, you are not eligible for the SBCC after your rehire.

The SBCC also is made in the case of certain employment transfers.

The SBCC is determined according to the following table:

| Years of Continuous Employment | SBCC Percentage of Pay |
|---|---|
| Less than 10 | 5% |
| At least 10 but f than 15 | 6% |
| At least 14 but less than 20 | 8% |
| At least 20 but less than 25 | 10% |
| At least 25 but less than 30 | 12% |
| 30 or more | 15% |

For this purpose, your "pay" is your basic annual pay based on your rate of pay and includes foreign service premiums, bonuses and commissions received pursuant to a written sales incentive plan paid before termination of employment, payments under the Management Bonus Plan, and any gainsharing and project bonus plans. Amounts received under long-term incentive plans, overtime, differentials, premiums and other similar types of payment, and discretionary awards such as OSRAM Star and patent awards are excluded.

The SBCC contribution is credited to your account each pay period based on your Continuous Employment at the end of the month in which the pay period ends. For this purpose, your Continuous Employment is the period of service from your date of hire to your date of termination, including any period of employment with Motorola as described on page 21.

### Annual Company Contributions

The annual company contribution (ACC) will be made if you are a salaried employee of OSRAM Sylvania and, as of December 31, 2010, you were earning a benefit under the OSRAM Pension Plan formula of the Siemens Pension Plan. (The ACC is not made if your participation in the OSRAM SYLVANIA Pension Plan for Salaried Employees was frozen on September 30, 2007.)

The ACC is determined on each December 31 according to the following table:

| Years of Continuous Employment | ACC as a Percentage of Pay | | |
|---|---|---|---|
| | Age | | |
| | <50 | 50-54 | >54 |
| <15 | 3.00% | 4.25% | 5.50% |
| 15-19 | 1.75% | 3.75% | 4.50% |
| 20-24 | 1.50% | 3.00% | 4.50% |
| 25-29 | 1.50% | 2.50% | 3.25% |
| 30+ | 1.50% | 2.50% | 2.75% |

For this purpose, your Continuous Employment is the period of service from your date of hire to your date of termination, including any period of employment with Motorola as described on page 21.

This contribution will be credited annually after the end of the calendar year. You must be employed on the last day of the calendar year to receive a contribution of the ACC, die or retire under the normal or early retirement provisions of the OSRAM Pension Plan. If you terminate employment and are rehired, your eligibility for the ACC ceases.

## Limits on Contributions

Regardless of your eligibility for the SBCC or ACC, you will not receive these contributions directly through the Plan for a plan year if:

- your base pay for purposes of the SBCC and ACC for the current plan year exceeds the current maximum amount that may be considered for Plan purposes ($245,000 for 2011, and $250,000 for 2012);
- your pay for purposes of the SBCC and ACC for the prior year exceeded such current maximum amount; or
- your pay for purposes of the SBCC and ACC for the next plan year is projected to exceed 90% of such maximum amount for the current plan year.

Instead, the SBCC or ACC that you would have received under this Plan will be provided to you by another means.

In addition to limits on your tax-deferred and Roth 401(k) contributions (see the “Governmental Limitations” section), the IRS limits the total amount of employer and employee contributions (not including rollovers and catch-up contributions) that can be made to your accounts each year. This limit is $49,000 for 2011 and $50,000 for 2012, but not more than 100% of your pay. The IRS may adjust this amount in future years. If the total contributions to your accounts exceed the applicable amount, you will be notified and your accounts will be adjusted to meet this limit.

The Internal Revenue Code also contains nondiscrimination requirements that the Plan must satisfy. These requirements also may affect the amount the Company may contribute to your account. The Benefits Administrative Committee will notify you if any of these rules affect you.

## Value of Your Account Balances

The value of your accounts under the Plan is determined as of the close of the stock markets (4:00 PM Eastern Time) on each business day and is updated each evening. The updated balances are then available the next day. You may obtain your account balances at any time by visiting the Your Benefits Resources Customer Service Center at (800) 965-4413 or www.yourbenefitsresources.com/osramsylvania.

## Investing Plan Contributions

### Your Investment Options

You choose how you want your contributions and the Company’s contributions invested. Since everyone has different investment needs, the Company offers a selection of different investment options as well as a self-directed brokerage (“SDB”) account. Each option has a distinct objective and level of risk. Before making your investment decision you should carefully weigh your personal financial goals. A “Summary of Investment Options” is available under the “401(k) Savings Plan” section of HRInfonet (my HR) and also under the “Plan Information” section of the Plan website at www.yourbenefitsresouces.com/osramsylvania.

Members should invest in the Plan as part of a long-term investment strategy and should avoid short-term trading and other abusive trading practices. The investment managers for the options of the Plan have taken reasonable measures to prevent short-term trading activity that may be harmful to that investment option and to the long-term investors in that investment. The Plan will take appropriate action to protect the interests of members who may be adversely affected by high frequency of trading in the Plan’s investment options by other members.

### Investment Decisions

When you enroll, you’ll be asked to indicate how you want your money invested. You may invest all of the money in one investment option, or you may divide it among any combination of investment options in multiples of 1%. For example, you could have 100% of your money in one investment option, or you might split your selection among all of the investment options. Before you make your investment decision, you should carefully consider your financial goals. You should also be certain to review the prospectus or other available information for each fund before making your investment decisions. These materials will describe the transaction fees and expenses related to specific investment options. The investment decisions you make are yours.

The Plan is intended to comply with Section 404(c) of the Employee Retirement Income Security Act of 1974 (ERISA), as amended, and the regulations thereunder. This means that the Plan is an individual account plan that provides an opportunity for members to exercise control over assets in their individual accounts and provides an opportunity to choose from a broad range of investment alternatives in which the assets in an account may be invested. Because the investment of your accounts under the Plan is directed by you, the fiduciaries of the Plan, such as the Benefits Administrative Committee and Investment Committee, may be relieved of liability for any losses that are the direct and necessary result of investment instructions given by you. You have the flexibility and responsibility to choose among a broad range of investment options provided under the Plan in a way that best meets your objectives.

You may request the following information by visiting the Your Benefits Resources Customer Service Center at (800) 965-4413 or www.yourbenefitsresources.com/osramsylvania.

- a description of the annual operating expenses of each investment fund option, (e.g., investment management fees, administrative fees, transaction costs) that reduce the rate of return to participants and beneficiaries and the aggregate amount of such expenses expressed as a percentage of average net assets of each investment option;
- copies of any prospectuses, financial statements and reports, and any other materials relating to the investment fund options (to the extent such information is provided to the Plan);
- a list of assets comprising the portfolio of each investment fund option, including the value of each such asset and, with respect to each such asset that is a fixed-rate investment contract issued by a bank, insurance company, or financial institution, the name of the issuer of the contract, the term of the contract, and the rate of return on the contract;
- information concerning the value, as well as past or current performance, of the units in any investment fund option determined net of expenses on a reasonable and consistent basis; and
- information concerning the value of units in each investment fund option held in your accounts.

All costs relating to the administration of the Plan are paid from members' accounts in the Plan.

## Changing Your Investments

Subject to certain Plan restrictions, you may change your investment allocations for future contributions daily. Changes take effect on the next business day and are applied to your next contributions made to the Plan.

### Fund Transfers

You can transfer current balances among the investment options. When you make a fund transfer, you take a percentage (or dollar amount) out of one investment option and move it to another. A fund transfer affects your existing account balance only. It does not affect how your future contributions are invested.

In addition, you may reallocate the fund or funds in which existing balances are invested on any business day. Reallocations may be made in 1% multiples. If you make a change on Saturday, Sunday or market holiday, the change will take effect as of the close of the next business day. If, on any business day, you make a reallocation after the stock markets are closed, your reallocation will take effect as of the close of the next business day.

You also may choose to have your existing balances automatically rebalanced every 90 days, every 180 days or annually. This feature automatically rebalances your portfolio by taking money out of funds that have grown to a larger percentage than your intended allocation and investing this money in your other chosen funds according to your investment elections on file.

To make a change in the investment of future contributions, visit the Your Benefits Resources Customer Service Center at (800) 965-4413 or www.yourbenefitsresources.com/osramsylvania.

Certain circumstances may affect the processing of transfer requests, the daily valuation of Plan accounts and any other transactions that have been made as of the end of the business day, including such things as equipment failures or other unforeseen conditions. Therefore, the processing of transfer requests, daily valuations and transactions will not be completed in every instance and market conditions may change during the time a valuation or transaction is in process.

## How Your Account Can Grow

The value of your Plan account at any time depends on a number of factors, including:

- how much and how long you save,
- Company contributions made on your behalf,
- investment gains (or losses), and
- any loans or withdrawals you take.

You can receive a personal statement at any time by visiting the Your Benefits Resources Customer Service Center at (800) 965-4413 or www.yourbenefitsresources.com/osramsylvania. The statement allows you to see how your account is growing and to determine whether your investment choices still reflect your personal financial goals.

To find out your account balance or the balances of your investment choices on any day, you can view your account balance by visiting the Your Benefits Resources Customer Service Center at (800) 965-4413 or www.yourbenefitsresources.com/osramsylvania. While no one can predict how the investment funds will do in the years ahead, regular savings and investment growth could pay off over time.

To project the estimated value of your account at different savings levels, refer to Your Benefits Resources at www.yourbenefitsresources.com/osramsylvania and click on “Tools and Calculators.”

## Withdrawals

Although the Plan is designed primarily to provide benefits when you retire, you may withdraw some Plan money under certain circumstances while you are still working. However, when you make a withdrawal, you should be aware of the tax consequences (see "Taxes on Withdrawals below and the tax withholding information in the "When You Pay Taxes" section). The minimum amount of any withdrawal is $250 or 100% of your available account balance, if less. Also, if you have monies in the Self-Directed Brokerage Account ("SDB") account, you must have a minimum balance of $500 remaining in your core investments after your withdrawal is processed.

### Regular Withdrawals
**(Non-Hardship Withdrawal)**

You may make a regular withdrawal up to two times in any Plan Year for any reason by contacting the Your Benefits Resources Customer Service Center at (800) 965-4413 or www.yourbenefitsresources.com/osramsylvania.

The following lists the categories of contributions in your accounts from which you can take a regular, non-hardship withdrawal. You must withdraw from each available category as shown below fully before you withdraw the next category:

(1) your pre-1987 after-tax contributions (both basic and supplemental), excluding investment earnings,

(2) your supplemental after-tax contributions made after 1986, which must include a pro rata share of earnings related to all after-tax contributions in your account,

(3) your basic (matched) after-tax contributions made after 1986, which must include a pro rata share of earnings related to all after-tax contributions in your account,

(4) your rollover contributions (excluding Roth rollovers) plus earnings related to these contributions,

(5) your vested Company matching contributions plus earnings related to these contributions,

(6) your vested SBCCs and ACCs,

(7) your tax-deferred contributions plus earnings related to these contributions, provided you are at least age 59½,

(8) your Roth rollover contributions plus earnings related to these contributions, and

(9) your Roth 401(k) contributions plus earnings related to these contributions, provided you are at least age 59½.

If you are at least age 59½, there is no limit on the number of withdrawals you can request in any Plan Year.

You may request to withdraw a specific dollar amount. Within each category of money, the withdrawal will be taken proportionately from each of your investment funds (excluding amounts invested in the SDB account). Your SDB account is included in the total amount you may withdraw, but you must transfer the appropriate amount back to the core investment options before a withdrawal from your SDB account can be processed.

Visit the Your Benefits Resources Customer Service Center at (800) 965-4413 or www.yourbenefitsresources.com/osramsylvania to obtain the exact amount available to you for a regular withdrawal from your account. You will receive your withdrawal as soon as administratively possible after you apply. You should be aware that there may be tax consequences depending on the type of contribution you withdraw. (See the “When You Pay Taxes” section for tax information.)

## Financial Hardship Withdrawals

A financial hardship withdrawal of amounts in your tax-deferred contribution account and/or Roth 401(k) contribution account is allowed only after you have withdrawn all of the money available to you under the Plan’s regular withdrawal rules or have taken the maximum number of regular withdrawals available in a calendar year. In addition, you must have taken all of the Plan loans for which you qualify, as long as they do not create additional financial hardship. (See the “Loans” section for loan information.)

You must also be able to demonstrate that you have an immediate and heavy financial need and that the withdrawal is necessary to satisfy the financial need.

Financial hardship situations are limited to the following:

- the purchase of your primary residence (excluding mortgage payments), including the down payment and closing costs (a primary residence could include a mobile home or trailer, or even a home you are building or having built),
- the prevention of foreclosure on or eviction from your primary residence,
- the payment of tuition and related educational fees (excluding books) and room and board expenses for the current and next semester, quarter or year of post-secondary education for you or your spouse or any dependent,
- medical expenses incurred by you, your spouse or your dependents that are not reimbursed by insurance and amounts necessary to obtain medical services,
- funeral expenses for your deceased parent, spouse, child or other dependent, and
- the repair of unforeseen damage to your principal residence not compensated for by insurance.

The amount of your withdrawal may not exceed the amount required to meet your immediate financial need, including any resulting state or local taxes or penalties reasonably expected to result from the withdrawal. You will be requested to declare that the financial need cannot be satisfied through other means such as suspending your contributions to the Plan, the reasonable liquidation of your assets or borrowing from commercial sources on reasonable commercial terms. If you cannot make this declaration, you will not be allowed to take a financial hardship withdrawal.

Both regular (non-hardship) and financial hardship withdrawals will be taken proportionately from each of your investment funds (excluding the SDB account). Your SDB account is included in the total amount you may withdraw, but you must transfer the appropriate amount back to the core investment options before a withdrawal from your SDB account can be processed. Federal law, however, prohibits the withdrawal of earnings related to any tax-deferred or Roth 401(k) contributions credited to your account after December 31, 1988, unless you are at least age 59½.

After your hardship withdrawal, you will not be permitted to make tax-deferred, Roth 401(k) or after-tax contributions to the Plan or any other retirement plan, stock option plan, or similar plan for six months (and therefore you will not receive any related Company matching contributions). At the end of the suspension period, you will need to reinstate your contributions at the desired level. Your contributions are not automatically restarted.

### Taxes on Withdrawals

Amounts you withdraw while working, other than your Roth 401(k) contributions and after-tax contributions, are subject to income taxes. The investment earnings on your Roth 401(k) contributions are not subject to taxes if the earning are withdrawn in a Qualified Distribution (see "Roth 401(k) Contributions" above). Also, in most cases, tax-deferred contributions, rollover contributions, Company contributions and investment earnings, whether on tax-deferred, Roth 401(k), or after-tax contributions, withdrawn before age 59½ are subject to an additional 10% IRS tax penalty for early withdrawal (see the "When You Pay Taxes" section for tax information).

### Withdrawal Procedures

To apply for a regular or financial hardship withdrawal, visit the Your Benefits Resources Customer Service Center at (800) 965-4413 or www.yourbenefitsresources.com/osramsylvania.

To apply for a financial hardship withdrawal, you must also complete an application and document the financial hardship with supporting materials.

The amount available for withdrawal will be determined as of the close of each business day (4:00PM Eastern Time). You will receive payment as soon as possible after you apply and provide the required supporting materials.

## Loans

As described in the prior section, withdrawals may be limited and may be subject to tax penalties. In addition, once amounts are withdrawn they may not be put back into the Plan. However, you may borrow from your account for any reason. Also, you do not pay taxes on a loan, provided you repay it according to the established amortization schedule. Finally, you pay yourself back with interest. There is a $50 fee for taking a loan from the Plan.

### Types of Loan

There are two types of loan available from the Plan:

**Principal residence loan -** you may obtain a principal residence loan to finance the purchase of a principal residence (house, condominium, co-op, mobile home or trailer, new construction by a builder or yourself, and even the land for new construction or a trailer) for yourself.

**General purpose loan -** you may obtain a general purpose loan for any other reason.

You may request up to two loans in any Plan Year. But you may not have more than two outstanding loans at any given time. You may have only one outstanding principal residence loan at any given time. If you want to request another loan, you must first totally pay off one of the loans. Also, if you have an SDB account, you must have a minimum balance of $500 remaining in your core investments after your loan is processed.

## How Much You May Borrow

The Company has structured the Plan to give you the most flexibility possible within certain government limits. The minimum amount you may borrow is $1,000. The maximum amount you may borrow at any time is the lesser of:

- 50% of your vested account balance reduced by the amount of any current outstanding loan balance, and any defaulted loan balance and the interest accrued on such defaulted loan balance, or
- $50,000 minus the highest outstanding loan balance during the prior 12 months AND minus any defaulted loan balance, including the interest accrued on such defaulted loan balance.

The following example shows how the maximum loan amount is determined. Let's assume your . . .

- current vested account balance in the investment funds (before any exclusions) = $53,000
- current outstanding loan balance = $5,000
- defaulted loan balance = $0
- highest outstanding loan balance during the prior 12 months = $8,000
- your maximum loan is the lesser of:

  50% of: $53,000 minus $5,000 = $24,000
  or
  $50,000 minus $8,000 = $42,000

Therefore, the maximum you may borrow is $24,000.

The outstanding balance of any Plan loan that is in default because of missed payments will be taxed as a distribution and reported to the IRS at the end of the year. The taxable amount will include both the remaining principal and any interest that is due when the loan goes into default. This amount also will be subject to a 10% IRS penalty for early withdrawal if you are under age 59½. To avoid default, if you are behind in payments at the end of a calendar quarter, you must bring your loans up to date before the end of the next quarter.

As indicated above, any defaulted loan balances also will permanently reduce the amount available for future loans - unless and until you repay the loan.

Defaulted loans continue to accrue interest. Although this additional interest is not reported as taxable income, it increases the amount required to pay off the loan and further reduces the amount available for future loans.

## Applying for a Loan

To apply for a loan, visit the Your Benefits Resources Customer Service Center at (800) 965-4413 or www.yourbenefitsresources.com/osramsylvania. You must fill out an application for a primary residence loan. If you request a primary residence loan, you also must submit a copy of the executed purchase and sale contract with your application form. Once your loan is approved, you will receive a promissory note, and a payroll deduction repayment schedule will be established.

## Where Your Loan Comes From

When your loan is approved the money will come out of the Plan accounts in a specified order. Each category must be depleted before a loan comes out of the next category, as follows (categories include attributable earnings):

(1) your basic tax-deferred contributions,

(2) your supplemental tax-deferred contributions,

(3) your vested Company matching contributions,

(4) your SBCC and ACC contributions,

(5) your rollover contributions (other than Roth rollover contributions),

(6) your basic after-tax contributions,

(7) your supplemental after-tax contributions,

(8) your Roth rollover contributions, and

(9) your Roth 401(k) contributions.

The proceeds for the loan will be taken proportionately from each investment fund in which your accounts are then invested (excluding amounts invested in the SDB account). In order to borrow amounts invested in the SDB account, you must transfer the appropriate amount to one of the core investment options in the Plan before your loan can be processed.

## Repaying Your Loan

After you receive your loan, you must pay it back with interest in substantially equal installments through payroll deductions. If you are on an unpaid leave of absence, you must continue your loan repayments. You will receive payment coupons for this purpose. However, loan repayments are suspended while you are absent from work with the Company due to military service.

You may take one to four years to repay a general purpose loan and up to 30 years to repay a primary residence loan. However, your loan must be repaid according to the amortization schedule established when the loan is requested or else there is a risk that your loan will be defaulted. Furthermore, if you terminate employment, all outstanding loans must be repaid in full within 60 days. If an outstanding loan is not repaid during this 60-day period, the loan will be declared to be in default at the end of this period. As required by federal regulations the default amount will be considered to be a distribution for tax purposes and reported as taxable income in the year when the default occurs. In addition, as indicated above, any defaulted loan balance will permanently reduce the amount available for future loans unless and until you repay the loan. Further, a defaulted loan will continue to accrue interest. Although this additional interest will not be reported as taxable income, it will increase the amount required to pay off the loan and will further reduce the amount available for future loans.

You may prepay an outstanding loan in full at any time. Partial prepayments are not allowed.

As you repay a loan, your repayments of principal and interest go into each account category borrowed from in reverse order from how they came out.

Repayments are invested in the Plan's investment funds based on your most recent investment election for contributions.

Keep in mind that the category order in which repayment is made is designed to provide maximum financial advantage to you. For example, your tax-deferred contributions are the least accessible for withdrawal purposes if you are under age 59½. For this reason, this money is used first to meet loan proceeds, which leaves the contributions that are more accessible for withdrawals (such as supplemental after-tax contributions) available if you should need to make a withdrawal.

### How Interest Is Determined

The rate of interest you pay on your loan is determined by the Benefits Administrative Committee. Currently, the interest rate is the prime rate as published in the *Wall Street Journal* in effect on the fifteenth day of the month before the first day of the quarter in which a loan is made. The interest rate on a loan remains in effect over the term of that loan. It does not change even though the interest rate applicable to new loans may change.

### Tax Considerations for Loans

Under federal law, personal (non-investment) interest on loans from the Plan is not deductible on your federal tax return. Please note that interest on loans from the Plan to purchase your primary residence (these are not mortgages) is considered personal interest. This information is intended only as a general guideline. You should consult a tax specialist regarding your personal situation.

## Vesting

You are always 100% vested in (entitled to) your tax-deferred, Roth 401(k), after-tax, catch-up, rollover and Roth rollover contributions, along with related earnings, as well as any amounts transferred to the Plan from the Motorola Profit Sharing and Investment Plan if you were an active participant in the Motorola Plan on February 29, 2000. You become vested in Company matching contributions, SBCCs, and ACCs, and related earnings as shown below:

| Years of Service | Percent Vested |
|---|---|
| Fewer than 2 | 0% |
| 2 but fewer than 3 | 40% |
| 3 but fewer than 4 | 60% |
| 4 but fewer than 5 | 80% |
| 5 or more | 100% |

For vesting purposes, service is generally all periods of employment (including layoffs and leaves of absence for a period of up to 12 months) with the Company or an affiliate. If you were eligible to participate in the Motorola Plan as of February 29, 2000, and you became an employee of the Company under the Asset Sale Agreement between Motorola and the Company dated February 29, 2000, your vesting service also includes service recognized as vesting service under the Motorola Plan.

You are also 100% vested in the Company's matching contributions, SBCCs, and ACCs regardless of your years of service if you are transferred directly to employment with an affiliated company that is not located in the United States, including a company in which Siemens AG has an ownership interest of at least 25%, or if you terminate employment as a result of your permanent lay off, death or disability, or in the event of a complete or partial termination of the Plan that affects you or a complete discontinuance of contributions to the Plan.

Special rules concerning vesting apply if you leave the Company and are later rehired. See the "If You Leave and Are Later Rehired" section.

## When You May Collect Plan Money

You are eligible to receive a distribution of your contributions and your vested Company contributions, adjusted for investment earnings or losses, if:

- you retire or terminate employment with the Company and all affiliated companies;
- your employment is terminated due to death or disability, or
- you are permanently laid off.

For the purposes of the Plan, you are "disabled" if a condition due to a bodily injury or disease prevents you from continuing in your regular employment with the Company. It does not include a disability (a) suffered or incurred while you were engaged in, or resulting from having engaged in a criminal enterprise, (b) resulting from habitual drunkenness or addiction to narcotics, or (c) resulting from a self-inflicted injury. The disability will not be deemed to exist if you refuse to submit to a physical examination made by a physician chosen by the Benefits Administrative Committee for the purpose of determining the existence of the disability.

If you transfer directly to an affiliated company that is not located in the United States, any amount you have in the Plan cannot be distributed to you until you terminate from all affiliated companies.

## How Payments Are Made

How your account is paid depends on the value of your account. If the value of your account is $1,000 or less when you leave, you automatically will receive a lump sum payment of your entire balance. If your account balance is greater than $1,000, an automatic payment will not be made.  In this case, you may request payment of your benefit at any time.

When your employment ends, if your account balance is more than $1,000, you may defer taking a distribution from your account until you reach age 70½, but you may request an earlier distribution, if you so choose.

If your account balance is more than $1,000, you may choose any of the following payment methods:

- one lump sum payment,
- installment payments, or
- up to two partial lump sum payments per calendar year until your account is depleted.

Visit the Your Benefits Resources Customer Service Center at (800) 965-4413 or www.yourbenefitsresources.com/osramsylvania to make your payment election. If the value of your vested account balance is more than $1,000 and you do not choose a payment form, your account will be paid to you in annual installments beginning no later than April 1 following the calendar year in which you reach age 70½. If you remain actively employed by the Company beyond age 70½, you will begin receiving your benefit from the Plan when you retire.

**Upon Your Death.** If you die while an employee or before receiving any payments (and your vested account balance is more than $1,000) your designated beneficiary may choose from the payment methods described above. If you die while payments from the Plan are still being made to you, your designated beneficiary will receive the remainder of your payments from the Plan under the method you previously selected.

If you die without designating a beneficiary, payments will be made in the following order: first to your surviving spouse, if you have no surviving spouse, then to all your surviving children in equal shares, and if you have no surviving spouse or surviving children, then to your estate. Remember that if you want to choose a beneficiary other than your spouse, you will need your spouse's written consent, witnessed by a notary public.

You or your beneficiary will be able to direct the investment of the amounts remaining in the Plan in any of the investment options then offered in the Plan while receiving payments from the Plan.

Distributions of less than your entire vested account balance in the Plan will be taken from your amounts in the following order: supplemental after-tax contribution account, basic after-tax contribution account, rollover contribution account (excluding Roth rollovers), Company matching contribution account, SBCC and ACC, supplemental tax-deferred contribution account, basic tax-deferred contribution account, Roth rollover account, and Roth 401(k) contribution account.

## Qualified Domestic Relations Orders

Part or all of your account balance may be subject to the terms of a qualified domestic relations order or QDRO. A QDRO is a state court order relating to child support, alimony payments or marital property rights. A QDRO may require payment of part or all of your account to your spouse, former spouse, child or other dependent. Contact the Your Benefits Resources Customer Service Center for more information on how a QDRO may affect your account balance.

## If You Leave and Are Later Rehired Before Being Vested in Company Matching Contributions, SBCC or ACC

If you leave the Company after becoming a Plan member or meeting the eligibility requirements (see the “Eligibility” section) and are rehired, you are eligible to participate in the Plan immediately upon rehire. You are not eligible for the SBCC or ACC if you are rehired, but you are eligible for a 100% Company matching contribution on your basic contributions.

If you leave the Company and all affiliated companies before you are fully vested in Company contributions, the nonvested portion of these contributions and related earnings will be forfeited. Forfeitures are used as a credit against future Company contributions.

If you are rehired by the Company or an affiliated company before you have a five-year break in service, then any amount forfeited from your accounts will be restored (without earnings), and all of your years of service before and after the break will count for vesting.

If you are rehired by the Company or an affiliated company after you have a five-year break in service, then forfeited amounts will not be restored to your account, and your years of service before the break will not count for vesting after the break.

A “five-year break in service” is a period of 60 consecutive months during which you are not employed by the Company or an affiliated company.  However, an absence of up to 24 months for paternity or maternity leave (that is, pregnancy, birth or adoption of your child, or caring for your child immediately following birth or adoption) does not count as a break-in-service. The first 12 months of such leave counts as service towards vesting.

Subject to certain limitations and exceptions, if you are absent from work with the Company because of military service, and you are rehired within certain time limits, (a) you will not incur a break in service because of the period of your military service; (b) your military service will be treated as service for vesting purposes under the Plan, and (c) you will be permitted to make up contributions to the Plan (on a tax-deferred, Roth 401(k), or after-tax basis) for the period of your military service. You can make up your contributions at any time from the date of your reemployment up to five years after your reemployment or, if less, three times your period of military service.

You will be entitled to receive any SBCC or ACC that you would have been eligible for during your absence.  In addition, if you make up the contributions you would have made while in military service, you will also be entitled to receive applicable Company matching contributions. For purposes of the make-up contributions, you will be treated as receiving pay during your period of military service equal to the pay you would otherwise have received during that period. If your pay is not reasonably certain, your average pay during the 12-month period immediately preceding your period of military service will be used (or, if shorter, the period of employment immediately preceding your military service). Additionally, any outstanding loan payments and interest accrual are suspended during your absence due to military service and resume upon your reemployment with the Company. You should contact the Your Benefits Resources Customer Service Center at (800) 965-4413 if you think these provisions apply to you.

## If You Transfer to an Affiliated Company

### Transfer to a Participating Company

If you transfer to an affiliated company that has adopted the Plan, your eligibility for Plan participation continues and your contribution election is transferred to the new company.

### Transfer to a Non-Participating Company

If you transfer to an affiliated company that has not adopted the Plan, your contributions end, but you continue to earn vesting service. You continue to be able to transfer your account balances among investment funds and request in-service withdrawals and loans.

If you transfer directly to an affiliated company that is not located in the United States, you cannot request a distribution until you terminate from the Company and all affiliates globally.

## When You Pay Taxes

This Plan has been designed to meet government requirements and to help you enjoy special tax advantages.

### Federal Income Tax

Your after-tax contributions come out of pay that already has been taxed. So although you do not postpone federal taxes on these contributions, you do postpone taxes on their investment earnings while they remain in the Plan.

Your Roth 401(k) contributions also come out of pay that already has been taxed. However, if you meet the requirements set forth by the IRS for a “qualified distribution”, you will not pay taxes on the investment earnings on your Roth 401(k) contributions. These requirements are:

- You have satisfied the “5-year participation period” (see “Roth 401(k) Contributions” above) when the Roth 401(k) contributions and earnings come out of the Plan;

  AND

- the reason for the distribution is one of the following:
  (1) you are age 59½ or older,
  (2) you become disabled (as defined by the IRS definition), or
  (3) you die.

Your tax-deferred contributions are made before federal income taxes are withheld. As long as that money stays in the Plan, it will not be taxed by the federal government. The same is true for all Company contributions and investment earnings on Company and tax-deferred contributions. You pay no current federal income taxes on these amounts as long as they remain in the Plan. When these amounts are distributed, you pay federal income taxes on both the contributions and their investment earnings.

### Withdrawals While Working

Your tax-deferred contributions, all Company contributions and all investment earnings including investment earnings on Roth 401(k) contributions, unless the IRS requirements for a “qualified distribution” discussed earlier are met, are fully taxable as ordinary income when you withdraw them. In addition, these amounts are subject to an additional 10% tax penalty if you withdraw them before reaching age 59½. The additional 10% penalty does not apply if your withdrawal does not exceed your tax-deductible medical expenses that are not reimbursed, and it does not apply to distributions made under a qualified domestic relations order. Any withdrawal of after-tax contributions made after 1986 and Roth 401(k) contributions must include a pro-rata portion of earnings related to those contributions and this pro rata portion of earnings is subject to income taxes and the 10% penalty (other than earnings on Roth 401(k) contribution received in a “qualified distribution”).

### Distribution When You Leave the Company

Your tax-deferred contributions, Company contributions and all investment earnings, including investment earnings on Roth 401(k) contributions unless the IRS requirements for a qualified distribution discussed earlier are met, are fully taxable as ordinary income when they are distributed to you. In addition, if you leave the Company and receive your Plan money before age 59½, the taxable amount you receive will be subject to a 10% excise tax as well as ordinary income taxes.

However, there is no additional 10% tax if:

- you receive your Plan money in periodic installments over your life expectancy,
- payout is made due to your death,
- payout is made due to a disability that meets the applicable disability requirements under the Internal Revenue Code. You may need to file federal tax form 5329 to request this waiver,
- you leave after age 55 and then receive your vested Plan money,
- you roll over the taxable portion of your Plan account to an IRA or another employer's retirement plan, or
- the amount you receive does not exceed your tax-deductible medical expenses that are not reimbursed.

## State and Local Income Taxes

<u>Contributions</u>

Your Roth 401(k) and after-tax contributions come out of pay that has already been taxed by your state and/or local government.

Tax-deferred contributions generally are treated by state and local governments the same way as by the federal government. However, Pennsylvania and some localities do not exempt tax-deferred contributions from state and local income taxes. This means in those areas you will have to pay state and/or local income taxes on any tax-deferred contributions you make.

You do not pay state and/or local taxes on Company contributions and any earnings as long as they remain in the Plan.

<u>Distributions</u>

If you did not pay state and/or local taxes on tax-deferred before-tax contributions when you made these contributions, you generally will be subject to tax on these amounts when you receive them. Earnings on tax-deferred and after-tax contributions will also be subject to state and/or local tax when you receive them. In addition, all Company contributions and their investment earnings will generally be subject to tax when distributed. Tax deferred contributions, which are subject to state tax when they are contributed to the Plan, are not reported separately when they are distributed from the Plan. Therefore, it is important for you to retain your Forms W-2 for tax purposes.

Since your Roth 401(k) contributions are made with after-tax money, distributions of Roth 401(k) contributions are generally exempt from state and local income tax just as they are for federal income tax purposes. In addition, most states follow the federal rule of not taxing earnings on Roth 401(k) contributions to the extent a distribution satisfies the federal rules for a "qualified distribution". But this is not true in every state. Please consult with your personal tax advisor regarding the state and local tax laws applicable to distributions of your Roth 401(k) contributions.

Withholding

Certain withdrawals and distributions are subject to 20% federal income tax withholding if they are considered “eligible rollover distributions” and are not directly rolled over. An “eligible rollover distribution” may be rolled over to an IRA or another employer’s retirement plan. If the payment is an eligible rollover distribution and it is directly rolled over, the 20% income tax withholding does not apply. Furthermore, you are not taxed on the payment until you later take it out of the IRA or the other employer’s retirement plan. See the notice regarding important tax withholding rules on the Your Benefits Resources Customer Service Center at www.yourbenefitsresources.com/osramsylvania for additional information. This notice also will be provided to your (or your beneficiary) when you request a distribution.

### For More Information

Keep in mind that this information is intended only as a general guideline based on the tax laws currently in effect. Tax laws are complicated and subject to change frequently. Therefore, before you receive any payments from the Plan, you should consult a tax specialist to determine the payment method and tax treatment that will be best for you.

## How to File Plan Forms

All forms related to the Plan are available on the Your Benefits Resources Customer Service Center at www.yourbenefitsresources.com/osramsylvania or by calling (800) 965-4413. Instructions are on each form to help you complete it properly.

Return all forms to the Your Benefits Resources Customer Service Center. Your forms must be received within the required time periods indicated on the forms.

Most elections (for example, changes to contribution rates, changes to the investment of future savings or current balances and beneficiary designations) may be made by visiting the Your Benefits Resources Customer Service Center at (800) 965-4413 or www.yourbenefitsresources.com/osramsylvania.

## What Else You Should Know

### Assignment of Benefits

Your benefits under the Plan are solely for you or your beneficiary. Generally, they may not be assigned to anyone else and may not be attached or garnished by any other person. However, the Plan will honor qualified domestic relations orders. If the Company receives such an order, you will be notified of how it will be handled with respect to your account.

### Amendment or Termination

OSRAM SYLVANIA Inc. reserves the right to amend or terminate all or any portion of the Plan at any time and for any reason. If the Plan is terminated (or upon complete discontinuance of contributions to the Plan), you will automatically become 100% vested in your account balance.

## No Contract of Employment

The existence of this Plan does not create a contract of employment between you and the Company and does not affect the Company's right to terminate your employment.

## Top-Heavy Provisions

Under the Internal Revenue Code, a plan is "top-heavy" when more than 60% of the assets of the plan are attributable to the accounts of certain shareholders, officers and other highly compensated members. In the unlikely event that the Plan ever becomes top-heavy, certain rules apply. Generally, a minimum Company contribution of 3% of pay would be required for certain members. A member must be employed on the last day of the plan year to receive this minimum allocation.

## Pension Benefit Guaranty Corporation

Benefits under the Plan are not insured by the Pension Benefit Guaranty Corporation (PBGC), which is a government corporation established by the Employee Retirement Income Security Act of 1974. The Plan is a defined contribution plan, which provides members with the full value of their vested accounts as their benefits. The PBGC does not insure plan of this type. However, the assets of the plan are held separately from the assets of the Company for the exclusive benefit of Plan members.

## Plan Sponsor

The sponsor of the OSRAM SYLVANIA Savings Plan is:

OSRAM SYLVANIA Inc.
100 Endicott Street
Danvers, MA 01923

(978) 777-1900

The following employers also participate in the Plan: Sylvania Lighting Services Corp.

## Employer Identification Number

The employer identification number (EIN) assigned by the Internal Revenue Service (IRS) to OSRAM SYLVANIA Inc. is 04-3349012.

## Plan Number

The number assigned to the Plan by the Plan sponsor is 002.

## Plan Administrator

The Benefits Administrative Committee of OSRAM SYLVANIA Inc. is responsible for the administration, interpretation and compliance requirements pertaining to the OSRAM SYLVANIA Savings Plan. This includes reviewing claims for benefits under the Plan and deciding appeals on denied benefit claims.

The Investment Committee of OSRAM SYLVANIA Inc. is responsible for investing the assets of the OSRAM SYLVANIA Savings Plan and monitoring the investment performance of the various investment funds comprising the trust fund under the Plan. The Investment Committee is also responsible for selecting and monitoring the Trustee and the fund manager for each investment fund.

All expenses related to the administration of the Plan and the trust fund are paid from the trust fund unless they are paid by the Company. The Benefits Administrative Committee and the Investment Committee jointly approve all payments of administrative expenses from the trust fund. The address and telephone number for the Benefits Administrative Committee and Investment Committee are as follows:

Benefits Administrative Committee
OSRAM Sylvania Inc.
100 Endicott Street
Danvers, MA 01923
(978) 777-1900

Investment Committee
OSRAM Sylvania Inc.
100 Endicott Street
Danvers, MA 01923
(978) 777-1900

## Trustee

The Trustee of the Plan is:

BNY Mellon
125 Santilli Highway
Everett, MA 02149

## Legal Service

Legal process may be served on the Plan Sponsor or on the Trustee of the Plan.

## Administrative Information

The Plan is a defined contribution retirement plan. It is funded by both member and Company contributions.

## Your Rights Under ERISA

As a member of the OSRAM SYLVANIA Savings Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA).

ERISA provides all Plan participants shall be entitled to:

RECEIVE INFORMATION ABOUT YOUR PLAN AND BENEFITS

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each member with a copy of the summary annual report.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

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

ENFORCE YOUR RIGHTS

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

Under ERISA, there are steps you can take to enforce the above rights. For instance if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a qualified domestic relations order, you may file suit in a federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have any questions about the Plan, you should contact the Benefits Administrative Committee. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Benefits Administrative Committee, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration

## Claims Procedure

This claims procedure provides you (or your beneficiary) with a simple way of presenting claims for benefits and obtaining review of any benefit denial. If you believe you are entitled to a benefit and have not been notified that one is payable, or if you disagree with the amount of the benefit that is payable, you may file a written claim with the Benefits Administrative Committee.

Generally, within 90 days after you file your claim (or within 45 days if your claim is for a disability benefit), you will receive a written notice if your claim is denied. If the Benefits Administrative Committee determines that an extension of time for processing your claim is required, it will provide you with notice o the extension before the end of the initial 90-day or 45-day period, as applicable. The 90-day period may be extended for up to an additional 90 days. If your claim is for a disability benefit, the 45-day period may be extended for up to 30 days if necessary due to reasons beyond the Benefits Administrative Committee's control, and then for an additional 30 days, if necessary. The notice must explain the special circumstances that require the extension and the date by which the Benefits Administrative Committee expects to make a decision. If your claim is for a disability benefit, the notice of extension also must explain the standards on which entitlement benefits is based, the unresolved issues that prevent a decision on the disability benefit, and the additional information needed to resolve the issues. You will then have at least 45 days to provide such information, and the time period within which the Benefits Administrative Committee must make the benefit determination will be tolled from the date on which the Benefits Administrative Committee provides you with notice of the extension until the date that your respond to the Benefits Administrative Committee's request.

If part or all of your claim is denied, the notice from the Benefits Administrative Committee will contain:

- the reason(s) for the denial;
- reference to Plan provisions on which the denial is based;
- a description of any additional material or information necessary to complete the claim and an explanation of why it is necessary;
- an explanation of the claims review procedure and the time limits applicable to such procedure, including a statement of your right to bring a civil action under Section 502(a) of ERISA following an adverse determination on review;
- the consequences of your failure to meet the deadline for appeal, including the possible loss of the right to bring a civil action; and
- if your claim is for a disability benefit, the following: (a) any internal rule, guideline, protocol or other similar criterion relied on in denying the claim (or a statement that you may obtain such information without charge upon request; and (b) if the denial is based on a medical necessity or experimental treatment or other similar exclusion or limit, an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances (or a statement that you may obtain such explanation free of charge upon request).

If part of all of your claim is denied (either initially or after a review of any required additional material or information), you may appeal the decision and ask that your claim be reconsidered. You must appeal within 60 days after you receive the notice of denial (or within

180 days after you receive the notice of denial if your claim is for a disability benefit). Otherwise, you claim will not be reconsidered.

If your claim is for a disability benefit, any review of a denied claim will be conducted by a fiduciary of the Plan who is neither the fiduciary who made the initial adverse benefit determination nor a subordinate of such fiduciary in a manner that does not afford deference to the initial adverse benefit determination. If the denial was based in whole or in part on a medical judgment (including a determination with regard to whether a particular treatment, drug, or other item is experimental, investigational or not medically necessary or appropriate), the fiduciary will consult with a health care professional with appropriate training and experience in the field of medicine involving the medical judgment. The fiduciary must identify any medical or vocational expert used by the Plan in making the initial adverse benefit determination and may not rely on such experts or the subordinates of such experts in reviewing the claim.

You will receive a final decision on your appeal within 60 days after the Benefits Administrative Committee receives the appeal (or within 45 days after receipt if your claim is for a disability benefit) unless there has been an extension of 60 days (or 45 days if your claim is for a disability benefit) due to special circumstances, in which case you will be notified.

If part or all of your claim is denied on appeal, you will receive a written notice of the denial containing the following information:

- the reason(s) for the denial'
- reference to Plan provisions on which the denial is based:
- a statement that you are entitled to receive, upon request and without charge, reasonable access to and copies of all documents, records and other information relevant to your claim for benefits;
- a statement of your right to bring an action under Section 502(a) of ERISA; and
- if your claim is for a disability benefit, the following: (a) any internal rule, guideline, protocol, or other similar criterion relied on in denying the claim, or a statement that you may obtain such information without charge upon request); and (b) if the denial is based on a medical necessity or experimental treatment or similar exclusion or limit, an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to your medical circumstances (or a statement that you may obtain such explanation without charge upon request).

You may not bring any legal action against the Company, the Plan or the Benefits Administrative Committee relating to a claim for benefits under the Plan unless and until you have followed this claims procedure and exhausted your administrative remedies under this procedure.

You are entitled to be represented by the person of your choice throughout the claims procedures. The Benefits Administrative Committee has full and exclusive authority to interpret all Plan provisions, to determine eligibility for benefits, and to construe the terms of the Plan. The Benefits Administrative Committee's decision on an appeal is final.