
**KE&G Construction, Inc. Employee Stock Ownership Plan
Summary Plan Description**

March, 2015

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IMPORTANT INFORMATION ABOUT YOUR PLAN

There is certain general information, which you may need to know about your Plan. This information is being provided to you pursuant to federal law.

General Plan Information

The name of your Plan is the KE&G Construction, Inc. Employee Stock Ownership Plan. This Plan is an Employee Stock Ownership Plan.

The Plan Number assigned to this Plan is 002.

The Effective Date of the Plan is January 1, 2006. The Plan has been amended and restated effective January 1, 2014.

The Plan Year is the twelve-month period ending on December 31.

The Plan Sponsor is KE&G Construction, Inc.

The Sponsor's Employer ID# is 20-5816819.

The following is participating employer:

- KE&G Industrial, Inc.

Plan Sponsor and Plan Administrator Information

KE&G Construction, Inc.
1601 Paseo San Luis, Suite 202
Sierra Vista, AZ 85635
Telephone (520) 458-9594

The Plan Administrator keeps the records for the Plan and is responsible for the administration of the Plan. The Plan Administrator has discretionary authority to construe the terms of the Plan and to make determinations on questions that may affect your eligibility for benefits.

Plan Trustee Information

The name of your Plan's Trustee is:

Christopher Albright

The principal place of business of your Plan's Trustee is:

KE&G Construction, Inc.
1601 Paseo San Luis, Suite 202
Sierra Vista, AZ 85635

A trust fund managed by the Trustee is the funding medium used for the accumulation of assets from which benefits will be distributed under the Plan.

Service of Legal Process

The name and address of your Plan's agent for service of legal process:

KE&G Construction, Inc.
1601 Paseo San Luis, Suite 202
Sierra Vista, AZ 85635

Legal process may also be made upon the Plan Administrator or the Trustee.

INTRODUCTION

The KE&G Construction, Inc. Employee Stock Ownership Plan (“ESOP” or “Plan”) was adopted by the Board of Directors of KE&G Construction, Inc. (“Company”) so that you and all eligible employees could become owners of KE&G Construction, Inc. without having to invest your own money to purchase stock. The Plan was originally established effective January 1, 2006. The Plan was amended and restated effective as of January 1, 2014.

The Plan is designed to qualify for preferred tax treatment under the Internal Revenue Code but the amended and restated plan has not yet been issued a favorable “determination letter” from the Internal Revenue Service (the “IRS”). You will be advised if the IRS requests any changes to the Plan that may impact the information contained in this Summary Plan Description.

This Summary Plan Description will provide you important information about how it works. Read this Summary Plan Description (“SPD”) carefully because it explains your rights, benefits and obligations as a participant or beneficiary under the ESOP. You may also examine the Plan itself, which sets forth and governs your rights, benefits and obligations, and you may examine any other Plan documents. Finally, we encourage you to contact Company representatives if you have further questions about the Plan.

This SPD will provide you with the terms and conditions of the ESOP, including information about:

- ◆ how you become eligible to participate
- ◆ how much the Company contributes
- ◆ how your share of Company contributions is determined
- ◆ when you become entitled to receive benefits
- ◆ when you receive benefits
- ◆ how you claim your benefits
- ◆ who is responsible for administering this plan
- ◆ your rights under the Employee Retirement Income Security Act of 1974 (“ERISA”).

Plan funds are held in trust for the exclusive benefit of the Plan participants. The ESOP must, by law, be operated at all times and in all respects in a prudent and non-discriminatory manner for the exclusive purpose of providing benefits to participants in order to qualify as an Employee Stock Ownership Plan. ESOPs are generally similar to and subject to the same broad rules as other types of employee retirement plans like profit sharing or 401(k) plans. However, there are some key differences.

- ◆ The ESOP invests primarily in Company stock rather than in a diversified portfolio of assets.
- ◆ The Company stock is generally valued only annually at the end of the Plan year.
- ◆ The ESOP can borrow money from the Company or an outside lender to acquire a significant block of Company stock.
- ◆ There are some special rules about when and how you will receive your vested account balance.

- ◆ No employee contributions or salary deferrals are required or permitted.

This Plan does not replace benefits under any other company pension plan, profit-sharing plan, if any, or social security. Benefits under the ESOP are in addition to any other benefits you may be entitled to receive under Social Security or other pension plans or profit-sharing plans. Benefits from these other sources are not covered in this SPD.

This document is intended as a brief summary of the provisions currently in effect for the Plan. Please take some time to review it. Since it is not always possible to timely publish a new SPD to reflect changes or future amendments, you should contact the Plan Administrator as you finalize your plans for retirement to be sure that you are aware of any changes. If significant changes are made, the Plan Administrator will furnish you with a Summary of Material Modifications (SMM) that you should file with this document. A more complete description of the Plan is set forth in the Plan document. In the event that this SPD conflicts with the Plan, the text of the Plan and related Trust Agreement will govern. Copies of the Plan and Trust documents are available for your review. If you have any questions about this important benefit, please contact the Plan Administrator.

It is your responsibility to advise the Plan Administrator of any change in your address or your marital status.

ELIGIBILITY AND PARTICIPATION

You are eligible to join the Plan if you:

- ◆ Are employed by the Company or any participating employer; and
- ◆ Completed 1,000 Hours of Service during your first full 12 months of employment or during any subsequent Plan Year*; and
- ◆ Are not an employee whose employment is governed by a collective bargaining agreement under which retirement benefits are bargained; and
- ◆ Are not a leased employee.

* (starting with the Plan Year that begins during your first 12 months of employment)

You begin to participate in the Plan as of the first day of the Plan Year (January 1st) in which you meet all of the above eligibility requirements.

Example: If you began to work for the Company on March 6, 2014 and reach 1,000 hours on August 10, 2014, you will enter the Plan on January 1, 2014.

SERVICE

Under the Plan the term "Year of Service" is used to determine your vesting credit and whether or not you receive a contribution.

A Year of Service means a Plan Year in which you receive credit for 1,000 Hours of Service. You get credit for an Hour of Service for each hour that you are paid or entitled to be paid for services to the Company or related company, including vacation, holiday, illness, disability, lay-off, jury duty, temporary military duty, or leave of absence. However, no more than 501 hours of service will be credited for a period of absence for which you are paid.

A Break-in-Service occurs when there is a Plan Year in which you receive credit for 500 or fewer Hours of Service. If you are on a maternity or paternity leave of absence due to pregnancy, birth or adoption of a child, you may be credited with up to 501 Hours in order to prevent a Break-in-Service.

CONTRIBUTIONS TO THE PLAN

Each year the Company determines how much to contribute to the ESOP. All Company contributions are paid to a Trust Fund established on behalf of Plan participants and beneficiaries. Contributions can be made in cash or Company stock. No part of the Trust Fund may be used for, or diverted to purposes other than, the exclusive benefit of Plan participants and their beneficiaries.

You are not permitted to make contributions to the ESOP.

STOCK IN THE PLAN

The Company can contribute stock to the Plan either by a direct contribution of shares, a contribution of cash to purchase shares, or through release of shares as a result of payment made on an acquisition loan.

An “acquisition loan” is a type of loan unique to ESOPs that is used to borrow money to buy Company stock. There can be more than one acquisition loan outstanding at any time. No individual participant can be made responsible or liable for an acquisition loan—it is solely an obligation of the Plan. In the early years of an acquisition loan, the value of the Company stock may be somewhat deflated due to the debt that the Company has incurred.

If stock is contributed directly or purchased with cash, it is allocated to individual Plan accounts in the year it is contributed. If the Plan receives a contribution from the Company to repay an acquisition loan, some of the Company stock purchased with the acquisition loan is allocated to individual Plan accounts.

When an acquisition loan is initiated, all Company stock purchased with the acquisition loan funds is held in an account within the Trust Fund called the “Unallocated Stock Suspense Account”. As the ESOP repays the acquisition loan (using annual Company contributions to the Trust Fund), a portion of the stock is released from the Unallocated Stock Suspense Account and allocated to individual participant accounts. The total of these allocated shares and the shares in the Unallocated Stock Suspense Account should always equal the number of shares that were originally purchased by the ESOP with the acquisition loan (as adjusted for distributions made to Plan participants).

YOUR PLAN ACCOUNT

An individual account is maintained by the Plan Administrator for each Plan participant. This account is separated into a Company Stock account and a cash account that includes investments other than Company stock. For purposes of this SPD the reference to your individual account includes both accounts. This does not mean that your portion of the Trust Fund is kept separately from other Plan participants' accounts. Your individual account is used to determine the number of shares and/or the amount of cash you will receive when you become eligible for a distribution from the Trust Fund. The section of this document entitled "When Benefits are Paid" describes when and how you will receive your portion of the Trust Fund.

Your individual account will reflect your portion of:

- ◆ Company contributions made to the ESOP;
- ◆ allocations of shares of Company stock resulting from the use of Company contributions or dividends to repay acquisition loans;
- ◆ the profits and/or losses of the Trust Fund resulting from Plan investments and/or expenses;
- ◆ dividends or distributions, if any, on Company stock paid to the Trust Fund; and
- ◆ forfeitures to be reallocated among eligible participants.

ALLOCATION OF COMPANY CONTRIBUTIONS

After meeting the Plan eligibility requirements, you must meet the allocation requirements to be eligible to share in Company contributions and forfeitures to the ESOP in each Plan Year.

Allocation Requirement: In order to receive an allocation of Company contributions for the Plan Year, you must complete 1,000 Hours of Service (about ½ time).

You will receive an allocation to your individual account of Company contributions and forfeitures (and resulting releases of Company stock) during each Plan Year after your entry date in which you meet the allocation requirements. Your share is the proportion that your eligible Compensation during the Plan Year bears to the eligible Compensation of all Plan participants eligible to receive an allocation during the Plan Year. Your Compensation in excess of \$265,000, the limit for 2015 (\$260,000, the limit for 2014), adjusted annually for cost of living, is not included as Compensation and therefore is ignored.

Compensation means the taxable compensation you receive during the Plan Year that is reportable by the Employer on your Form W-2, plus amounts you contribute under any salary reduction or deferral agreement for a cafeteria plan, 401(k) plan or transportation fringe benefit plan or other plans as permitted or required under IRS regulations. Compensation does not include, even if included in your Form W-2, severance pay, or parachute payments if paid after severance from employment.

For example, if your Compensation during a Plan Year is \$40,000 and all Plan participants together have total compensation of \$2,000,000, your account will be credited with \$40,000/\$2,000,000 or two percent (2%) of the total Company contributions, forfeitures and allocations of Company stock to be credited for that Plan Year. If the total allocation for that plan year is 2,500 shares, then you would receive 2 percent or 50 shares.

Example:

$$2,500 \text{ shares} \times \$40,000 / \$2,000,000 = 50 \text{ shares}$$

Certain participants may be subject to restrictions on their allocations of Company stock in order to comply with tax rules designed to limit the concentration of Company stock in ESOP-owned S corporations. If these restrictions should apply to you, the Plan Administrator will so advise you.

LIMITS ON CONTRIBUTIONS

The total annual contribution by the Company to all defined contribution plans, including ESOPs, profit-sharing and 401(k) plans on behalf of any Plan participant, is limited by Internal Revenue Code Section 415 to the lesser of 100 percent of a participant's annual compensation or \$53,000, the limit for 2015 (\$52,000, the limit for 2014), adjusted annually for cost of living. If your ESOP contribution is affected by this limitation, the Plan Administrator will notify you.

VALUE OF YOUR ACCOUNT

Each account will be valued at the end of every Plan Year (December 31). The value of KE&G Construction, Inc. shares is determined each year by an independent appraiser.

For Company stock accounts, you will have gains or losses from two sources. First, you may have a gain or loss based upon changes in the value of Company stock in your account during each Plan Year. Second, you may have gains from dividends or distributions (if any) received by the Plan on the Company stock allocated to your account.

For cash accounts which include all investments other than Company stock, your individual account balance at the beginning of the Plan Year is credited with a proportionate share of Trust Fund profits or losses during the year. For example, if you have a cash account balance with a fair market value of \$4,000 at the beginning of a Plan Year and all Plan participants together have cash account balances with a fair market value totaling \$400,000, your individual account will be credited with \$4,000/\$400,000 or one percent (1%) of Trust Fund cash account profits or losses for that Plan Year.

Once every year after the annual valuation is completed, you will receive a statement which includes your account balance as of the previous valuation date, summarizes the activity in your account during the year and shows your account balance as of the current valuation date.

VESTING

Vesting refers to how long you must work for the Company for your Plan accounts to be non-forfeitable and for you to have an irrevocable interest in your Plan benefits. Your benefits under the ESOP vest according to the following schedule:

Years of Service	% Vesting
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

Your benefits under the ESOP also become 100% vested and non-forfeitable upon your normal Retirement Age while employed or if you die or become permanently disabled while still employed with the Company.

Refer to the Section entitled “Service” for an explanation of Year of Service. In determining Years of Service for purposes of vesting, you will be credited with Years of Service earned after December 31, 2005.

Your Normal Retirement Age is the day you reach age 65, or, if later, the date you complete five years of Plan participation. If you were hired prior to May 15, 2007, your Normal Retirement Age is the date of your 65th birthday.

The vesting percentage applies to the amount allocated to you in your individual Plan account. If you are fully vested, your entitlement to the value of the assets in your individual Plan account cannot be reduced except by distributions to you from the ESOP or a change in the fair market value of the assets in your account including Company stock. Nothing you do, other than failure to complete the Years of Service vesting requirements, will cause you to forfeit any benefits allocated to your individual Plan account under the ESOP.

DISABILITY

You are considered to be disabled if you qualify for Social Security disability benefits.

FORFEITURES

Should you leave employment with the Company before you are 100% vested, the non-vested portion of your benefit will remain in the Plan, but no further Company contributions or forfeitures shall be made to your individual Plan account. Upon completion of a Break-in-Service of five or more consecutive years or, if earlier, distribution of your entire vested account balance, you will

lose, or forfeit, the non-vested portion of your individual Plan account. The forfeited shares are then reallocated to the accounts of remaining Plan participants at the end of the Plan Year. Forfeitures are allocated to active participants in the same way as Company contributions (see “Allocation of Company Contributions”).

RE-EMPLOYMENT

If you are reemployed and were previously a Plan participant, you will again become a participant in the Plan immediately following your reemployment date.

Your vesting status under the Plan depends on whether you were vested at the time you left and the length of your separation.

- If you were partially or fully vested at the time you left, the amount of vesting service you had before termination will be reinstated. However if you have a Break-in-Service of five or more consecutive years, your years of service after the Break will not be used to increase the vesting percentage of your pre-Break account balance. In this case, you would have a pre-break account based on pre-break service and a post-break account based on all service.
- If you were not vested when you left, your vesting service and your unvested account balance will be reinstated under the Plan provided your Break-in-Service is less than five years. If your Break-in-Service was five or more consecutive years, you will be treated as a new employee for vesting purposes.

BENEFICIARIES

A beneficiary is the person or persons you name to receive your Plan benefits in case of your death. You can change your beneficiary at any time by completing a new form, subject to certain restrictions regarding spousal consent.

If you are married, your beneficiary is your spouse unless you elect otherwise in writing. If you wish to designate a beneficiary other than your spouse, your spouse must consent to your designation in writing and this consent must be witnessed or attested to by a Plan representative or notary public. If you can establish to the satisfaction of the Plan Administrator that your spouse cannot be located, the missing spouse’s signature will not be required. If your spouse is legally incompetent, his or her guardian can sign for the spouse.

If you are single, any death benefits payable will be paid to the beneficiary you have selected.

If you fail to designate a beneficiary or if the named beneficiary predeceases you, any death benefit will be paid in the following order: (1) to your surviving spouse, (2) if no surviving spouse, in equal shares to your children per stirpes, or (3) if no surviving children, to your parents in equal shares, or if only one parent is living to such parent.

To make sure the death benefit is payable to the beneficiary of your choice, it is your responsibility

to complete and file a beneficiary designation form with the Plan Administrator. For your reference a copy of the beneficiary form is attached to the back of this booklet. If your beneficiary will be your spouse you do not need to complete a form. However, if you do designate your spouse and you divorce, that designation will be canceled unless you designate your former spouse as the beneficiary after the divorce.

WHEN BENEFITS ARE PAID

If you terminate employment with the Company on or after your Normal Retirement Age, the value of your account balance may begin to be paid to you no later than one year after the close of the Plan Year in which you terminate your employment.

If you reach Normal Retirement Age and complete less than 450 hours of service in a Plan Year, the value of your account balance may begin to be paid to you no later than one year after the close of the Plan Year in which you reach Normal Retirement Age and complete less than 450 hours of service, regardless of whether you terminate your employment.

If you should die while still employed by the Company, your beneficiary will be paid the full value of your account. If your account has not yet begun to be paid out to you, payment to your beneficiary will begin by the end of the Plan Year following the Plan Year in which your death occurs. The full benefit will be paid by the December 31st following the fifth anniversary of the date of death. Alternatively, if you die after payments have already begun to be paid to you, the payments will continue to your beneficiary on the same payment schedule.

If you should become permanently disabled (as defined in the “Disability” section) while still employed by the Company, you will begin to receive your benefit by the end of the Plan Year following the Plan Year in which you were determined to be disabled.

If you terminate employment for any other reason prior to your Normal Retirement Age and your vested account balance is \$1,000 or less, you will receive a “cash-out” distribution of your entire vested account balance in a lump sum by the close of the Plan Year following the Plan Year of your termination of employment.

If you terminate employment for any other reason prior to your Normal Retirement Age and your vested account balance is \$5,000 or less, but more than \$1,000, you may elect to receive a “cash-out” distribution of your entire vested account balance in a lump sum by the close of the Plan Year following the Plan Year of your termination of employment.

If you terminate employment for any other reason prior to your Normal Retirement Age, you may elect to begin to receive your vested account balance by the close of the sixth Plan Year following the Plan Year in which you terminate unless the distribution policy adopted by the Plan Administrator provides for an earlier distribution or, if earlier, the year following the date you attain Normal Retirement Age. If you do not elect to receive your benefits at this time, you may begin to receive your benefits at any time prior to your Normal Retirement Age. If you do not make an election by the earlier of age 65 or death, payments will be made at that time.

HOW BENEFITS ARE PAID

The value of your account is the sum of the value of any cash and investments in your account that are not Company stock plus the current fair market value of the Company stock in your account as of the end of the Plan Year prior to the date of payment. The Plan Administrator may establish a written distribution policy which will be communicated to you. If at the time of distribution no distribution policy is in place, your vested account under the Plan (other than cash-out distributions not more than \$5,000 paid in a lump sum) will be paid to you in annual installments over a five-year period. The amount of each installment will be your account balance as of the end of the Plan Year prior to the date of payment divided by the remaining number of installments.

DISTRIBUTION OF COMPANY STOCK AND THE PUT OPTION

Generally, participants are able to elect to receive ESOP distributions of benefits in cash or in shares of Company stock. However, the Company's shareholders have elected for the Company to be taxed as an "S" corporation. Therefore, you will not have the right to elect to receive a distribution of your ESOP account in shares of Company stock. However, if you do receive a stock distribution, you will be required to immediately sell it back to the Company.

MINIMUM REQUIRED DISTRIBUTIONS (AGE 70 ½)

If you are a five percent owner of the Company, you must, by law, begin to receive benefits under the ESOP not later than the April 1st following the end of the calendar year in which you reach age 70 ½.

If you do not own five percent (5%) or more of the Company, you must begin to receive your benefits no later than April 1st of the calendar year following the calendar year in which you reach age 70 ½ only when you are no longer employed by the Company.

DIVERSIFICATION

If you are age 55 or older and have completed ten years of active participation in the ESOP following the Effective Date (January 1, 2006), you may elect to diversify a portion of your account balance attributable to Company stock. This will enable you to invest a portion of your retirement funds in something other than Company stock. The Trustee may offer alternative investments under the Plan or in another qualified plan maintained by the Company in lieu of distributing it to you directly.

The Internal Revenue Code sets out the calculation of the number of shares eligible for diversification. There is a prescribed diversification period that lasts for six years. The number of shares eligible for diversification is equal to the total of shares in your account plus shares you have already diversified, times the diversification percentage, less shares already diversified.

For example, in the initial year you are eligible to diversify up to 25% of your shares. If you have 1,000 shares you may opt to receive a diversification distribution of 250 of them. You now have 750 shares in your account. If, in year two, you receive an additional 100 shares, your new balance is 850 shares. The number of shares eligible for diversification in the second year is 25% times 1,100 shares less 250 shares. In year two, 25 shares would be eligible for diversification.

The diversification percentage is 25% in years 1-5. In the sixth year the percentage is 50%. The Plan Administrator will notify you of your eligibility to exercise the diversification option in each of the six years regardless of whether you choose to diversify in any year. You may elect any percentage from zero up to the maximum diversification percentage in any year. You are not required to take a diversification distribution. This is a “use it or lose it” option however, and after the end of the 6 year period, no additional elections will be available regardless of how many shares of Company stock were previously diversified.

VOTING COMPANY STOCK

As a Plan participant you may direct the Trustee as to how to vote the shares of Company stock held in your ESOP account with respect to the approval or disapproval of any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution or sale of substantially all Company assets. The Trustee will provide a ballot for you if such matters arise. In such case, the Trustee will vote your shares according to your instructions. On all other matters, the Trustee is entitled to vote all shares of Company stock held in your ESOP account and all shares of Company stock in the Unallocated Stock Suspense Account.

TOP-HEAVY PLANS

Generally, a “top-heavy” plan is a plan in which the value of the accounts of certain key employees exceeds 60% of the value of all the accounts. If this Plan ever becomes top heavy, special more favorable rules concerning minimum contributions may apply.

MILITARY SERVICE

If you leave the Company to perform military service in the U.S. Armed Forces (including the Army and Air National Guard), you have certain rights in the Plan if you return to the Company within the period of time during which your reemployment rights are protected by law. For example:

- For purposes of eligibility and vesting, no Break-in-Service will occur and you will earn vesting service at the same rate you would have earned such service had you remained an active employee.
- You may be entitled to make up contributions for the period of your military service.
- Your beneficiary may be entitled to the death benefit under the Plan if you die during military service regardless of your length of employment.

You should contact the Plan Administrator if you think you might be entitled to such additional rights.

QUALIFIED DOMESTIC RELATIONS ORDERS

Generally, you cannot assign your individual account or your right to receive benefits under the ESOP. No court can attach, garnish, levy, or execute judgment against your individual account or your right to receive benefits under a qualified plan of this type except pursuant to a Qualified Domestic Relations Order.

A Qualified Domestic Relations Order is a court order or decree that obligates the Plan to allocate a portion of your account to your spouse, former spouse, child or other dependent.

If the Plan Administrator receives a domestic relation order, the Plan Administrator will notify you of its receipt and will determine the validity of the order prior to segregating any assets held or allocated to you under the Plan.

You or your beneficiary may obtain, without charge, a copy of the Plan procedures the Plan Administrator uses to make Qualified Domestic Relations Order determinations.

TAX TREATMENT OF DISTRIBUTIONS

The following information is only meant to give you a general idea about taxes. Tax laws are complex and continually changing; therefore, you should consult a qualified tax advisor or specialist to help you decide the best approach for your situation.

Taxation of Distributions. Under current law, you defer paying federal income taxes on all contributions and on any increase in the value of your ESOP account until your account balance is distributed. All distributions from the Plan are subject to income taxes. Federal regulations require that federal income tax be withheld at 20 percent of the taxable amount of the distribution. Taxes are generally to be paid in the year of the distribution.

You can continue to delay paying taxes on your distribution and avoid the 20 percent withholding if you transfer your distribution directly to an Eligible Retirement Plan, such as an IRA or other qualified retirement plan. Such transfers may be accomplished without being subjected to income taxes. You will pay income taxes when you receive a distribution from the Eligible Retirement Plan.

In addition, you are permitted to transfer your distribution to a Roth IRA. Transfers to a Roth IRA will be taxed.

The Plan Administrator will provide more details concerning your options when you apply for your distribution. Before a distribution is made, you will be asked to certify your election in writing.

Since the tax laws are complicated and are subject to change, we recommend that you obtain tax advice before taking any distribution.

Penalty on Early Distributions. You may also be liable for an additional 10 percent early withdrawal tax on the money paid from your account. This tax is waived if the distribution is made for one of the following reasons:

- ◆ you reach age 59½
- ◆ you leave employment with the Employer after age 55
- ◆ you become disabled
- ◆ the distribution is paid to your beneficiary due to your death
- ◆ the distribution is used to pay deductible medical expenses, or
- ◆ the distribution is made in accordance with a Qualified Domestic Relations Order.

The 10 percent penalty tax will also be waived if you transfer your distribution directly (or within 60 days) to an Eligible Retirement Plan. Transfers to a Roth IRA although taxed are not subject to the 10 percent penalty tax.

Finally, upon your death, your surviving spouse or non-spouse beneficiary can also elect to transfer distributions to an IRA or other qualified plan (spouse only).

HOW TO APPLY FOR BENEFITS

You (or your beneficiary, if applicable) must file a written claim for benefits on the appropriate form. You can obtain the necessary materials and seek assistance in filing your claim from the Plan Administrator.

IF YOUR CLAIM IS DENIED

If your claim for benefits is denied, in whole or in part, you will be given the opportunity for a full and fair review. Within 60 days after you receive a written notice that a claim has been denied, you, your beneficiary (if making the claim), or an authorized representative may request a review by writing to the Plan Administrator. You, your beneficiary or your authorized representative will be given an opportunity to review pertinent documents and submit issues and comments in writing.

The Plan Administrator, with the assistance of its lawyers, accountants, actuaries or other professional consultants, will review the appeal. You will receive a written notice of the Plan Administrator's decision, which will include specific reasons for the decision, specific references to the pertinent Plan provisions upon which the decision is based, a description of the claimant's right to, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to the claim for benefits and a statement of your right to bring a civil action under ERISA section 502(a) following an adverse benefit determination on review.

The Plan Administrator must give you a written decision on your appeal no later than 60 days (or 120 days under special circumstances) after receipt of the request for review.

After exhausting all internal claims procedures, if you wish to challenge an adverse benefit determination of the Plan Administrator, you must begin such judicial or administrative proceeding within 90 days following the Plan Administrator's written decision, or such proceeding will be invalid based on the terms of the Plan.

SOME IMPORTANT POINTS

- All contributions to the Plan are placed in a Trust Fund that is held, administered and managed by the Trustee. All contributions to the Trust Fund must be used for the exclusive benefit of Plan participants and their beneficiaries.
- The benefit you receive under this Plan is the actual amount allocated to your individual account. Consequently, the Pension Benefit Guaranty Corporation does not insure benefits under the Plan.
- You may not transfer, sell or assign your benefits under the Plan except as provided in a Qualified Domestic Relations Order (described above) or other court order.
- You are not permitted to borrow from the Plan.
- The Plan does not accept rollovers.
- This Plan is not a contract between you and the Company. Nothing in the Plan gives you the right to remain an employee; all employees remain subject to discharge, discipline or layoff to the same extent as if the Plan did not exist.
- Your benefits cannot be reduced except by distributions to you from the ESOP or by a reduction of the fair market value of the assets allocated to your Plan account. Nothing you do, other than failure to complete the Years of Service vesting requirements, will cause you to forfeit any benefits under the ESOP.
- All reasonable expenses of administration, including but not limited to, those involved in retaining necessary professional assistance may be paid from the assets of the Plan. Such expense may be allocated among all Plan participants or with respect to expenses directly related to you, charged to your individual account. An example of an expense that may directly relate to you, includes, but is not limited to, expenses incurred in connection with a qualified domestic relations order. The Company may, in its discretion, pay any or all of these expenses.

FUTURE OF THE PLAN

Although the Company expects and intends to continue the ESOP indefinitely, it reserves the right to change, modify or discontinue the ESOP at any time. If the ESOP is amended or terminated, your vested benefits will not be reduced except for a change in the fair market value of the assets allocated to your account.

If the ESOP is terminated and the Trust Fund terminates, the accounts of participants affected by the termination will be 100% vested. If the Plan is terminated, administrative expenses of the Plan not paid directly by the Company will be paid out of the Trust Fund.

YOUR RIGHTS UNDER ERISA

As a participant in the ESOP, you have certain rights and are guaranteed certain protections pursuant to ERISA, as described below.

ERISA provides that all Plan participants shall be entitled to:

- (i) Examine, without charge, at the Plan Administrator's office and at other locations such as work sites, all Plan documents, including copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed Annual Reports;
- (ii) Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Administrator may require a reasonable charge for the copies;
- (iii) 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;
- (iv) Receive a statement of the total value of your account and your vested benefits, if any.

If you do not have a right to a benefit, the statement will inform you of the remaining number of years of service you will need to obtain a right to a benefit. This statement must be given once a year. The Plan must provide the statement free of charge.

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

If your claim for an ESOP 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 material, unless the materials cannot be sent for reasons beyond the control of the Administrator.

If you have a claim for benefits, which is denied or ignored, in whole or in part, and you have been through all the Plan's appeals procedures, then you may file suit in a state or federal court. In addition if you disagree with the Plan's decision (or lack of decision) concerning the qualified status of a domestic relations order, you may file suit in a federal court. If it should happen that Plan fiduciaries misuse the assets belonging to the ESOP, 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 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, if it finds your claim was frivolous in nature.

If you have questions about the ESOP, 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 the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Ave., N.W. Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

BENEFICIARY DESIGNATION FORM

KE&G Construction, Inc. Employee Stock Ownership Plan

Section A - Basic Participant Information

Name *(please print name above)*

Social Security #

Spouse's Name (if not married, indicate none)

Spouse's Social Security #

Section B - Beneficiary Information (If you want to name more than one beneficiary, use additional forms)

Primary Beneficiary Name

Relationship

Percentage

Street Address

City

State

Zip

Telephone #

Contingent Beneficiary Name (if primary beneficiary is not living)

Relationship

Percentage

Street Address

City

State

Zip

Telephone #

Section C - Spousal Consent (if you are not married, go to Section D)

(if married and you selected your spouse as beneficiary, go to Section D)

I understand that as the spouse of _____, I am entitled to receive death benefits under this Plan. I also acknowledge that I understand that by consenting, I am giving up my right to the survivor's benefit provided under the Plan and federal law. I hereby consent to the election by my spouse to the beneficiary named herein.

EXECUTED this _____ day of _____, 20____
Spouse's Signature

WITNESSED BY _____ or _____ Seal
Plan Representative Notary Public

Subscribed and sworn to before me this _____ day of _____, 20____.

Section D - Signatures - This designation will remain in force until a new form is filed.

Participant's Signature

Date

Signature of Plan Representative

Date

BENEFICIARY DESIGNATION FORM INSTRUCTIONS

If you are not married, you may name any beneficiary you choose to receive your benefits, if any, under this Plan. If you marry in the future, your spouse will automatically become your beneficiary under this Plan unless you complete a new beneficiary form.

If you are married, federal law requires that your death benefits from the Plan be paid to your spouse, unless your spouse consents to have death benefits paid to someone else.

To be sure that death benefits are paid as you want them to be, follow these guidelines:

1. If you are married and want all death benefits paid to your spouse, you do not need to complete this form. Should you divorce or if your spouse predeceases you, you should complete a beneficiary form at that time.
2. If your spouse is designated as a beneficiary and you divorce, this form becomes null and void. You should complete a new beneficiary form at that time.
3. If you are married and want death benefits paid to someone other than, or in addition to, your spouse, your spouse must sign the Spousal Consent on this form. That signature must be witnessed by the Plan Representative or Notary Public.

Note: If your spouse is incompetent or cannot be located, have an affidavit to that effect executed and witnessed by a notary public or the Plan Representative.

4. You may name one or more contingent beneficiaries. Your contingent beneficiary(ies) will only receive a death benefit if the primary beneficiary(ies) dies before you die.
5. **If you wish to name more than one beneficiary or contingent beneficiary, complete as many forms as necessary. Indicate on each form the percentage of the benefit you wish each beneficiary to receive. Also indicate the number of the form and the total number of forms (e.g.1/4).**

BE SURE YOU SIGN AND DATE THE FORM. Keep a copy of the form for your records, and return the original copy to the Plan Sponsor.

If your marital status changes, review your Beneficiary Designation to be sure it meets these requirements. If your name changes, notify your Plan Sponsor.

EMPLOYEE STOCK OWNERSHIP PLAN (ESOP)

FREQUENTLY ASKED QUESTIONS (FAQ's)

1. **ESOP Definition** – What is it? How did it begin?

- An ESOP is a company funded retirement plan that purchases KE&G Construction, Inc. stock for eligible employees at NO cost to the employees.
- In 2006 the KE&G ESOP was formed, and the KE & G Stockholders sold 49% ownership of KE&G's capital stock to the KE&G ESOP.
- This purchase was made possible with a contribution of approximately 45% of the purchase price and a loan from KE&G Construction, Inc. to the KE&G ESOP. The contribution was a gift to the ESOP from the company, and the first loan was repaid from the ESOP's share of company profits in 2014. In June 2014, the company purchased the remaining 51% of stock from the original owners who retired in 2014. The second loan was repaid by KE&G in May 2017. We are now a 100% employee owned company.

2. **Eligibility** – When do I become an employee owner?

- You will be eligible to participate in the Plan retroactively to the first day of the Plan Year (each January 1) during the Plan Year in which you first complete 1,000 Hours of Service.

3. **Benefits** – What's so good about the ESOP?

- The KE&G ESOP is an opportunity for you to gain stock ownership in a growing and profitable company, again, with NO cost to you.
- Also, you have an opportunity to make a positive impact on the value of KE&G's capital stock, and your retirement benefits, by thinking and acting like the employee stock owner that you are.

4. **Risks** – What could happen?

- Just like the stock market, KE&G's stock value can rise and fall.
- With an ESOP, however, you have the ability to help protect KE&G's stock value and benefit yourself by the excellent work and decisions that you make on a daily basis.

5. **Trustees** – Who are they and what is their role?

- The Board of Directors of KE&G selects the ESOP Trustee. Their main responsibility is to manage the KE&G ESOP in the best interest of all KE&G's employee stock owners.
- Currently, the KE&G ESOP Trustee is Christopher W Albright.

6. **Communication Committee** – Who are they and what is their role?

- The KE&G ESOP Communication Committee is a diversified group of employee stock owners whose main goals are to promote the KE&G ESOP and to participate in the education of all employee stock owners.
- If you are an eligible employee stock owner then you are eligible to join this committee.
- About one half of the committee is replaced each year

7. Vesting – When is it really mine?

- It takes six years to become fully vested in the KE&G ESOP. This means that after six years of credited service (minimum of 1,000 hours per calendar year), 100% of your ESOP benefit will be available to you upon termination of employment; distribution is discussed below. You also will become 100% vested upon reaching your normal retirement age (as defined in the plan), death or permanent disability while employed with KE&G.
- If you leave KE&G prior to completing six years of credited service, the vested portion of your ESOP benefit will be pro-rated according to the schedule below.
- The KE&G ESOP Vesting Schedule is as follows:

Years of Service	Vested %
1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

8. Distributions – How do I get my money and when?

- In the event you separate from service with KE&G because of death, permanent disability or retirement, distribution of your plan benefits will commence during the Plan Year following the Plan Year in which you separated from service. The details of this distribution are described in your Summary Plan Description.
- In the event you separate from service with KE&G for reasons other than death, permanent disability or retirement, distribution of your Plan Benefits will commence either the end of the Plan Year following the Plan Year in which you separated from service or the sixth year following the Plan Year in which you separated from service depending on the balance in your account. The details of this distribution are described in your Summary Plan Description.

9. Other Information – Where can I learn more?

- KE&G believes in educating its employee stock owners on all aspects of our ESOP program. We will be holding ESOP events and educational opportunities to aid in this effort.
- The members of the ESOP Communication Committee are available to answer your questions regarding our ESOP.

This document is merely a representation of the Summary Plan Description. It is strongly recommended that you read and understand the KE&G ESOP Summary Plan Description provided to you when you first become a KE&G employee.

The Summary Plan Description summarizes the main provisions of the Plan. It is not the complete Plan. A complete copy of the Plan can be obtained by following the directions in the section of the Summary Plan Description entitled “Statement of ERISA Rights,” in case of any conflict between the provisions of the complete Plan and this document, the provisions of the complete Plan will control. Please note that the Plan Committee has final and exclusive authority to decide all questions arising in connection with the Plan.