

Savings Plan

Your Savings Plan benefits are designed to work together with the Pension Plan and Social Security benefits to provide you with retirement income.

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Highlights

The Savings Plan ...

... Lets Your Account Grow Tax-Deferred

Your existing account balance is tax-deferred, which means you will not pay federal income taxes on this amount until you take the money out of the Savings Plan. Roth contributions generally are not subject to federal income taxes at distribution.

... Gives You the Opportunity to Invest in Your Future

You can invest your existing account balance in any one or more of the investment funds made available under the Savings Plan.

... Provides 24-Hour Access to Account Information

The Savings Plan Participant Services and Internet access offer up-to-date information about your account 24 hours a day, 7 days a week.

What happens to your benefits when ...

For more information about what happens to your Savings Plan participation when certain changes or events occur, see “How Changes Affect Your Benefits” in the “About Your Benefits” chapter.

Your Savings Plan Account

At retirement, you were entitled to receive the full value of your Savings Plan account. You had the opportunity to receive your savings all at once or over time—or to defer your total account value (that is, leave your savings in the Savings Plan).

If your Savings Plan account has been deferred, your savings will remain invested in the Savings Plan funds as you direct. In any event, Savings Plan required minimum distribution payments will begin no later than December of the year in which you reach age 70½.

The Savings Plan Information Sources

The Savings Plan makes managing your savings easy. It lets you manage your account over the telephone through a voice response unit or by speaking with a Participant Services representative. By calling Participant Services, you can:

- check your account balance and investment performance
- transfer between investment funds
- request a withdrawal

When you call Participant Services, you will need your web ID to use the voice response unit. You may also call Participant Services and speak to a representative.

You will use your web ID and password to access your account information. You may change your web ID and password to personalize them at any time. Your web ID and password are confidential and should be kept in a safe place. If you lose your web ID and/or password, you may call Participant Services or log on to the Internet site and request a reminder; a copy of the number will be sent through an email link or mailed to your home. For security reasons, you can never get your password over the phone.

Working With the Plan

After you log on, you will see the market value of your account as of a particular date. Remember, our Plan is valued daily, and the amount shown on the screen is the market value as of the close of business of the previous business day. This value is updated once a day, so the value you see in the morning will be the same value for that entire day. The system is updated with current information sometime after midnight.

To Reach Participant Services

In the United States:

1-800-724-7526

International:

1-330-908-4777

TTY Service:

1-800-345-2550

Voice Response Unit:

24 hours a day, 7 days a week
(except for occasional maintenance periods)

Customer Service Representatives:

7 a.m.–11 p.m. Eastern time, Monday through Friday (except on days when the New York Stock Exchange is closed)

Internet Access:

To access the Savings Plan via the Internet, visit workplace.schwab.com.

Call Participant Services or use the Internet for ...

- Financial information—prospectuses and Fund Fact sheets, to the extent they are available and provided to the Savings Plan
- Investment performance—past and current investment performance of each fund as it becomes available
- Account value—value of each investment fund within your personal account

Your Investment Options

You can transfer existing balances—in 1% increments—among the investment options at any time. Transfers completed before 4 p.m. Eastern time will be effective that day, assuming it is a business day and the New York Stock Exchange is open; otherwise, changes will be effective the next business and market trading day. Confirmation of your transaction will be mailed within 2 business days.

Any investment involves some degree of financial risk. Actual investment results for your Savings Plan balance will vary depending on the fund or funds in which it is invested. Detailed information about each of the funds is provided in the Fund Fact sheets available on the website. This data is provided for informational purposes only. Before making any investment decision, you should also review the Fund Fact sheets.

Neither the Company; the Savings Plan; nor the Savings, Retirement, and Investment Committee makes any representation that the past

performance of these funds is a guarantee nor indicative of their future performance. The Savings, Retirement, and Investment Committee may change the funds at any time. The funds are valued at market daily. The funds are not protected by any federal or state deposit insurance Plan. The Savings Plan is intended to constitute a plan described in section 404(c) of the Employee Retirement Income Security Act of 1974 (ERISA). Fiduciaries may be relieved of liability for any losses that are the result of investment instructions given by you or your beneficiary.

Investment Earnings

Investment earnings include interest, dividends, and market gains/losses resulting from your investments in any of the Savings Plan's funds. Returns you may earn on your investments are continually reinvested in the funds you have chosen.

Investment Option Summary

Transaction Processing

The transactions you request through Participant Services ordinarily will be processed within the times specified in this Summary Plan Description.

However, in certain circumstances, you may experience difficulty in making your request, or your transaction may be delayed.

Please remember that the Participant Services voice response line is no more than a telephone line. Telephone service can be interrupted from time to time. In addition, a high volume of

telephone calls can overload the system and prevent calls from being answered.

Transactions may also be delayed. For example, if market conditions require a daily volume limit on trades in an asset, there is suspension in trading of an asset or a major market or systems disruption. You may be informed if a transaction is not completed on the day requested, and the transaction will be completed as soon as administratively possible thereafter, based on the unit prices in effect when the transaction is completed.

Investment Option Summary (cont.)

Reward vs. Risk

One way to think of the gain or loss potential of an investment is to think of the potential for reward or the level of risk it offers.

Generally, investments with more risk to principal have the potential to yield higher returns over a longer period of time than investments with less risk.

No one can tell you what balance of reward vs. risk is right for you. It is up to you to decide. When making your decision, however, ask yourself the following questions:

When will you need the money in your accounts?

If you are a long way from needing your retirement fund and are investing for the long-term, you may want to consider more aggressive investment choices with higher risks. But you must be prepared to weather the ups and downs of the market and possible loss of your investment. However, stability in your investments may be more important if you have a shorter time horizon.

What are your investment goals?

You may be concerned about preserving your account balances while earning a steady rate of return. Or you may want investments that offer the prospect of substantial growth. Keep in mind that your investment objectives may change depending on how soon you need your retirement funds and how close you are to meeting your financial goals.

Are your investments sufficiently diversified?

Investment professionals seek to reduce risk by diversifying their investments—not putting too many eggs in one basket. They may diversify over different types of investments, such as stocks and bonds, and within types of investments by buying stocks and bonds of a number of different companies. Because most of the funds offered under the Savings Plan are made up of several types of investments, there is a basic level of diversification within most funds. However, you can diversify further by investing in several different funds to take advantage of the different investment objectives and strategies offered by the funds.

Withdrawals from Your Deferred Account

If you choose to defer your total account value, you may make partial withdrawals of your savings

during retirement, within certain plan limits. To request a withdrawal, call Participant Services.

Plan Payouts

If you left the Company before you were immediately eligible for a pension or Total Disability benefits, you will receive a single lump sum payment when you decide to receive your payment. If you were eligible for an immediate pension or Total Disability benefits when you left your employment with the Company, you have a choice of payout methods when you decide to receive your payout. You may elect to receive:

- a single lump-sum payment of your total account value

- a partial payment
- a fixed dollar amount per month that you choose. The fixed amount may be changed by you while payments are ongoing.
- monthly installment payments of your account value over a fixed period of 10, 15, or 20 years (as long as this method meets the IRS minimum distribution requirements), with monthly recalculations based on market value and the remaining payment period

Plan Payouts (cont.)

- monthly installment payments over a period equal to your life expectancy or the joint life expectancy of you and your spouse, with monthly recalculations based on market value and the remaining payment period. Life expectancies are recalculated each year.
or
- monthly installments using the uniform life expectancy table with monthly recalculations based on market value and the remaining payment period. Life expectancies are recalculated each year.

Once you choose an installment payment method, you may not change your election.

Partial payments and installments will be distributed from your after-tax contributions first. You will also have the option of requesting a total distribution from your Roth account.

If you die, your beneficiary may receive your Savings Plan balance in a lump sum. However, if your spouse is your beneficiary, your spouse may elect a lump-sum payment or monthly installment payments over a 5 year period. Your spousal beneficiary also may choose to defer payment.

Electing a Payout Method

When you decide to receive your payout, you may make your payout election over the phone by calling Participant Services. If you choose installment payments, you will receive the applicable forms.

Request a Payout

To apply for a Savings Plan payout, you should call Participant Services at 1-800-724-7526. If you die with a remaining balance in the Plan, your beneficiaries should contact the Recordkeeper for information on obtaining a distribution.

If you elect a lump sum payout, you will be mailed the payout generally within 3 business days from the date Participant Services receives the request. If you elect to receive installment payments, you will receive the required forms to complete and return. The installment payments will begin as soon as administratively practicable after Participant Services receives your properly completed forms.

Naming Your Beneficiary

Your beneficiary is the person you name to receive benefits from the Savings Plan if you die with a vested balance remaining in your Savings Plan account. Your beneficiary can be anyone you wish. However, if you have been married for at least 1 year and you wish to name someone other than your spouse, you must have your spouse's written and notarized consent.

Be sure to keep your beneficiary designation up to date. If you do not make a beneficiary designation or if you have named someone as your beneficiary while you were single and then get married and you have been married for at least 1 year at the time of your death, your spouse will receive the value of your vested Savings Plan account unless your spouse has signed a waiver form. If you are single and do not name a beneficiary, your vested Savings Plan account will be paid to your estate.

You may change your beneficiary at any time. Simply call Participant Services or access the Savings Plan via the Internet to request a beneficiary form. Your beneficiary election will be effective when the Recordkeeper receives your completed form.

Taxation of Withdrawals and Final Payouts

In general, your before-tax contributions, Company matching contributions, and investment earnings on all types of contributions are taxable when you receive them. The actual tax treatment will depend on your age at the time of receipt. You can find more information about tax treatment of Savings Plan distributions in the “Special Tax Information Notice,” which is available on the website or by calling Participant Services.

Before Age 59½

If you receive a payment before you reach age 59½ and you do not roll it over, then, in addition to the regular income tax, you may have to pay an extra tax equal to 10% of the taxable portion of the payment. The additional 10% tax does not apply to your payment if it is:

- paid to you because you separate from service with your employer during or after the year you reach age 55
- paid to you because you retire due to disability
- or
- paid to you as equal (or almost equal) payments over your life or life expectancy (or your and your beneficiary’s lives or life expectancies).

See IRS form 5329 and the Special Tax Notice available upon request or on the website for more information on the additional 10% tax. You can avoid the income and 10% tax if you roll the taxable portion of your payment over into an IRA or other eligible retirement plan within the time period permitted by law.

Beneficiaries are never subject to the additional 10% tax, regardless of your age at death.

At Age 59½ or Later

If you make a withdrawal or receive a Savings Plan distribution after age 59½, you will not have to pay the extra 10% tax.

To be sure you are using your benefits to their full advantage, you should check with a tax advisor regarding the specific requirements for using these and other forms of favorable treatment that may apply to your payout. The ORNL Benefits Office cannot give you tax advice.

Roth Contributions

Special rules apply to payments of Roth contributions and earnings on those contributions. Payments of your Roth contributions are not subject to federal income tax. Earnings on your Roth contributions will be subject to federal income tax unless the distribution is made after you turn age 59½, upon your death, or upon your disability, and the distribution occurs at least five years after the first day of the taxable year in which you made your first Roth contribution to the Savings Plan. If you made a direct rollover of Roth contributions from the plan of a former employer, the five-year period begins from the first day of the taxable year in which you made your first Roth contribution to the other plan.

Rollovers and Withholding

Withdrawals and lump sum distributions of your before-tax contributions, after-tax contributions, Roth contributions, and Company matching contributions, as adjusted for investment earnings and losses, can be rolled over to an IRA, a Roth IRA, or another eligible retirement plan. Required minimum distributions to employees who have reached age 70½ or retired from the Company after age 70½ and distributions paid out in installments are not eligible for such a rollover. You may roll over the non-taxable (your after-tax contributions) portion of your distribution to an IRA and certain qualified defined contribution plans.

You can roll over all or a portion of your eligible plan payouts either directly or indirectly to an IRA, a Roth IRA, or other eligible retirement plan. With a direct rollover, the Recordkeeper will send you a check payable to the trustee of the eligible IRA, Roth IRA, or plan you designate. If you elect a direct rollover, no federal tax withholding will apply to your rollover amount. The portion that is not rolled over will be subject to mandatory 20% tax withholding.

If you want to roll over your eligible payout yourself—an indirect rollover—there are some important facts to keep in mind:

- Mandatory 20% tax withholding will apply to the distribution when the payout is made to you.

Your rollover must be made within 60 days of the day you receive your payout.

Taxation of Withdrawals and Final Payouts (cont.)

Any portion of the taxable part of your payout not rolled over will be subject to income and penalty taxes (if applicable).

Other withholding rules apply to distributions that are not eligible for a rollover. You will be provided with information on those rules prior to the distribution.

Transfer of Assets for ORNL Participants

On September 3, 2010, some account balances were transferred from the Savings Plan for Employees of Certain Employers of the U.S. Department of Energy Facilities at Oak Ridge, Tennessee (the "Joint Plan") to this Savings Plan.

Your account balances in the Joint Plan were transferred to the Savings Plan effective September 3, 2010, if either (i) you were employed (or on leave) at ORNL by UT-Battelle, LLC on September 2, 2010, or (ii) you terminated employment or

retired prior to September 2, 2010, and your last employer was UT-Battelle or a previous prime contractor at ORNL. If you satisfy one of these conditions, your account balances will be administered by the Savings Plan rather than the Joint Plan for benefits distributed on or after September 3, 2010.

If you have a question on whether your benefit will be paid from the Savings Plan or the Joint Plan, contact the ORNL Benefits Office.

Your Quarterly Statement

If you defer payment of your Savings Plan account, after the end of each calendar quarter, you will receive a Savings Plan statement that reports your account activity, total fund balances, and investment elections. You can use these statements to track the value of your savings under the Savings Plan.

You also have access to your account statement any time by visiting workplace.schwab.com. You can create an online statement for any time period within the last 24 months.

Claiming Benefits

To apply for a Savings Plan payout, you should call Participant Services at 1-800-724-7526. Your beneficiaries should contact the ORNL Benefits Office.

If you elect a lump-sum payout, you will be mailed the payout generally within 3 business days. If you elect to receive installment payments, you will receive a form to complete.

Other Important Information

Change of Address

It is important that you notify the Company of any change in your address while you are a participant in the Savings Plan so you will be assured of receiving Company communications about the Savings Plan. If you move, call Participant Services for a change form.

Voting Your Shares

The investment manager for each fund will decide how to exercise any voting rights applicable to stock held in that particular fund.

Other Important Information (cont.)

Investment Fees and Expenses

The Savings Plan incurs administrative fees and investment management fees. The administrative fees are the costs to the Savings Plan and your Savings Plan Account, including recordkeeping, accounting, trustee functions, and legal services. The Company pays some of these fees. Some fees are paid by the Savings Plan and charged to all Participant accounts. Fees for items directly related to your account—such as the processing of loans, hardship withdrawals, or domestic relations orders—may be charged to your account. Administrative fees will be shown on your quarterly statement.

Investment management fees are the costs to manage the investment options under the Savings Plan, including investment advice, brokerage fees, commissions, and account maintenance fees. Investment management fees vary by investment and are deducted from your investment returns. Investment management fees for the mutual funds are described in the fund prospectuses. The fees will be shown on your quarterly statement.

Responsibility for Investment Decisions

You choose how to invest your money in the Savings Plan among the funds made available. The Savings Plan trustee will follow your investment directions without reviewing your investment decisions.

The Company; the trustee; the Savings Retirement, and Investment Committee; and the other Savings Plan administrators are not responsible or liable for the investment choices you make or investment losses that are the direct and necessary result of your investment choices. This is because the Savings Plan is intended to satisfy the requirements of Section 404(c) of the Employee Retirement Income Security Act of 1974 (ERISA) and section 2550.404c-1 of the Code of Federal Regulations. Nothing contained in this document is intended to constitute investment advice.

Confidentiality of Investment Directions

Your investment directions for all Savings Plan funds are administered by the Recordkeeper.

The trustee handles all purchases and sales in the name of the Savings Plan without identifying individuals, so your transactions remain confidential.

The Savings, Retirement, and Investment Committee is responsible for monitoring compliance with the procedures that ensure confidentiality. You may contact the committee at:

Savings, Retirement, and Investment Committee
c/o Manager, Retirement Services
P. O. Box 2008
Oak Ridge, TN 37831

Plan Funding

The Savings Plan is funded by participants who designate a part of their eligible earnings to be contributed on their behalf and by the Company through Company matching contributions. The assets of the Savings Plan are held in a trust fund maintained by the trustee.

Tax Treatment

The Company intends to operate the Savings Plan so that it will qualify under Sections 401(a) and 401(k) of the Internal Revenue Code. Accordingly, your before-tax savings will not be taxed until you withdraw them. The earnings of the trust fund, which holds the Savings Plan assets, will not be taxable to you, the trust fund, or the Company at the time earnings are credited to the trust fund, but the earnings will be taxable to you when you receive a distribution.

However, earnings on Roth contributions will not be taxable either in the trust fund or when distributed if you meet certain requirements. Amounts rolled over to a Roth IRA may be taxable to you at the time of the rollover.

Administrative Information

Information about the administration of the Savings Plan can be found in the chapter titled "Administrative Information."

