

PART VII

401(k) PLAN

The 401(k) Plan provides participants with the opportunity to supplement income at retirement. Enrollment in the 401(k) Plan is optional.

WHO IS ELIGIBLE FOR THE 401(k) PLAN?

Active Employees

Each employee of Brookhaven Science Associates, LLC who was a participant in the AUI Supplemental Retirement Annuity Plan on February 28, 1998 is eligible to participate in this plan on March 1, 1998.

In addition, all full-time employees are eligible to participate in the 401(k) Plan on March 1, 1998 or the first day of active employment, if later. Employees who work on a part-time, temporary or irregular basis may participate on the earlier of January 1 or July 1 following completion of 1,000 hours of service during the 12 consecutive calendar month period beginning with the first day of active employment.

Service shall include Continuous Service, if any, with Associated Universities, Inc., Battelle Memorial Institute, Research Foundation of the State University of New York or the State University of New York at Stony Brook immediately prior to a transfer of employment to Brookhaven Science Associates, LLC. Individuals with guest or visitor appointments are not eligible to participate.

ENROLLMENT

To enroll, you must complete enrollment forms which are available through the Human Resources Division. By completing the forms, you will authorize contributions, as a percent of Base Salary, from your paycheck and the funds in which 401(k) Plan contributions will be invested.

401(k) PLAN COVERAGE

Benefits Provided

Participants may make contributions to the plan through regular payroll reductions. Contributions are drawn from a participant's salary before taxes are calculated. This reduces taxable income, so a participant pays

less in taxes now. This arrangement is called “salary reduction.” Income on contributions is tax-deferred until withdrawn in the future.

Prior to April 1, 2002, the maximum contribution a participant could make to the plan was 15% of Base Salary. Effective April 1, 2002, the maximum contribution a participant can make to the plan is 25% of Base Salary. Federal laws and regulations may further limit a participant’s ability to contribute to this plan. For example, during 2004, no more than \$205,000 of a participant’s Base Salary may be used for determining contributions during a calendar year. Also, effective January 1, 2004, the maximum dollar amount a participant may currently contribute during a calendar year is the lesser of:

- \$13,000 for 2004 (\$14,000 for 2005) or
- 25% of Base Salary

These limits are subject to change based on changes in the laws.

Catch Up Contributions

Effective April 1, 2002, the plan will allow catch up contributions as provided under the Internal Revenue Code. For participants who are age 50 or over during calendar year 2004, the participant may contribute up to an additional \$3,000 during calendar year 2004. For participants who have or will attain age 50 during calendar year 2005, the participant may contribute up to an additional \$4,000 during calendar year 2005. This dollar amount increases based on applicable laws. Participants must complete an enrollment form to elect this catch up provision. The dollar amount elected will remain in effect unless a participant completes another enrollment form indicating otherwise.

Plan Investments

There are numerous approved funds in which a participant can allocate the investment of his or her contributions. These funds are through TIAA-CREF, Fidelity Investment Services and the Vanguard Group. The funds available for investment are indicated at the end of the 401(k) Plan section.

Allocating Contributions

When a participant first enrolls in the plan, he or she will complete a form indicating how to allocate plan contributions. The allocation can be changed at any time. If a participant wants to change the allocation within an investment company, he or she must contact the investment company directly. If the participant wants to change investment companies or the allocation between companies, he or she must complete an allocation form available in the Human Resources Division.

Designating a Beneficiary

When a participant enrolls in the plan, he or she will indicate one or more beneficiaries on the enrollment forms. For married participants, the spouse must be the beneficiary for at least 50% of the accumulation unless the spouse consents to the designation of someone else. In the event of a participant's death, retirement benefits will be paid to the designated beneficiary(ies). A beneficiary designation may be changed at any time, prior to beginning retirement benefits, by contacting the investment companies directly or the Human Resources Division.

Changing the Amount Being Contributed

A participant may change the percentage he or she is contributing to this plan once each calendar month. This includes a change from no contributions to starting contributions and vice versa. A participant can, however, cease contributions at any time. To make a change to the amount being contributed, a participant must complete a form available in the Human Resources Division.

Transferring Between Funds

Participants are permitted to transfer accumulations between funds and investment companies. To transfer accumulations within an investment company, the participant must contact the investment company directly. To transfer accumulations from one investment company to another, forms are available by contacting the investment companies directly or the Human Resources Division.

Rollover Contributions

A participant may make a rollover contribution to this plan upon demonstrating to the Plan Administrator that the contribution is eligible for transfer to this plan. Transfers from a plan other than a plan which meets the requirements of Internal Revenue Code section 401(a), 403(a), 401(k), 403(b), 457(b) or conduit IRAs (pre-tax) are not eligible.

Vesting

Vesting is the process by which a participant earns the right to the value of the contributions in his or her account. Under the 401(k) Plan, participants are immediately vested in the plan benefits.

Loans

Loans are permitted from a participant's TIAA-CREF accumulation in this plan. When a participant begins a loan, a portion of his or her accumulation will be set aside as security for the loan but will continue to earn income while the loan is being repaid.

The minimum loan amount available is \$1,000. The maximum amount is the least of the following:

- \$50,000 or
- 45% of the participant's TIAA-CREF accumulation or
- 90% of the participant's TIAA accumulation.

If a participant has plan accumulations in CREF, Fidelity or Vanguard, he or she may transfer all or part of the accumulation to TIAA to increase the available loan amount.

A participant may have more than one outstanding loan. If a participant applies for a second loan, the amount available may be effected by the outstanding loan.

Loan repayments may be made over a period of one to five years with payments due every quarter. A ten year repayment option is available if the loan is being used to purchase a principal residence.

Participants who want to pursue a loan must contact TIAA-CREF directly for a loan application and additional information on loan provisions including the interest rate, billing, and default.

Based on Federal law, married participants who request a loan must provide their spouse's written consent for such benefit.

Withdrawals

Withdrawals are permitted from this plan if any of the following events occur:

- The participant retires, dies, becomes disabled, or terminates employment or
- The participant attains age 59 1/2 or
- The participant incurs a financial hardship.

For a participant to incur a financial hardship, the participant must have an immediate and heavy financial need that meets one of the following hardship criteria.

- Purchase of the participant's principal residence.
- Prevention of foreclosure on or eviction from the participant's principal residence.
- Payment of medical expenses which are not reimbursed through insurance for the participant or his or her spouse or dependents.

- Payment of tuition, related educational expenses, and/or room and board for post-secondary education for the participant or his or her spouse or dependents for the next twelve months.
- Payment of funeral expenses for a member of the participant's family.

A withdrawal for hardship reasons is only available if the financial need cannot be reasonably relieved through other sources.

The hardship withdrawal cannot exceed the amount required to satisfy the immediate hardship and may only include the participant's plan contributions, not income earned. Effective April 1, 2002, a participant who receives a withdrawal for hardship reasons will be required to discontinue plan contributions for six months. For hardship withdrawals made prior to April 1, 2002, plan contributions will continue to be discontinued for twelve months. To apply for a hardship withdrawal, participants must contact the Fiscal Officer.

In addition, a withdrawal of rollover contributions may be made at any time. If a participant withdraws rollover contributions before age 59 1/2, Federal early distribution penalties may apply.

Based on Federal law, married participants who request a withdrawal must provide their spouse's written consent for such benefit.

For information on withdrawals, other than for financial hardship, and the receipt of retirement income see the RETIREMENT OPTIONS section.

Statements

Participants will receive quarterly account statements from each of the investment companies in which they have invested plan contributions. The statements will indicate the amount of accumulations in each of the funds in which the participant has invested.

RETIREMENT OPTIONS

If a participant retires, becomes disabled and receives Long Term Disability Plan benefits for at least 24 months, terminates employment, or attains age 59 1/2, he or she may begin receiving retirement benefits. Participants have the benefit options indicated below for the payment of benefits. Payment of retirement benefits, other than the Cash Withdrawal option, must be made through TIAA-CREF. This means that in order to establish the payment of benefits other than through the Cash Withdrawal option, the participant must transfer accumulations, if any, in Fidelity Investment Services, and the Vanguard Group to TIAA-CREF before benefit payments can begin. Other than for the purpose of the Cash Withdrawal and Retirement Transition Benefit options indicated below, retirement benefits will be

provided in the form of an annuity. An annuity, for the purpose of this plan, is a series of regular payments.

To apply for benefits, contact TIAA-CREF at (800) 842-2776, or Fidelity Investment Services at (800) 343-0860, or the Vanguard Group at (800) 523-1188.

Cash Withdrawal

A participant may elect, as a retirement benefit, a cash withdrawal of up to 100% of his or her total accumulation in the 401(k) Plan. Based on Federal law, participants who request a cash withdrawal must provide their spouse's written consent for such withdrawal.

One-Life Annuity Option

The most basic annuity form is the one-life annuity. It pays income to the participant for his or her lifetime, and the income ceases at death. A participant may elect a guaranteed period of either 10, 15, or 20 years to be added to this option, but restrictions may apply. If the participant dies during the period, the designated beneficiary will continue to receive the full payments until the guaranteed period ends. Based on Federal law, married participants who request a one-life annuity option must provide their spouse's written consent for such benefit.

Two-Life Annuity Option

A two-life annuity provides an income for life for two people. Neither the participant nor his or her designated second annuitant can outlive the income. The amount continuing to the survivor after the participant's death depends on the option selected. A participant may elect a guaranteed period of either 10, 15, or 20 years to be added to any of the two-life annuity options indicated below, but restrictions may apply. When a guaranteed period is added to a two-life annuity, the guarantee provides that the benefit will continue to a designated beneficiary until the end of such period if both the participant and the second annuitant die within the guaranteed period. Based on Federal law, married participants who request a two-life annuity option must provide their spouse's written consent for such benefit, if the designated second annuitant is not the spouse.

A **two-life annuity with full benefit** to survivor means that there is no benefit reduction after the death of either the participant or the second annuitant. If a guaranteed period is added to this option and both the participant and the second annuitant die during the period, the designated beneficiary will continue to receive the full benefit until the guaranteed period ends.

A **two-life annuity with half benefit to second annuitant** means that if the participant dies first, the benefit to the second annuitant will continue at half of the amount it would otherwise be. If the second annuitant dies first, the income to the participant does not change. If a guaranteed period is added to this option and both the participant and the second annuitant die during the period, the designated beneficiary will receive half of the benefit until the guaranteed period ends.

A **two-life annuity with two-thirds benefit to survivor** means that when either the participant or the second annuitant dies, the benefit is reduced to two-thirds of the amount it would otherwise be for the survivor. This is the only option where the benefit of the participant reduces if the second annuitant dies first. If a guaranteed period is added to this option and both the participant and the second annuitant die during the period, the designated beneficiary will receive the two-thirds benefit until the guaranteed period ends.

Fixed Period Annuity Option

For any accumulation that a participant has in TIAA-CREF, he or she may elect the fixed period annuity option which provides retirement benefits over a number of years based on the participant's election. The number of years available for benefits is between 2 and 30 and depends on the participant's age. During that period, all of the participant's accumulation will be returned to him or her. When the fixed period is over, benefits cease. If a participant dies during the period, the designated beneficiary may elect to continue receiving the remainder of the benefit payments or a lump sum payment. Based on Federal law, married participants who request a fixed period annuity option must provide their spouse's written consent for such benefit.

Minimum Distribution Option

For participants who have terminated employment, have not yet begun receiving retirement benefits, and who are age 70 1/2, Federal laws require that a minimum retirement distribution must begin by April 1 of the year after reaching age 70 1/2. Under this option, payments are set at the minimum level required by law and can continue until (a) the total accumulation has been fully paid out to the participant or if he or she dies before payments are completed, to a designated beneficiary or (b) such time that the participant decides to begin an annuity payment option.

REPURCHASE OF BENEFITS

Participants who have terminated employment before the fifth anniversary of becoming a participant will receive the balance of their total accumulation (if less than \$5,000) in a lump sum payment. A lump sum payment from TIAA-CREF will be based on the terms of such annuity contract.

If a participant repurchases benefits before age 59 1/2, Federal early distribution penalties may apply. Based on Federal law, married participants who request a repurchase of benefits option must provide their spouse's written consent for such benefit.

PRE-RETIREMENT DEATH BENEFITS

If a participant dies before establishing an annuity option, the value of his or her total accumulation will be paid to the designated beneficiary. The beneficiary may elect to receive either a lump sum payment or one of the annuity options indicated above. The participant's spouse is automatically the beneficiary for 50% of the total accumulation unless the spouse has consented to a waiver of such benefit. The pre-retirement death benefit may be waived by the spouse beginning on the first day of the plan year during which the participant attains age 35 and ending on the earlier of (a) the date of the participant's death or (b) the date annuity benefits begin. A waiver may be revoked at any time during that period. A waiver is not available for participant's under age 35, unless the participant terminates employment.

PHONE NUMBERS

TIAA-CREF	(800) 842-2776
Fidelity Investment Services	(800) 343-0860
The Vanguard Group	(800) 523-1188

QUESTIONS ABOUT THE PLAN

Questions about the 401(k) Plan may be directed to the Human Resources Division or the investment companies directly.

MISCELLANEOUS

Base Salary

Base Salary is the participant's Base Salary which is reflected on the participant's W-2 statement including vacation pay, overtime payments, and

shift premiums, and severance pay at termination of employment before exercise of any salary reduction option. Reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, other welfare benefits, and any other forms of compensation are not included in Base Salary. For union employees, Base Salary is based on the terms of the union contract.

Discontinuation of Contributions

Contributions to a participant's accumulation will cease on the earlier of the date he or she (a) terminates employment, (b) begins receiving benefits under the Long Term Disability Plan, (c) elects to discontinue contributions, or (d) is no longer eligible for coverage.

Fiscal Officer

The Fiscal Officer can be reached at (631) 344-2494.

General Information

Information regarding the plan identification number, plan year, plan funding, type of plan, plan sponsor, plan administrator, agent for legal process, your rights under ERISA, prudent actions by plan fiduciaries, and modification, suspension, or termination of the plan can be found in the General Information section of this booklet.

Leave of Absence

Contributions cannot be made to the 401(k) Plan during an approved Leave of Absence.

If, however, you return to work from an approved Leave of Absence for military duty you may contribute an amount not greater than that which you were allowed to contribute had you not been on a Leave of Absence.

Non-Alienation of Benefits

Benefits under this plan may not be subject to alienation, encumbrance, the claims of creditors, or legal process. Benefits may not be transferred, assigned, or alienated. The plan will, however, comply with any judgment, decree, or order which established the rights of another person to all or a portion of a participant's benefits under this plan to the extent that it is a Qualified Domestic Relations Order under Internal Revenue Code section 414(p).

Participants Receiving Long Term Disability Benefits

Contributions to this plan cease when a participant qualifies for Long Term Disability Plan benefits.

Plan Administrator

The plan administrator is the Manager, Benefits, and can be reached at (631) 344-2881.

Qualified Domestic Relations Order

Information on the administration of a Qualified Domestic Relations Order can be obtained at no charge from the Human Resources Division.

Type of Plan

This plan is a 401(k) plan.

Brookhaven Science Associates Funds Available for Investment

TIAA-CREF

TIAA Traditional Annuity
TIAA Real Estate Account
CREF Money Market Account
CREF Bond Market Account
CREF Inflation-Linked Bond Account
CREF Social Choice Account
CREF Equity Index Account
CREF Global Equities Account
CREF Growth Account
CREF Stock Account
TIAA-CREF Real Estate Securities
TIAA-CREF Growth & Income
TIAA-CREF S&P 500 Index
TIAA-CREF Social Choice Equity
TIAA-CREF Large-Cap Value
TIAA-CREF Mid-Cap Value
TIAA-CREF Mid-Cap Growth
TIAA-CREF Small-Cap Equity
TIAA-CREF International Equity

The Vanguard Group

Prime Money Market Fund
Federal Money Market Fund
Wellington Fund
Wellesley Income Fund
500 Index Fund
Windsor Fund
Explorer Fund
Total International Stock Index Fund
International Growth Fund

Fidelity Investment Services

Retirement Gov't Money Market Portfolio
Retirement Money Market Portfolio
Intermediate Bond Fund
Puritan Fund
Equity-Income Fund
Magellan Fund
Diversified International Fund
Overseas Fund
Freedom Income Fund
Freedom 2000 Fund
Freedom 2010 Fund
Freedom 2020 Fund
Freedom 2030 Fund
Freedom 2040 Fund