

# **SUMMARY PLAN DESCRIPTION**

## **COTY RETIREMENT SAVINGS PLAN**

**PREPARED APRIL 2011**

# TABLE OF CONTENTS

<b>Introduction.....</b>	<b>1</b>
Type of Plan .....	1
Plan Sponsor .....	1
Purpose of This Summary .....	1
Who to Contact for Account Questions .....	1
Account Access .....	1
<b>Plan Administration.....</b>	<b>1</b>
Plan Trustee.....	1
Plan Administrator .....	1
Plan Number .....	2
Service of Legal Process .....	2
<b>General Plan Definitions .....</b>	<b>2</b>
Account .....	2
Allocation Period .....	2
Compensation.....	2
Disability.....	2
Hour of Service .....	3
Matching Contribution.....	3
Normal Retirement Age .....	3
Period of Service .....	3
Plan Year.....	3
Retirement Contributions .....	3
Vested Interest.....	3
How You Become a Participant.....	3
<b>401(k) Contributions.....</b>	<b>4</b>
How the Contribution Is Determined .....	4
Salary Deferral Agreements .....	4
How Your Vested Interest Is Determined .....	4
<b>After-Tax Contributions .....</b>	<b>5</b>
<b>Safe Harbor Matching Contributions.....</b>	<b>5</b>
How the Contribution Is Determined .....	5
How You Qualify For a Contribution .....	5
How Your Vested Interest Is Determined .....	5
<b>Retirement Contributions .....</b>	<b>5</b>
How the Contribution Is Determined .....	5
How You Qualify For a Contribution Allocation.....	5
How the Contribution Is Allocated .....	6
How Your Vested Interest Is Determined .....	6
<b>Top Heavy Requirements .....</b>	<b>6</b>
<b>Maximum Allocation Limitations .....</b>	<b>7</b>
<b>Rollover Contributions.....</b>	<b>7</b>
<b>Distribution Of Benefits .....</b>	<b>7</b>
Distributions for Reasons Other Than Death .....	7
Distributions Upon Death.....	8
Hardship Distributions .....	9
In-Service Distributions .....	10
<b>Loans to Participants .....</b>	<b>10</b>

<b>Investment of Accounts</b> .....	<b>11</b>
<b>Tax Withholding on Distributions</b> .....	<b>11</b>
Direct Rollovers Not Subject to Tax .....	12
20% Withholding on Taxable Distributions.....	12
<b>Claims Procedure</b> .....	<b>12</b>
<b>Other Information</b> .....	<b>13</b>
Attachment of Your Account .....	13
Amendment or Termination of the Plan.....	13
Accounts Are Not Insured.....	13
Payment of Plan Expenses .....	13
<b>Statement of Erisa Rights</b> .....	<b>14</b>
Your Right To Receive Information .....	14
Duties of Plan Fiduciaries .....	14
Enforcement of Rights .....	14
Assistance With Your Questions.....	15
Other Account Questions? .....	15

## INTRODUCTION

---

### TYPE OF PLAN

Effective January 1, 2010, Coty Inc. amended its 401(k) plan. The plan is named the Coty Retirement Savings Plan, but it will be referred to in this summary as the "Plan". The Plan is a cash or deferred arrangement, and once you're eligible to participate, you can contribute your own money to the Plan on a tax deferred basis through payroll deductions.

### PLAN SPONSOR

Coty Inc. is the sponsor of the Plan, and will sometimes be referred to in this summary as the "Sponsoring Employer," the "Employer," "we," "us" or "our". Our address is 2 Park Avenue, 17th Floor, New York, NY 10016; our telephone number is (212) 479-4300; and our employer identification number is 13-3823358. Coty US LLC has also adopted this Plan as an Adopting Employer for the benefit of any of its employees who are eligible to participate. Any reference to the Employer in this summary will generally be a reference to any Adopting Employer.

### PURPOSE OF THIS SUMMARY

This booklet is called a Summary Plan Description ("SPD") and it is meant to describe highlights of the Plan in understandable language. It is not, however, meant to be a complete description of the Plan, nor is it meant to interpret, extend or change the provisions of the Plan in any way. If there is a conflict between this SPD and the Plan, the provisions of the Plan control your right to benefits. A copy of the Plan and related documents are on file with the Administrator and you can read them at any reasonable time. Also, no provision of the Plan or this SPD is intended to give you the right to continued employment or to prohibit changes in the terms or conditions of your employment. If you have any questions that are not addressed in this summary, you can contact the Administrator (who is described in the next section) during normal business hours.

### WHO TO CONTACT FOR ACCOUNT QUESTIONS

Schwab Retirement Plan Services, Inc. is the plan recordkeeper. Schwab Representatives are available at **(800) 724-7526** Monday through Friday, 7:00 a.m. – 11:00 p.m. ET if you have questions about your account or want to know more about saving.

### ACCOUNT ACCESS

You can check balances, request investment information, choose investments, change how much you save, request a loan, and more at **(800) 724-7526** or [www.schwab.com/workplace](http://www.schwab.com/workplace).

## PLAN ADMINISTRATION

---

### PLAN TRUSTEE

The Plan is administered under a written plan and trust agreement, and the trustee of that agreement is responsible for trusteeing the Plan's assets. The trustee is Charles Schwab Trust Company, a division of Charles Schwab Bank. The trustee can be contacted at 215 Fremont Street, 6th Floor, San Francisco, CA 94105. The trustee is a directed trustee, which means that the trustee invests the assets of the Plan as instructed by a Participant or by us.

### PLAN ADMINISTRATOR

All matters other than investments that concern the operation of the Plan are the responsibility of the Administrator. The Administrator is Coty Inc., whose address is 2 Park Avenue, 17th Floor, New York, NY 10016, and whose telephone number is (212) 479-4300. The Administrator has the power and discretionary authority to interpret the terms of the Plan based on the Plan document and existing laws and regulations, as well as the power to determine all questions that arise under the Plan. Such power and authority include, for example, the administrative discretion necessary to resolve issues with respect to an employee's eligibility for benefits, credited service, disability, and retirement, or to interpret any other term contained in the Plan and related documents. The Plan Administrator's interpretations and determinations are binding on all Participants, employees, former employees, and their beneficiaries.

**PLAN NUMBER**

For identification purposes, we have assigned number 002 to the Plan.

**SERVICE OF LEGAL PROCESS**

If you have to bring legal action against the Plan for any reason, legal process can be served on the Manager, Benefits at Coty Inc., 2 Park Avenue, 17th Floor, New York, NY 10016. Legal process can also be served on the trustee or on the Administrator.

## **GENERAL PLAN DEFINITIONS**

---

Many definitions are used in this summary and most are defined in the section where they appear, but the following terms have broader application and are used throughout this summary:

**ACCOUNT**

Your Account represents the aggregate value of the various contributions made to the Plan on your behalf, as well as the net earnings on those contributions. Your Account includes (but is not limited to) the following sub-accounts:

- Your 401(k) Contribution Account
- Your Voluntary (After-tax) Contribution Account
- Your Safe Harbor Matching Contribution Account
- Your Retirement Contributions Account

**ALLOCATION PERIOD**

The Allocation Period is the period of time for which a contribution to the Plan is allocated. The Allocation Period is generally the Plan Year, but to the extent contributions are made more frequently than annually, they will be allocated based on the Compensation earned during the Allocation Period.

**COMPENSATION**

In general, Compensation is the amount reported on your Form W-2 for the Plan Year. But Compensation does not include amounts above the IRS annual dollar limit, which is \$245,000 in 2011, and which will be adjusted periodically by law to account for inflation. And Compensation does not include the following: (a) amounts received prior to the date you become a Participant in the Plan; (b) amounts received while you are a member of a class of employees which is ineligible to participate in the Plan; (c) amounts received as reimbursements or other expense allowances, fringe benefits (cash and non-cash), moving expenses, deferred compensation and welfare benefits; and (d) the following types of remuneration (as classified in the Employer's payroll system); Attendance Bonus; Retention Bonus; Coty Cash; Child Education; Cash in lieu of Dividend; Cost of Living Allowance; Domestic Partner Taxable; Misc. Expense; Coty Gift Card; Group Term Life; LTD 6 months; Miles & Parking; Non-Qualified Stock Options; RD Cash; Any Bonus Gross Up; Restricted Stock Gain (this includes compensation income from restricted stock and restricted stock units); SERP Executive; Tuition Taxable. Compensation includes your pre-tax contributions to a cafeteria plan or qualified transportation fringe benefit plan, as well as your 401(k) Contributions.

**DISABILITY**

Disability is a physical or mental impairment you suffer after you become a Participant in the Plan (and while you are still an employee) (a) which, in the opinion of the Social Security Administration, qualifies you for disability benefits under the Social Security Act in effect on the date that you suffer the mental or physical impairment; or (b) which, in the opinion of the insurance company, qualifies you for benefits under an Employer-sponsored long-term disability plan which is administered by an independent third party (or qualifies you for disability benefits under the Social Security Act if no such long-term disability plan exists on the date you suffers the mental or physical impairment).

**HOURLY SERVICE**

An Hour of Service is any hour for which you have a right to be paid by us for the performance of duties.

**MATCHING CONTRIBUTION**

A Matching Contribution is a contribution we make to the Plan which matches some portion (or all) of the 401(k) Contributions you make to the Plan.

**NORMAL RETIREMENT AGE**

Normal Retirement Age is the date you reach age 65.

**PERIOD OF SERVICE**

A Period of Service is a period of time used to determine your eligibility to participate in the Plan and to determine your Vested Interest in your Account. In general, a Period of Service begins on your date of hire and ends on the date you terminate employment, but in actually determining your eligibility and Vested Interest, smaller portions of your Period of Service (for example, a 1-year Period of Service or a 6-month Period of Service) will be used by the Plan. The rules for determining your Period of Service are much more complex than what is described in this paragraph, especially the rules that apply if you terminate employment and are subsequently rehired. For more information regarding these rules, you can check with the Plan Administrator.

Credit for service with Revlon, Inc. prior to April 1, 1991; Quintessence Incorporated prior to June 1, 1991; Pfizer, Inc. prior to June 5, 1992; Benckiser Consumer Products, Inc. or its affiliated employer prior to October 1, 1996; Unilever Cosmetics International (or its affiliates or any predecessor employer) prior to July 9, 2005; and Del Laboratories, Inc. prior to January 1, 2009, will be given for both eligibility and vesting purposes.

Credit for service with Yue Sai Kan Cosmetics, Inc will be given for vesting purposes only.

**PLAN YEAR**

The Plan Year is the 12-month accounting year of the Plan, and it begins each January 1st and ends the following December 31st.

**RETIREMENT CONTRIBUTIONS**

Retirement Contributions are an additional type of contribution we may elect to make to the Plan for any Plan Year. Retirement Contributions are generally made as a percentage of pay.

**VESTED INTEREST**

Your Vested Interest is the portion of your Account to which you are entitled at any point in time. This portion, in turn, is the aggregate of your Vested Interest in your various sub-accounts. Different types of contributions are subject to different vesting requirements, which are explained in more detail in other sections of this summary pertaining to the particular types of contributions permitted in this Plan. However, notwithstanding any vesting schedule set forth in other sections of this summary, you will have a 100% Vested Interest in your Account if, while an employee, you reach Normal Retirement Age, die, or suffer a Disability.

## **HOW YOU BECOME A PARTICIPANT**

---

To become a Participant you must be an Eligible Employee and satisfy the service requirement.

- **ELIGIBLE EMPLOYEES.** All employees are Eligible Employees except for the following ineligible classes of employees: (a) employees whose employment is governed by a collective bargaining agreement in which retirement benefits were the subject of good faith bargaining; (b) employees who are non-resident aliens who do not receive earned income from us which constitutes income from sources within the United States; (c) any one who is considered a leased employee; (d) any person who performs domestic household services in the personal residences of other employees of Coty Inc.; (e) Puerto Rico Employees; and (f) Fragrance Associates and employees who work less than 35 hours a week, however, if an employee in either category actually works 1000 hours within an Eligibility Computation Period, then the employee will become an Eligible Employee following the end of the 12-month period in which he or she completes One Year of Service. The initial Eligibility Computation Period shall be based on an employee's 12-month employment year and shall switch to the Plan Year after the initial 12-month employment year.
- **SERVICE REQUIREMENT.** Eligible employees who work at least 35 hours per week must be credited with at least a 90-day Period of Service.

## **401(k) CONTRIBUTIONS**

---

### **HOW THE CONTRIBUTION IS DETERMINED**

Your 401(k) Contributions for any calendar year can't exceed the lesser of 50% of your Compensation or the annual dollar limit on 401(k) Contributions. This annual dollar limit is \$16,500 for calendar year 2011, and will thereafter be adjusted periodically by law to account for inflation. 401(k) Contributions are allocated to your 401(k) Contribution Account.

If you are a "catch-up eligible" Participant, you can make additional "catch-up contributions" to the Plan in excess of the limits on 401(k) Contributions described above. You are a catch-up eligible Participant for any calendar year in which you have reached (or will reach) at least age 50 by the end of that calendar year. The catch-up contribution limit is \$5,500 for calendar year 2011, and will thereafter be adjusted periodically by law to account for inflation.

### **SALARY DEFERRAL AGREEMENTS**

You must file a Salary Deferral Agreement with the Administrator before you can begin making 401(k) Contributions to the Plan. This agreement is where you indicate the amount you want withheld from your Compensation and contributed to the Plan on your behalf. You can elect to contribute either a percentage of your Compensation or a flat dollar amount.

After your initial election, you can change your Salary Deferral Agreement by filing a new agreement with the Administrator at any time during the Plan Year. You can also cancel your deferral agreement at any time by giving notice to the Administrator. If you cancel your agreement, you can make a new election at any time. The Administrator from time to time may establish additional administrative procedures (or change existing procedures) concerning deferral elections, in which case you will be appropriately notified. Your Administrator provides you with the electronic means through which you can enter into and change your Salary Deferral Agreement.

The Administrator can temporarily suspend your deferral agreement if you reach the maximum amount that is permitted by law or the Plan.

### **HOW YOUR VESTED INTEREST IS DETERMINED**

Your Vested Interest in your 401(k) Contribution Account is 100% at all times.

## **AFTER-TAX CONTRIBUTIONS**

---

In addition to 401(k) Contributions, you may also make After-Tax Contributions to the Plan. The amount of your After-Tax Contributions and 401(k) Contributions for any calendar year cannot exceed 50% of your Compensation for the year. After-Tax Contributions are allocated to your After-Tax Contribution Account. In contrast to Pre-Tax 401(k) Contributions, After-Tax Contributions are deducted from your paycheck after income taxes have been calculated. Since income taxes have already been calculated on your After-Tax Contributions, you will not pay any additional taxes on the contributions when they are withdrawn. However, you will pay taxes on the investment earnings of your After-Tax Contributions when they are distributed from the Plan provided that you meet certain criteria (see Tax Withholding on Distributions). The eligibility and compensation rules applicable to 401(k) Contributions also apply to After-Tax Contributions. Note that your Vested Interest in your After-Tax Contribution Account, including any earnings allocated to that account, is 100% at all times.

## **SAFE HARBOR MATCHING CONTRIBUTIONS**

---

### **HOW THE CONTRIBUTION IS DETERMINED**

We can automatically satisfy certain nondiscrimination tests by making Safe Harbor Matching Contributions to the Plan. For each Plan Year in which we elect to make this type of contribution, it will be an amount equal to 100% of each eligible Participant's 401(k) Contributions (including "catch-up contributions") that do not exceed 6% of his or her Compensation for the Plan Year. You will be notified before the beginning of each Plan Year for which we intend to make this type of contribution.

### **HOW YOU QUALIFY FOR A CONTRIBUTION**

Once you become a Participant in this portion of the Plan, you will be eligible to receive a Safe Harbor Matching Contribution for any Plan Year for which we elect to make the contribution provided you are also eligible to make 401(k) Contributions to the Plan at any time during that Plan Year. Safe Harbor Matching Contributions are allocated to your Safe Harbor Matching Contribution Account.

### **HOW YOUR VESTED INTEREST IS DETERMINED**

Your Vested Interest in your Safe Harbor Matching Contribution Account is 100% at all times.

## **RETIREMENT CONTRIBUTIONS**

---

### **HOW THE CONTRIBUTION IS DETERMINED**

We may also make Retirement Contributions to the Plan. Making these contributions is totally discretionary on our part, as is the amount should we decide to make them.

### **HOW YOU QUALIFY FOR A CONTRIBUTION ALLOCATION**

Once you become a Participant in this portion of the Plan, you are eligible for a Retirement Contributions for any Allocation Period in which we make one if you satisfy the requirements (if any) described below for that Allocation Period. Retirement Contributions are allocated to your Retirement Contributions Account.

- **ACTIVE PARTICIPANTS.** If you are still employed by us on the last day of an Allocation Period (and you are still an Eligible Employee on the last day of the Allocation Period), you will be eligible to receive an allocation.
- **TERMINATED PARTICIPANTS.** If you terminate employment with us for any reason before the last day of an Allocation Period and you are still an Eligible Employee on the day you terminate, you will be eligible to receive an allocation for that Allocation Period.



**HOW THE CONTRIBUTION IS ALLOCATED**

Retirement Contributions are allocated using the grouping method. Under this method, you will be assigned to a group which will share in the contribution (if any) that we make for that group. The amount contributed for each group will be allocated in the ratio that the Compensation of each Participant who is a member of that group bears to the total Compensation of all Participants who are members of that group. This means that the amount allocated to the Retirement Contributions Account of each Participant who is a member of that group will, as a percentage of Compensation, be the same. For example, if the contribution made for a particular group is equal to 5% of the total Compensation of all Participants who are members of that group, then that is the amount that will actually be allocated to each such Participant's Retirement Contributions Account.

As demonstrated in the chart below, the Retirement Contributions are determined by your age as of the last day of the pay period and your compensation, as follows:

<u>Your Age</u>	<u>Retirement Contribution as a Percentage of Your Compensation</u>
Under 35	1.0%
35 – 39	2.0%
40 – 44	2.5%
45 – 49	3.5%
50 – 54	4.0%
55 and Over	4.5%

**HOW YOUR VESTED INTEREST IS DETERMINED**

Your Vested Interest in your Retirement Contributions Account is determined by the vesting schedule following this paragraph, based on your credited Periods of Service when your Vested Interest is determined. In determining your Vested Interest in this account, all of your Periods of Service will be counted. Any part of this account which is not vested will be forfeited when you receive a distribution of your Vested Interest (or after you incur 5 consecutive breaks in service, if earlier) and will thereafter be used to reduce our other contributions.

Retirement Contributions, Prior Plan Profit Sharing Contributions (Source 5) and Non-Safe Harbor Matching Contributions for participants hired after 1/1/1999 (Source 4) are subject to the following Vesting Schedule;

- 1-Year Period of Service .....0% Vested
- 2-Year Period of Service .....0% Vested
- 3-Year Period of Service .....100% Vested

Participants who completed at least one hour of service prior to January 1, 1999, will be vested in the Company Non-Safe Harbor Matching Contributions (Source #4) on the following vesting schedule:

- Less than a 2-Year Period of Service.....0% Vested
- 2-Year Period of Service.....25% Vested
- 3-Year Period of Service.....100% Vested

Special rules may apply for employees who became employees of the Company through acquisition or spin-off from another company. See the Plan Administrator if you have prior service with a related company or a predecessor company.

**TOP HEAVY REQUIREMENTS**

---

Under certain circumstances, you may be entitled to a minimum allocation for any Plan Year in which the Plan is considered "top heavy." The Plan is considered top heavy for any Plan Year in which more than 60% of Plan assets are allocated to the Accounts of Participants who are "key" employees (that is, employees who satisfy certain ownership requirements and employees who are officers and whose Compensation for the Plan Year exceeds certain IRS limits). However, the

Plan automatically satisfies this requirement in any Plan Year for which we make a contribution on your behalf to another qualified retirement plan (if any) that we sponsor.

If the Plan is not exempt, then for each Plan Year in which the Plan is considered top heavy and in which you are a "non-key" employee who is employed by us on the last day of the Plan Year, you will receive a minimum allocation equal to the lesser of 3% of your Compensation or the highest percentage of Compensation allocated for that Plan Year to the Accounts of Participants who are key employees.

## **MAXIMUM ALLOCATION LIMITATIONS**

---

The amount of contributions and forfeitures that can be allocated to your Account for any Plan Year is limited by law to the lesser of 100% of your Compensation or the annual dollar limit, which is currently \$49,000 for the Plan Year ending in 2011, and which will thereafter be adjusted periodically by law to account for inflation. However, this limitation does not apply to the amount of earnings that can be allocated to your Account, to the amount of any Rollover Contributions you can make to the Plan, or to any other funds transferred to this Plan on your behalf from another qualified plan.

## **ROLLOVER CONTRIBUTIONS**

---

If you participated in another retirement plan, you may be permitted to roll over any distribution you receive from the other plan to this Plan if all legal requirements (and any requirements imposed by the Administrator) on such rollovers are satisfied. If you do decide to make a rollover contribution and it is accepted by the Administrator, it will be kept in a separate Rollover Account established on your behalf. You will at all times have a 100% Vested Interest in your Rollover Account. You may roll over amounts from the following sources:

- (1) qualified plans, including after-tax contributions;
- (2) 403(a) and 403(b) annuity plans, including after-tax contributions;
- (3) governmental plans (Code Sec. 457(b) plans);
- (4) Individual retirement accounts (IRAs) and individual retirement annuities.

## **DISTRIBUTION OF BENEFITS**

---

### **DISTRIBUTIONS FOR REASONS OTHER THAN DEATH**

If you terminate employment with us for any reason and your Vested Interest (including your Rollover Account) is \$5,000 or less, it will be distributed in a lump sum as soon as administratively feasible after you terminate employment. The distribution will be made to you or, at your election, will be rolled over either to another qualified retirement plan that agrees to receive the distribution or to an individual retirement account (IRA) established by you. However, if your Vested Interest (including your Rollover Account) is more than \$1,000 but not more than \$5,000 and you fail to elect either a lump sum or a rollover as described above, we will establish an IRA for you at The Charles Schwab Trust Company and automatically roll your Vested Interest over to that IRA. Your funds will then be invested in a type of investment designed to preserve principal and provide a reasonable rate of return and liquidity, such as an interest-bearing account, a certificate of deposit, or a money market fund. The IRA provider will charge your IRA for any expenses associated with the establishment and maintenance of the IRA and with the IRA investments. If your Vested Interest is rolled over to an IRA under this "automatic rollover" requirement, you will be given more information at that time regarding the IRA provider and any fees or expenses associated with the IRA.

If your Vested Interest (including your Rollover Account) is more than \$5,000 and you terminate employment because of retirement on or after Normal Retirement Age your Vested Interest will generally be distributed within an administratively feasible time after you terminate. If you terminate employment for other reasons, your Vested Interest will generally be distributed within an administratively feasible time after you request payment. Your Vested Interest will be

distributed in a lump sum which can be paid to you or, at your election, can be rolled over either to another qualified retirement plan that agrees to receive the distribution or to an individual retirement account. You can also elect not to receive a lump sum and instead elect substantially equal installment payments over a specified period of time.

In addition to the benefit payments described above, there are rules which require that certain minimum distributions be made from the Plan. Generally, these minimum distributions must begin the later of (a) the April 1st following the end of the year in which you reach age 70½ or (b) the April 1st following the end of the year in which you retire. However, if you are a 5% owner, you must begin receiving minimum distributions by the April 1st following the end of the year in which you reach age 70½ even if you are still employed by the Employer.

#### **DISTRIBUTIONS UPON DEATH**

Your Vested Interest will be distributed to your beneficiary as soon as administratively feasible after your death. If you are not married, you can name anyone to be your beneficiary. If you are married, your spouse by law is your beneficiary unless he or she waives the death benefit in writing. Your beneficiary can elect to receive (a) a lump sum; or (b) substantially equal installment payments over a specified period of time (although there are limits on how long installment payments can be made, which will be explained to your beneficiary at the appropriate time).

If you fail to designate a beneficiary, or if the beneficiary is not alive at the time of your death, the death benefit will be paid in the following order of priority to:

- 1) your spouse;
- 2) your children and any descendants of deceased children (i.e., “per stirpes”); and
- 3) your estate.

If you designate your spouse as beneficiary and later become divorced, the designation of your spouse as beneficiary will no longer be valid. Under these circumstances, you should submit a new beneficiary designation.

If your death occurs *before* the date that minimum distributions must begin (as described in the preceding section), the distribution of your Vested Interest to your beneficiary must be made within certain legal timeframes which are dependent upon several factors, including (a) whether you have a designated beneficiary, (b) your relationship to the beneficiary (spousal or non-spousal beneficiary) and (c) certain elections that your beneficiary may make after your death. However, if your death occurs *after* the date that minimum distributions must begin, the minimum death benefit that must be paid to your beneficiary each year after your death is based on the longer of your remaining life expectancy (had you survived) or the remaining life expectancy of your beneficiary. Your beneficiary may also choose to accelerate the payment rate. Please contact the Administrator for more information regarding payments to beneficiaries.

Any death benefit received by your spouse can be rolled over to an IRA. Effective as of January 1, 2010, a non-spouse beneficiary may establish a special IRA (an "Inherited IRA") that can receive a direct rollover of all (except for any required minimum distributions) or a portion of a death benefit that would be distributed upon your death from the Plan to that non-spouse beneficiary.

Certain portions of a death benefit may not be eligible to be rolled over from the Plan into an Inherited IRA. If you (a deceased Participant) needed to take a required minimum distribution in the year of your death (but you have not yet taken that required minimum distribution), then that required minimum distribution cannot be rolled over from the Plan into an Inherited IRA. Similarly, if the non-spouse beneficiary needs to take any required minimum distribution from the Plan for the year in which the direct rollover occurs (or any prior year), then the non-spouse beneficiary cannot roll over that required minimum distribution into an Inherited IRA. However, if the death benefit includes Voluntary (After-tax) Contributions, those amounts can be rolled over to the Inherited IRA.

If the non-spouse beneficiary elects to roll over the death benefit to an Inherited IRA, then the inherited IRA will be subject to complicated required minimum distributions rules. You should inform your non-spouse beneficiary that (a) he or she is designated to receive your death benefit, and (b) your death benefit can be rolled over to an Inherited IRA. The non-spouse beneficiary should discuss any planning issues and tax consequences with their professional tax advisor with respect to a direct rollover of your death benefit into an Inherited IRA.

#### **HARDSHIP DISTRIBUTIONS**

As long as you are an employee, you can take a distribution to pay for a financial hardship caused by one or more of the following circumstances:

- Expenses for (or necessary to obtain) medical care that would be tax deductible (without regard to whether the expenses exceed 7.5% of your adjusted gross income).
- Costs related to the purchase of your principal residence (excluding mortgage payments).
- Payments necessary to prevent eviction from your principal residence or to prevent foreclosure on the mortgage of your principal residence.
- Tuition, related educational fees, and room and board, for up to the next 12 months of post-secondary education for you, your spouse, your children, or other eligible dependents.
- Funeral expenses for your deceased parent, spouse, children, or eligible dependents.
- Expenses for repair of damage to your principal residence that would qualify for a casualty deduction (without regard to whether the loss exceeds 10% of your adjusted gross income).

If you have one of the above expenses, a hardship distribution can only be made if the following rules are also satisfied:

- The hardship distribution is not in excess of the amount of your immediate and heavy financial need. The amount of your immediate and heavy financial need may include any amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the hardship distribution.
- You must have taken any other distribution or participant loans available under this or any Plan maintained by us.

You cannot make any Elective Deferrals or After-Tax Contributions for 6 months after you take a hardship distribution.

A hardship distribution will be made in one lump sum payment, must be at least \$500 and is limited to one hardship distribution each Plan Year. Hardship distributions can be taken from the following accounts in which the Participant has a 100% Vested Interest, in the following order of priority:

- Non-Safe Harbor Matching Contribution-Prior Company Matching Account
- Non-Safe Harbor Matching Contributions-Deferred Matching Account
- Non-Safe Harbor Matching Contributions-Del Matching Account
- Non-Safe Harbor Non-Elective Contributions-Profit Sharing Account
- Non-Safe Harbor Non-Elective Contributions-Retirement Account
- 401(k) Account (excluding earnings)

#### **IN-SERVICE DISTRIBUTIONS**

As long as you are an employee you can take one In-Service Distribution per plan year, in a minimum amount of \$500 according to the following rules. If you have reached age 59-1/2, you can take a lump sum distribution of up to 100% of your Vested Interest of the following accounts in order of priority:

- Voluntary (After-tax) Contributions
- Pre-Tax Rollover Contributions
- Non-Safe Harbor Matching Contributions-Prior Company Matching Account
- Non-Safe Harbor Matching Contributions-Deferred Matching Account
- Non-Safe Harbor Non-Elective Contributions-Profit Sharing Account
- Non-Safe Harbor Non-Elective Contributions-Employer Retirement
- Elective Deferrals
- After-Tax Rollover Contributions
- Safe Harbor Matching Contributions
- Non-Safe Harbor Matching Contributions-Del Matching Account
- Non-Safe Harbor Non-Elective Contributions-Special Grandfather Contributions

Rollover and After-Tax withdrawals can be taken at any age, but are limited to one per Plan Year.

Special withdrawal rules apply to certain employees who were previously employed by Revlon, Inc., Pfizer, Inc. and Quintessence, Inc. See the Plan Administrator for additional information.

## **LOANS TO PARTICIPANTS**

---

You are permitted to borrow from the Plan using an electronic authorization system available via the Charles Schwab Hotline or Charles Schwab Website (see page 1). Loans will be made in accordance with the Loan Policy established by the Administrator. Your vested account balance is used as security for the loan.

Loans will be made pursuant to the following terms:

- You may have a maximum of 1 loan outstanding at any time;
- The minimum amount of a loan is \$1,000;
- The maximum amount of the loan is generally the *lesser* of 50% of your vested account balance or \$50,000 (reduced by the excess of your highest outstanding loan balance during the prior 1-year period over the outstanding loan balance as of the day the loan is made);
- The loan term may not exceed 5 years;
- Loans are available from the vested portion of all of your accounts. However, loans are not available from any portion of a Participant's vested account balance that is invested in an employer stock investment fund;
- The following loan fees will be charged to your account - \$50 to establish the loan; \$10 per quarter to administer the loan.

You will be charged a reasonable rate of interest on any loan that you take from the Plan. Loan proceeds are generally taken pro rata from investment funds in which your account balance is invested. All payments of principal and interest that you make on a loan will be credited to your account. Loan payments generally must be made through payroll deduction. If you fail to make payments when they are due under the loan terms, you will be considered to be in "default." A loan in default may be treated as a distribution from the Plan, thus resulting in taxable income to you. In any event, your failure to repay a loan will reduce the benefit that you would otherwise be entitled to from the Plan.

Note that if you have an unpaid leave of absence or go on military leave while you have an outstanding loan, you may qualify for a suspension of loan payments. Upon termination of employment, all loans will immediately become due and payable. If a loan is not repaid within a reasonable time following termination, it will be offset against your vested account balance.

The Administrator may periodically revise the Plan's loan policy. For further details on Plan loans, you may request a copy of the Loan Policy from the Administrator.

## **INVESTMENT OF ACCOUNTS**

---

Subject to an investment policy established by the Administrator, you can direct how some (or all) of your Account will be invested. You can choose from any investment options approved by us, including a self-directed brokerage account designed for employees with previous investing experience. You can switch between investments as often as is permitted under the investment options you choose. All earnings and losses on your directed investments will be credited directly to your Account. Investment results will reflect any fees and investment expenses for the investments you select. You may request more information on fees associated with an investment option from the Administrator. You may also request information regarding the self-directed brokerage account by calling (888) 393-7272.

Generally, you will receive a quarterly statement that contains information regarding your investment choice(s), any contributions received by the Plan during that quarter, your investment gains or losses, ending fund balances and your vested percentage.

*We intend to comply with Section 404(c) of the Employee Retirement Income Security Act of 1974. This means that if you are permitted to exercise independent control over the investment of your Account and you are offered a reasonably diverse selection of well managed investment options, then the fiduciaries of the Plan, including the Administrator and us, may be relieved of certain liabilities for any losses which occur because you exercise control.*

## **TAX WITHHOLDING ON DISTRIBUTIONS**

---

Due to the complexity and frequency of changes in the federal laws that govern benefit distributions, penalties and taxes, the following is only a brief explanation of the law and IRS rules and regulations as of the date this summary is issued. You will receive additional information from the Administrator at the time of any benefit distribution, and you should consult your tax advisor to determine your personal tax situation before taking the distribution.

### **DIRECT ROLLOVERS NOT SUBJECT TO TAX**

Any eligible distribution that is directly rolled over to another eligible retirement account (either another qualified retirement plan or an individual retirement account) is not subject to income tax withholding. Generally, any part of a distribution from this Plan can be directly rolled over to another eligible retirement account unless the distribution (1) is part of a series of equal periodic payments made over your lifetime, or over the lifetime of you and your beneficiary, or over a period of 10 years or more; or (2) is a minimum benefit payment which must be paid to you by law. There are other distributions that are not eligible for direct rollover treatment, and you should contact the Administrator if you have questions about a particular distribution.

### **20% WITHHOLDING ON TAXABLE DISTRIBUTIONS**

If you have your benefit paid to you and it's eligible to be rolled over, you only receive 80% of the benefit payment. The Administrator is required to withhold 20% of the benefit payment and remit it to the Internal Revenue Service as income tax withholding to be credited against your taxes. If you receive the distribution before you reach age 59½, you may also have to pay an additional 10% tax. You can still rollover all or a part of the 80% distribution that is paid to you by putting it into an IRA or into another qualified retirement plan within 60 days of receiving it. If you want to rollover 100% of the eligible distribution to an IRA or to another qualified retirement plan, you must find other money to replace the 20% that was withheld. You cannot elect out of the 20% withholding (1) unless you are permitted (and elect) to leave your benefit in this Plan, or (2) unless you have 100% of an eligible distribution transferred directly to an IRA or to another qualified retirement plan that accepts rollover contributions.

## **CLAIMS PROCEDURE**

---

If you feel that you are entitled to a benefit that you are not receiving from the Plan, you can make a written request to the Plan Administrator (or its delegate) for the benefit. If your request is denied, you will be informed by written or electronic notice within 90 days after the Administrator receives your request. This notice will contain the following information: (a) the specific reason or reasons for denial; (b) specific reference to the Plan provisions on which the denial is based; (c) a description of any additional material or information necessary in order to present a thorough appeal and an explanation of why such material or information is needed; and (d) an explanation of the claim appeal procedure and time limits applicable to the procedure, including a statement of your right to bring a civil action under ERISA Section 502 after a denial on appeal.

*Note: If the Administrator needs more than 90 days to review your claim for benefits, you will be advised by written or electronic notice within 90 days after the Administrator receives your claim. The notice will tell you why the Administrator needs more time (which cannot exceed an additional 90 days), and the date by which you can expect a decision.*

If you disagree with the Administrator's decision to deny your claim, you can appeal the denial to the Administrator. You must submit this appeal to the Administrator within 60 days after the date that you receive the notice of denial of your initial claim. For purposes of the review, you have the right to (a) submit written comments, documents, records and other information relating to the claim for benefits; (b) request, free of charge, reasonable access to, and copies of all documents, records and other information relevant to your claim for benefits; and (c) a review that takes into account all comments, documents, records, and other information you submitted relating to the claim, regardless of whether the information was submitted or considered in the initial decision.

Your denied claim will be reviewed by the Administrator and within 60 days after receipt of the request for review you will receive a written or electronic notice of the Administrator's decision. The notice will (a) provide the specific reason or reasons for denial; (b) refer to the provisions of the Plan on which the denial is based; (c) contain a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim; (d) describe any voluntary appeal procedures offered by the Plan and your right to obtain information about the procedures; and (e) provide a statement of your right to bring a civil action if you disagree with the Plan Administrator's decision on appeal.

*Note: If the Administrator needs more than 60 days to review your denied claim, you will be advised in writing (or electronically) within 60 days after the Administrator receives the request for review. The notice will tell you why the Administrator needs more time (up to an additional 60 days), and the date by which you can expect a decision.*

If you wish to bring a civil action against the Plan following a denial of your claim on appeal, you must do so within one year of the Plan Administrator's final decision on your claim.

## **OTHER INFORMATION**

---

### **ATTACHMENT OF YOUR ACCOUNT**

Your creditors cannot garnish or levy upon your Account except in the case of a proper Internal Revenue Service tax levy, and you cannot assign or pledge your Account except as collateral for a loan from the Plan or as directed through a Qualified Domestic Relations Order (QDRO) as part of a divorce, child support or similar proceeding in which a court orders that all or part of your Account be transferred to another person (such as your ex-spouse or your children). The Plan has a procedure for processing QDROs, which you can obtain free of charge from the Administrator.

### **AMENDMENT OR TERMINATION OF THE PLAN**

Although we intend for the Plan to be permanent, we can amend or terminate it at any time. If we do terminate the Plan, all Participants will have a 100% Vested Interest in their Accounts as of the Plan termination date, and all Accounts will be distributed in lump-sum payments.

### **ACCOUNTS ARE NOT INSURED**

Your Account is not insured by the Pension Benefit Guaranty Corporation (PBGC) because the insurance provisions of ERISA do not apply to 401(k) plans. For more information on PBGC coverage, ask the Administrator or contact the PBGC. Written inquiries to the PBGC should be addressed to: Technical Assistance Division, PBGC, 1200 K Street NW, Suite 930, Washington, D.C. 20005-4026. You can also call the PBGC with any questions at (202) 326-4000.

### **PAYMENT OF PLAN EXPENSES**

The Plan routinely incurs expenses for the services of lawyers, actuaries, accountants, third party administrators, and other advisors. Some of these expenses may be paid directly by us while other expenses may be paid from the assets of the Plan. The expenses that are paid from Plan assets will be shared by all Participants either on a pro-rata basis or an equal dollar basis. If the expense is paid on a pro-rata basis, an amount will be deducted from your Account based on its value as compared to the total value of all Participants' Accounts. For example, if the Plan pays \$1,000 of expenses and your Account constitutes 5% of the total value of all Accounts, \$50 would be deducted from your Account ( $\$1,000 \times 5\%$ ) for its share of the expense. On the other hand, if the expense is paid on an equal dollar basis, the expense is divided by the number of Participants and then the same dollar amount is deducted from each Participant's Account.



## **STATEMENT OF ERISA RIGHTS**

---

### **YOUR RIGHT TO RECEIVE INFORMATION**

As a Participant, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants are entitled to (a) 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 Employee Benefits Security Administration; (b) obtain 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 upon written request to the Plan Administrator. The Administrator may make a reasonable charge for the copies; (c) receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each Participant with a copy of this summary annual report; and (d) obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age (which is defined elsewhere in this summary plan description) and if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

### **DUTIES OF PLAN FIDUCIARIES**

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. 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 pension benefit or exercising your rights under ERISA.

### **ENFORCEMENT OF RIGHTS**

If your claim for a pension benefit is denied or ignored, in whole or in part, 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 a copy of Plan documents or the latest annual report 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 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 domestic relations order, you may file suit in 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 your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory (or which can also be found at the Employee Benefits Security Administration website at [http://www.dol.gov/ebsa/aboutebsa/org\\_chart.html](http://www.dol.gov/ebsa/aboutebsa/org_chart.html)) 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 can call the Employee Benefits Security Administration at (866) 444-3272; TTY/TDD users: (877) 889-5627. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration. You may obtain additional pension-related information at the Department of Labor's website at <http://www.dol.gov/ebsa/publications/wyskapr.html> where you can review a publication called "*What You Should Know About Your Retirement Plan.*"

**OTHER ACCOUNT QUESTIONS?**

Call (800) 724-7526 to talk to a Schwab Representative Monday through Friday, 7:00 a.m. – 11:00 p.m. ET.