

Summary Plan Description

Prepared for

Johnson Machinery Co.
401(k) Savings Plan

Introduction

Effective January 1, 2002, Johnson Machinery Co. amended the Johnson Machinery Co. 401(k) Savings Plan designed to help you meet your financial needs during your retirement years. The Plan was originally effective on January 1, 1995 and its plan sequence number is 002. The plan sequence number identifies the number of qualified plans that Johnson Machinery Co. currently maintains or has previously maintained.

To become a Participant in the Plan, you must meet the Plan's eligibility requirements. Once you become a Participant, Johnson Machinery Co. will maintain an Individual Account for you. Your Individual Account will be valued to reflect contributions, gains, losses, etc. on each business day the New York Stock Exchange is open for trading. The percentage of your account to which you will be entitled when you terminate employment depends on the Plan's vesting schedule. These features are explained further in the following pages.

The actual Plan is a complex legal document that has been written in the manner required by the Internal Revenue Service (IRS) and is referred to as the Basic Plan Document. This document is called a Summary Plan Description (SPD) and explains and summarizes the important features of the Basic Plan Document. Johnson Machinery Co. may make contributions to this Plan. In addition, you may be able to elect to reduce your annual taxable income by deferring a portion of your Compensation into the Plan as Elective Deferrals. You should consult the Basic Plan Document for technical and detailed Plan provisions. The Basic Plan Document, and not this SPD, controls the legal operation of the Plan.

If at any time you have specific questions about the Plan as it applies to you, please bring them to the attention of the Plan Administrator whose address and telephone number appears in Section One of this SPD. You may also examine the Basic Plan Document itself at a reasonable time by making arrangements with the Plan Administrator.

Contents of the Summary Plan Description

SECTION ONE

DEFINITIONS

SECTION TWO

ELIGIBILITY AND PARTICIPATION

Eligible Classes of Employees
Age and Service Requirements
How Service Is Counted
When You May Participate in the Plan

SECTION THREE

PLAN FUNDING AND ADMINISTRATION

Plan Contribution Sources, Allocations and Limitations
Compensation
Plan Administration and Management
Self Direction of Investments

SECTION FOUR

DISTRIBUTION OF BENEFITS AND VESTING

Benefit Eligibility
Distribution of Benefits
Determining Your Vested Amount
Restrictions or Penalties on Distributions
Payouts to Your Beneficiaries

SECTION FIVE

CLAIMS PROCEDURE

What to do to Receive Benefits
How to File a Claim

SECTION SIX

MISCELLANEOUS

Plan Termination
Break in Service Situations
Inalienability of Benefits

SECTION SEVEN

RIGHTS UNDER ERISA

The Rights and Protections to which a Plan Participant is Entitled
Under the Employee Retirement Income Security Act

SECTION ONE: DEFINITIONS

The following definitions are used in the text of this SPD. These words and phrases are capitalized throughout the SPD for ease of reference.

Catch-up Contributions - means additional Elective Deferrals not to exceed the applicable dollar limit for a given year, made under the Plan by Participants who attain age 50 before the close of the calendar year. See Section Three for additional information.

Compensation - means the earnings paid to you by Johnson Machinery Co. that are taken into account for purposes of the Plan and described further under Section Three.

Elective Deferrals - means the dollars you put into the Plan through before-tax payroll deductions.

Employee - means any person employed by Johnson Machinery Co.

Employer - means Johnson Machinery Co., the corporation maintaining this Plan.

Individual Account - means the contribution account established and maintained for you which is made up of all contributions made by you or on your behalf.

Matching Contribution - means a contribution made by Johnson Machinery Co. to the 401(k) Plan on your behalf based upon your Elective Deferrals.

Normal Retirement Age - means age 65.

Participant - means an Employee who has met the eligibility requirements, has entered the Plan, and has become eligible to make or receive a contribution to his or her Individual Account.

Plan - means the Johnson Machinery Co. 401(k) Savings Plan. The Plan is governed by a legal document containing various technical and detailed provisions. The Plan Administrator has a copy of the Plan document.

Plan Administrator - The Plan Administrator is responsible for directly administering the Plan. Johnson Machinery Co. has the right to be the Plan Administrator and therefore be responsible for the day-to-day administration and management of the Plan. However, to ensure efficient and sound operation and management of the Plan, Johnson Machinery Co. has named Kevin Kelly the Plan Administrator. The address and phone number of the Plan Administrator is listed below:

Kevin Kelly
Executive Vice President
Johnson Machinery Co.
800 E. La Cadena Drive
Riverside, CA 92507
(951) 774-3203

Plan Year - means the 12-month period ending on December 31.

SECTION TWO: ELIGIBILITY AND PARTICIPATION

ELIGIBLE CLASSES OF EMPLOYEES

You will generally be eligible to become a Participant in the Plan after having satisfied the age and service requirements. Even if you satisfy the eligibility criteria, however, you are not eligible to participate if you:

- are covered by a collective bargaining agreement (e.g., union agreement) unless the agreement requires you to be eligible; or
- are a nonresident alien and receive no earned income from Johnson Machinery Co. within the United States.

AGE AND SERVICE REQUIREMENTS

Elective Deferrals

You will become eligible to enter the Plan and begin making Elective Deferrals when you attain the age of 18. You need not perform a minimum amount of service to become eligible to participate.

Matching Contributions

You will become eligible to receive Matching Contributions after you have performed one year of service for Johnson Machinery Co. and attained the age of 18.

Since this is an amendment and restatement of an existing Plan, you will not be required to satisfy the eligibility requirements stated above if you were a Participant in the prior Plan.

HOW SERVICE IS COUNTED

Your hours of service are generally counted on the basis of the actual number of hours you work or for which you are entitled to Compensation. However, for purposes of determining your number of years of vesting service, you will receive credit for the time period(s) beginning with your first day of employment (or reemployment) and ending on the date of a severance from service.

WHEN YOU MAY PARTICIPATE IN THE PLAN

After you have met the eligibility requirements, you will become a Participant in the Plan on the applicable entry dates. The entry dates with respect to each type of contribution permitted under the Plan are described below.

Automatic Enrollment for the 401(k) Plan

As part of your retirement benefit, you will be enrolled in the Plan automatically at a contribution rate of 3%. This amount will be deducted from each paycheck and invested in the appropriate Vanguard Target Retirement Fund. You may contact your Benefits Office to enroll at a different percentage, select new funds, or opt out of the Plan. Remember, Johnson Machinery Co. provides a generous matching contribution. The Company will contribute \$1 for every \$1 you contribute, up to 5% of your pay.

Elective Deferrals

The entry dates with regard to Elective Deferrals are the first day of each payroll period.

Matching Contributions

The entry dates with regard to Matching Contributions are the first day of each month.

SECTION THREE: PLAN FUNDING AND ADMINISTRATION

PLAN CONTRIBUTION SOURCES, ALLOCATIONS AND LIMITATIONS

Elective Deferrals

You may make before-tax contributions to the Plan through payroll deduction. Such contributions are called Elective Deferrals.

For example, assume your compensation is \$15,000. You wish to make a contribution to the Plan authorizing a deferral amount of 5% of your Compensation. As a result, Johnson Machinery Co. will pay you \$14,250 as gross taxable income and will deposit your 5% contribution (i.e., \$750) into the Plan for you.

To begin making Elective Deferrals, you should follow the procedures established by your Plan Administrator.

Limits on Elective Deferrals

Federal tax laws and plan documents govern the amount of Elective Deferrals that you may make. Specifically, federal law places two annual limits on the amount you may defer into a 401(k) plan - an individual limit and an average limit.

Individual Limit

Federal tax law limits the amount you can put into the Plan during each of your tax years (generally, a calendar year) to \$15,500 in 2008. This amount is indexed periodically for changes in the cost-of-living index. This limit applies to all Elective Deferrals you make during your tax year to any deferral plans maintained by your present or former employers.

If you defer more than you are allowed, you must submit in writing for the return of the excess to the Plan Administrator no later than March 1.

The excess amount and any earnings you may have received on the excess must be taken out of the Plan by April 15 of the year following the year the money went into the Plan. The excess amounts will be reported on Form 1099-R and will be taxable income for the year in which you put the excess into the Plan. Earnings on the excess amount will be taxable in the year distributed.

Average Limits

Tax law defines a group of an employer's employees known as highly compensated employees. Highly compensated employees making Elective Deferrals are limited in the percent of their compensation that they defer based on the average percent of compensation deferred by the non-highly compensated group of employees during either the current or prior Plan Year. If these limits apply to you, the Plan Administrator will give you additional information about them.

Plan Specific Limitations

Upon enrolling in the Plan, your compensation will be reduced each pay period by the percent you specify. Johnson Machinery Co. permits you to defer a percentage of your Compensation from 1% to 50% in increments of 1% each Plan Year.

To change the amount of your Elective Deferrals or discontinue making Elective Deferrals, you should follow the procedures established by your Plan Administrator.

Catch-up Contributions

If you are age 50 or older at any time during the calendar year, you may make additional Elective Deferrals called Catch-up Contributions in excess of the Elective Deferral Limits explained above.

Limits on Catch-up Contributions

You may contribute an additional \$5,000 in 2008.

Matching Contributions

Matching Contributions are Employer Contributions that are contributed to the Plan based on your Elective Deferrals. Johnson Machinery Co. will make Matching Contributions to the Plan equal to 100% of your Elective Deferrals. However, Matching Contributions will not be made with respect to your contributions in excess of 5% of your Compensation. To share in Matching Contributions, you must be a Participant in the Plan on at least one day of the Plan Year and make Elective Deferrals.

Tax law defines a group of an employer's employees known as highly compensated employees. Highly compensated employees receiving Matching Contributions are limited in the amount of Matching Contributions which they may receive based on the average Matching Contribution (as a percent of compensation) received by the non-highly compensated group of employees during either the current or prior Plan Year. If these limits apply to you, the Plan Administrator will give you additional information about them.

Rollover and Transfer Contributions

Johnson Machinery Co. allows you to make rollover contributions, regardless of whether you have become a Participant in the Plan. You are allowed to make rollover contributions from: a qualified plan described in Section 401(a) or 403(a) of the Code (excluding after-tax contributions); an annuity contract described in Section 403(b) of the Code; and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state. You are 100% vested in your rollover contributions at all times and may withdraw them from the Plan at any time.

Johnson Machinery Co. allows you to make transfer contributions, regardless of whether you have become a Participant in the Plan. You are 100% vested in your transfer contributions and may withdraw them from the Plan at any time. However, assets transferred from a money purchase pension plan to this Plan may not be distributed before your retirement, death, disability or severance from employment or prior to plan termination.

Benefits Under USERRA

The Plan is operated in compliance with the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). Under the provisions of USERRA, if you return to work from a qualified military leave, you may be permitted to “make up” Elective Deferrals and Catch-up Contributions, which you could have otherwise made during the period of qualified military service. If you make up your missed contributions, you will also be entitled to receive any Matching Contributions.

Upon returning from qualified military service within the specified time frame, as outlined under USERRA, your period of military service counts for all purposes under this Plan. You will not be treated as having had a break in service; therefore, there is no waiting period to resume participation in the Plan.

Employees covered under USERRA include: all members of the “uniformed services” who serve voluntarily or involuntarily, including those in the reserves, as well as any other individuals designated by the President. The uniformed services include the Army, Navy, Marine Corps, Air Force, Coast Guard, and Public Health commissioned corps.

COMPENSATION

The definition of compensation for plan purposes may vary for many reasons. For example, federal tax law may require use of one definition of compensation for nondiscrimination testing and another definition for contribution allocation purposes. In addition, federal tax law permits employers such as Johnson Machinery Co. to choose the definition of compensation that will be used for other purposes. However, the IRS limits the total amount of compensation that can be taken into account.

Johnson Machinery Co. has elected to use your Plan Year W-2 compensation for purposes of calculating the amount of your contributions. Your compensation, however, will be adjusted as described below.

Your compensation will include salary reduction contributions you make to a Johnson Machinery Co. 401(k), salary deferral SEP, tax sheltered annuity, cafeteria plan, or receive as qualified transportation fringe benefits.

In spite of the definitions of compensation listed above, compensation with respect to any source of money will include only that compensation from the time you became a Participant in the Plan for general plan purposes. For ADP/ACP testing purposes, however, compensation will include compensation for the entire Plan Year, regardless of when you entered the Plan.

PLAN ADMINISTRATION AND MANAGEMENT

All contributions made to the Plan on your behalf will be placed in a trust fund established to hold dollars for the benefit of all Participants. Johnson Machinery Co. will establish and maintain an Individual Account for you and all Participants. Your Individual Account will be used to track your share in the total trust fund.

SELF DIRECTION OF INVESTMENTS

Johnson Machinery Co. will establish uniform and nondiscriminatory policies describing how and when you may provide investment directions. You will be responsible for any expenses and losses resulting from your choice of investments.

All contributions to the Plan on your behalf will be credited to one or more separate accounts established in your name. Plan contributions are held in trust by the Trustee for the exclusive benefit of participating employees and their beneficiaries.

You are permitted to direct the investment of the contributions to the Plan on your behalf among the following investment options:

Money Market Funds	Vanguard Prime Money Market Fund
Balanced Funds	Vanguard Target Retirement Income Fund Vanguard Target Retirement 2005 Fund Vanguard Target Retirement 2010 Fund Vanguard Target Retirement 2015 Fund Vanguard Target Retirement 2020 Fund Vanguard Target Retirement 2025 Fund Vanguard Target Retirement 2030 Fund Vanguard Target Retirement 2035 Fund Vanguard Target Retirement 2040 Fund Vanguard Target Retirement 2045 Fund Vanguard Target Retirement 2050 Fund Vanguard Wellington Fund
Income Funds	Vanguard Total Bond Market Index Fund
Growth and Income Funds	Vanguard 500 Index Fund Vanguard Windsor II Fund
Growth Funds	Vanguard U.S. Growth Fund*
Aggressive Growth Funds	Vanguard PRIMECAP Fund Vanguard Extended Market Index Fund
International Funds	Vanguard International Growth Fund

* Please note the Vanguard U.S. Growth Fund was closed to new investments for Johnson Machinery Co. 401(k) Savings Plan participants effective July 1, 2003.

Rules Regarding Voting Rights for the Funds in My Individual Account

Shares of mutual funds held in your Individual Account under the Plan will be voted on your behalf by the Johnson Machinery Co. In making voting decisions on the fund shares, Johnson Machinery Co. will vote the shares in the long-term, economic best interests of Plan Participants. The Plan's fiduciaries are not required to implement an investment direction that would result in a prohibited transaction under applicable law or that would generate taxable income to the Plan.

Information About the Investment Options Available In the Plan

When you are eligible to participate in the Plan, you will be provided with comprehensive information about the investment options available in the Plan, including an explanation of their investment objectives and policies, risk and return characteristics, past and current investment performance (net of expenses), operating expenses, and the type and diversification of assets comprising the portfolio of each fund. You will also receive ongoing updates of this information in the form of prospectuses and shareholder reports for each of the investment options that you have selected for the investment of your Plan contributions. If you have any questions or require more detailed information concerning any investment option, you should access Vanguard's website at www.vanguard.com, or call *Vanguard® Participant Services* or the *24-hour Vanguard VOICE® Network* by dialing *1-800-523-1188*.

Vanguard Participant Services provides registered associates to answer investment-related questions from 5:30 a.m. to 6 p.m. Pacific time. These associates can help you understand available investment options and basic retirement investment planning concepts. Additionally, the associates are able to execute transactions such as fund exchanges, and contribution allocation changes.

If you prefer the flexibility and convenience of an automated network, the **Vanguard VOICE® Network** is available 24 hours a day, 7 days a week to accommodate and confirm your transactions. (You must use a touch-tone telephone and the personal

identification number provided to you upon enrollment to access the **VOICE[®] Network**.) During normal business hours you may transfer directly to a **Vanguard Participant Services** associate should you wish to discuss Plan or investment-related questions.

If you have a computer and a modem, Vanguard's website at **www.vanguard.com** allows you to tap into a variety of investment information from retirement plan guidance to specific fund information to tax-planning tips.

How To Change Investment Directions

The general rule is that you may change your investment directions with respect to your future Plan contributions or existing Individual Account balances at any time as long as you act in accordance with the investment fund prospectus.

If you wish to make a change in investment directions, you should:

- ❑ Access Vanguard's website at www.vanguard.com.
- ❑ Call the **24-hour Vanguard VOICE® Network**, using a touch-tone telephone and the PIN provided to you by dialing **1-800-523-1188**.
- ❑ Call **Vanguard Participant Services**, by dialing **1-800-523-1188** (5:30 a.m. to 6 p.m. Pacific time Monday through Friday).

The transfer of existing balances will be made the same day if you call or initiate the transaction before 1 p.m. Pacific time. A confirmation of your change will be sent to you by Vanguard.

Keeping Track of Individual Accounts Under The Plan

Quarterly statements will be mailed to your home address showing the total amounts credited to your Individual Account under the Plan as of the end of each calendar quarter. These statements will reflect all Plan activities including contributions, earnings, investment exchanges, and distributions occurring within your Individual Account during the most recent calendar quarter. As mentioned previously, you may also call **Vanguard Participant Services** to discuss Plan or investment-related questions or access Vanguard's website at www.vanguard.com.

Responsibility of Investment Losses

The Plan is intended to comply with Section 404(c) of ERISA (the Employee Retirement Income Security Act of 1974). If the Plan complies with Section 404(c), then the fiduciaries of the Plan, including the Employer, the Administrator and the Trustee, will be relieved of any legal liability for any losses which are the direct and necessary result of the investment directions that you give. Because your Plan allows and encourages you to direct your investments and to have access to all pertinent information concerning your investments, the fiduciaries of the plan will be relieved of liability for the results of your investment decisions, as provided under Section 404(c) of ERISA.

When you direct investments, your accounts are segregated for purposes of determining the gains, earnings or losses on these investments. Your account does not share in the investment performance for other Participants who have directed their own investments.

You should remember that the amount of your benefits under the Plan will depend in part upon your choice of investments. Gains as well as losses can occur. There are no guarantees of performance, and neither the Employer, the Administrator, the Trustee, nor any of their representatives provide investment advice or insure or otherwise guarantee the value or performance of any investment you choose.

Fees Associated With the Plan

The following describes the expenses associated with your account.

1. Fund Expense Ratio

- a. Every fund has an expense ratio. This is money deducted directly from a fund's earnings to pay for operating expenses including investment advisory fees, legal and accounting services and other administrative costs.

- b. Vanguard funds currently carry the lowest average operating expenses of any family of retail mutual funds. In 2007, Vanguard's funds cost on average 0.20% of assets (\$2.00 per year for every \$1,000 invested)—less than one-sixth the mutual fund industry's average of 1.22% (\$12.20 per \$1,000).
- c. An expense ratio difference can result in a significant cost advantage. Assume that two funds each earn a hypothetical gross return of 8% for one year. A low cost fund with an expense ratio of 0.30% would provide a net return of 7.7%, while a fund with an expense ratio of 1.30% would have a net return of just 6.7%. Investment costs reduce returns. The effect of the lower returns is magnified over time.
- d. The funds' performance is shown net of this expense when illustrated on the fund fact sheets and your quarterly statement.

2. Redemption Fees

- a. A number of Vanguard funds charge redemption fees for shares sold within stated time periods after purchase. Vanguard's redemption fee and frequent trading policies are meant to discourage short-term trading and help eliminate the harmful effects of market-timing or other strategies that may raise transaction costs for a fund. Both the Vanguard PRIMECAP fund and Vanguard International Growth Fund are impacted by the redemption fee policy. Please see the fund prospectus for details regarding the fee and the Holding Period.

Investment Election Changes

As your investment needs change, you may change your investment elections.

Allocation: You may change the investment direction of your future payroll contributions at any time in 1% increments. This will not affect the way your existing plan account is invested.

Transfers: You may change how your existing account balance is invested by transferring the money in your account from one investment fund to another fund at any time as long as the investment fund prospectus does not prohibit your transfer.

However, because excessive changes can disrupt management of a fund and ultimately result in increased fees, certain limits may be imposed on your ability to make investment changes. If your transfers become detrimental to any investment fund, the Trustee may limit your transfer privileges.

1. Market Timing

- a. Vanguard limits transfer activity in accordance with its Frequent-trading policy. The Frequent-trading policy is applicable for all funds in the Plan, except for Vanguard Prime Money Market Fund. If you exchange money out of a fund, you will be unable to exchange money back into the same fund within 60 calendar days.
- b. Transfers out of any fund will have no effect on your ability to make your usual payroll contributions to the Plan.

SECTION FOUR: DISTRIBUTION OF BENEFITS AND VESTING

BENEFIT ELIGIBILITY

Certain events must occur before you may withdraw money from the Plan. Benefits may be withdrawn upon:

- termination of employment
- becoming disabled
- attaining age 59½
- termination of the Plan

In addition, you may withdraw any of your rollover and transfer contributions at any time.

DISTRIBUTION OF BENEFITS

Form of Payment

Payments from the Plan that are eligible rollover distributions may be taken in two ways. You may have all or any portion of your eligible rollover distribution either (1) paid in a direct rollover to an individual retirement account or another employer plan or (2) paid to you. If you choose to have your Plan benefits paid to you, you will receive only 80% of the payment, because the Plan Administrator is required to withhold 20% of the payment and send it to the IRS as income tax withholding to be credited against your taxes.

The Plan Administrator will give you more information about your options around the time that you request your payout from the Plan. That information will, among other things, define an eligible rollover distribution.

If you terminate employment, your benefits will be paid in a single lump sum payment.

Timing of Benefit Payments

If the value of your Individual Account is no more than \$5,000, the Plan Administrator will direct that your benefits be paid as soon as administratively feasible.

If your account is more than \$5,000, your funds will be left in the Plan until you submit a written request to the Plan Administrator for payment. However, you must begin taking required minimum distributions at age 70½. If you are not more than a five-percent owner, the Plan may allow you to delay taking required minimum distributions until you retire. The Plan Administrator will provide you with more information and the proper request forms.

DETERMINING YOUR VESTED AMOUNT

Amount of Benefit

Whether you receive the full value of your Individual Account(s) depends on the reason you are receiving the distribution and your vested percentage in your contributions. You will at all times be 100% vested in your Elective Deferrals, Catch-up Contributions, rollover contributions, and transfer contributions. In addition, your distribution will be the full value of your Individual Account (that is, you will be 100% vested) if Johnson Machinery Co. terminates this Plan, completely discontinues contributions to the Plan, you reach Normal Retirement Age, die or become disabled.

However, if you terminate employment and thus become eligible for a distribution from the Plan, your distribution will be only the vested amount in your Individual Account. Loss, denial or reduction of anticipated benefits may occur if you terminate employment before becoming fully vested, or if all or a portion of your benefit is set aside for an alternate payee under a qualified domestic relations order (QDRO). (Participants and Beneficiaries may obtain from the Plan Administrator without charge a copy of the Plan's procedures governing QDRO determinations.) You may also lose your benefit if you cannot be located when a benefit becomes payable to you.

Your vested amount is determined by multiplying the value of your Individual Account subject to the plan's vesting schedule by the applicable percentage from the vesting schedule. The vesting schedule determines how rapidly your Individual Account balance becomes nonforfeitable based on years of service.

EXAMPLE: Assume you have \$10,000 subject to a vesting schedule in your Individual Account and you terminate employment when you are 40% vested. Your vested amount would be \$4,000 (.40 x \$10,000).

For all Participants with Individual Accounts derived from Matching Contributions who complete an hour of service under the Plan in a Plan Year beginning **after December 31, 2001**, you will be vested in your Individual Account derived from all Matching Contributions according to the following schedule.

<u>Years of Vesting Service</u>	<u>Vested Percentage</u>
Less than One	0%
1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

All of your years of service with Johnson Machinery Co. are counted for the purpose of determining your vested percentage. If you terminated employment prior to December 31, 2001 and still have a balance in the Plan, you were subject to a different vesting schedule. Please contact the Plan Administrator for more information.

Vesting Schedule for Top-Heavy Plans

A top-heavy plan is one in which more than 60% of the value of the plan assets is credited to the accounts of certain officers, shareholders and highly paid Participants. These individuals are called key employees.

Under federal tax law, certain provisions of the Plan will take effect if the Plan becomes "Top Heavy." In the unlikely event they would ever apply, certain steps would have to be taken to keep this plan qualified. These steps may include acceleration of vesting and application of special minimum benefits for non-key employees. You will be notified if your benefits are affected.

Matching Contribution Forfeitures

If you are not 100% vested and receive a distribution of your Matching Contributions, the dollars left in the Plan are called forfeitures. In your Plan, forfeitures may be applied first to payment of plan administration expenses. Any remaining forfeitures will be used towards Matching Contributions. If you return to work for Johnson Machinery Co. before incurring five consecutive one year breaks in service, you may recapture the forfeited benefit. Generally, your forfeited benefit will be restored immediately by Johnson Machinery Co. if you have not incurred five consecutive one year breaks in service, and if you pay back to the Plan the distribution that you received.

RESTRICTIONS OR PENALTIES ON DISTRIBUTIONS

If you receive a distribution before reaching age 59½, you must pay an additional 10% penalty tax on dollars included in income. There are, however, exceptions to the 10% early distribution penalty. Your tax advisor can assist you in determining if one of the exceptions applies to your distribution.

PAYOUTS TO YOUR BENEFICIARIES

Your beneficiary will receive the total value of your Individual Account when you die. If you are married, your spouse will automatically be your beneficiary. To choose another beneficiary, you must sign a written form listing a nonspouse beneficiary. Your spouse must give written consent to this in the presence of a notary public. Contact the Plan Administrator if you wish to choose a nonspouse beneficiary. Your beneficiary will receive a lump sum payment of the entire amount of your Individual Account when you die.

SECTION FIVE: CLAIMS PROCEDURE

WHAT TO DO TO RECEIVE BENEFITS

You or your beneficiary must file a written request with the Plan Administrator in order to start receiving benefits when you become eligible for them or when you die.

HOW TO FILE A CLAIM

You may claim a benefit to which you think you are entitled by filing a written request with the Plan Administrator. The claim must set forth the reasons you believe you are eligible to receive benefits and authorize the Plan Administrator to conduct such examinations and take such steps as may be necessary to evaluate the claim.

If your claim is denied, the Plan Administrator will provide you or your beneficiary with a written notice of the denial within 90 days of the date your claim was filed. This notice will give you the specific reasons for the denial, the specific provisions of the Plan upon which the denial is based, and an explanation of the procedures for appeal. You or your beneficiary will have 60 days from receipt of the notice of denial in which to make written application for review by the Plan Administrator. You may request that the review be in the nature of a hearing. An attorney may represent you if you so desire. The Plan Administrator will issue a written decision on this review within 60 days after receipt of the application for review.

SECTION SIX: MISCELLANEOUS

PLAN TERMINATION

Johnson Machinery Co. expects to continue the Plan indefinitely. However, Johnson Machinery Co. may terminate the Plan at any time by appropriate action of its managing body. In the unlikely event Johnson Machinery Co. does terminate the Plan, you will become 100% vested in the aggregate value of your Individual Account regardless of whether your vesting years of service are sufficient to make you 100% vested under the vesting schedules.

If the Plan terminates, benefits are not insured by the Pension Benefit Guaranty Corporation (PBGC). Under the law, PBGC insurance does not cover the type of plans called defined contribution plans. This Plan is a defined contribution plan and, therefore, is not covered.

BREAK IN SERVICE SITUATIONS

If you quit your job, incur a break in service and then return to work, your date of participation depends on whether you had a vested interest in contributions at the time you quit and incurred a break in service.

If you had a vested interest, you will participate again on the first entry date after your return to employment. In addition, your vesting years of service accumulated prior to the time you quit and incurred a break in service will be counted in figuring your vested interest.

If you did not have a vested interest, any eligibility years of service occurring before the break in service will be taken into account and you will begin to participate again on the first entry date after your return to service unless the number of consecutive one year breaks in service equals or exceeds the greater of five years, or the aggregate number of eligibility years of service preceding the breaks in service. If your period of consecutive breaks in service exceeds your period of prior service, you will be treated as a new employee and will participate again when you satisfy the Plan's eligibility requirements. In addition, any vesting years of service occurring before the break in service will be taken into account in computing your vested interest under the Plan unless the number of consecutive one year breaks in service equals or exceeds the greater of five years or the aggregate number of vesting years of service preceding the breaks in service. For example, if you work for two years, quit without being vested, and then return to employment after a break of less than five years, the Plan will give you vesting credit for the initial two-year period.

INALIENABILITY OF BENEFITS

Generally, your rights and benefits under the Plan may not be assigned, sold, transferred or pledged by you or reached by your creditors or other party except under a qualified domestic relations order (QDRO). A QDRO is a court order issued under state domestic relations law relating to divorce, legal separation, custody, or support proceedings. The QDRO recognizes the right of someone other than you to receive your Plan benefits. You will be notified if a QDRO relating to your benefits is received. Receipt of a QDRO will allow for an earlier than normal distribution to the persons(s) other than the Participant listed in the order. You may request a copy of the QDRO procedures free of charge from the Plan Administrator.

SECTION SEVEN: RIGHTS UNDER ERISA

THE RIGHTS AND PROTECTIONS TO WHICH A PLAN PARTICIPANT IS ENTITLED UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT

As a Participant in this Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants shall be entitled to:

Receive Information About Your Plan and Benefits

1. Examine, without charge, at the Plan Administrator's office and at other specified locations, such as work sites and union halls, all Plan 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 Administrator with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.
2. Obtain, upon request to the Plan Administrator, copies of documents governing the operations 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 (SPD). The Plan Administrator may make a reasonable charge for the copies.
3. 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.
4. Obtain, once a year, a statement of the total pension benefits accrued and the nonforfeitable (vested) pension benefits (if any) or the earliest date on which benefits will become nonforfeitable (vested). The Plan may require a written request for this statement, but it must provide the statement free of charge.

Prudent Action by Plan Fiduciaries

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit 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 Johnson Machinery Co., 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.

Enforce Your 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 Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support 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 the 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 you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U. S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U. S. Department of Labor, 200 Constitution Avenue N.W., Washington D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

Further, if this Plan is maintained by more than one employer, you can obtain, in writing, information as to whether a particular employer is participating in this Plan and, if so, the participating Employer's address. In addition, you may request, in writing, a complete list of Employers participating in this Plan. You may obtain such information by making a written request to the Plan Administrator. Johnson Machinery Co. is the most significant (parent) employer of the group of employers maintaining this Plan.

Employer Information

Name: Johnson Machinery Co.
Address: 800 E. La Cadena Drive
Riverside, CA 92507
Business Telephone: (951) 686-4560
Identification Number: 95-0751700
Income Tax Year End: December 31

Agent for Service of Legal Process

The Agent for Service of Legal Process is the person upon whom any legal papers may be served. Service of legal process may be made upon the Employer or the Plan Administrator.

Trustee

Name: Vanguard Fiduciary Trust Company
Business Address: P.O. Box 2900, Valley Forge, PA 19482
Business Telephone: (800) 523-1188

Plan Recordkeeper

The Employer has a contract with The Vanguard Group to assist with the operation of the Plan.

Business Telephone: (800) 523-1188

Type of Plan

The Plan is a defined contribution plan, profit sharing plan with a cash or deferred arrangement under Section 401(k) of the Internal Revenue Code, and an ERISA section 404(c) (participant directed individual account) plan.