

401(k) PLAN SAFE HARBOR NOTICE**GENERAL ELECTRONIC SECURITY, INC. 401(K) PLAN Plan Year: 2003**

This retirement plan contains a 401 (k) provision. Under the terms of the plan, you may elect to reduce your compensation and have that amount contributed to the plan on a pre-tax basis. Although the contributions are exempt for federal and state tax, the contributions are subject to the Social Security tax, Medicare tax, and most city income taxes. Under the pension law, there are certain tests that restrict the amount of 401 (k) contributions that can be made by highly compensated employees. However, this special testing is not required if the employer makes a safe harbor contribution to the plan. The basic safe harbor contribution is 100% of the amount of your elective contribution that does not exceed 3% of your compensation, plus 50% of the amount your elective contribution between 3% to 5% of your compensation earned while you are a participant in the plan.

We are going to use the **Basic Matching Contribution** equal to 100% of the amount of your elective contribution that does not exceed 3% of your compensation, plus 50% of the amount your elective contribution between 3% to 5% of your compensation earned while you are a participant in the plan, computed each pay period. The **Basic Matching Contribution** will be 100% nonforfeitable, and will be allocated to a special account. The contributions to the **Basic Matching Contribution** Account may only be distributed upon death, disability, termination of employment, or retirement.

You are permitted to make 401 (k) contributions from your compensation earned while you are a participant. For plan purposes, compensation means W-2 compensation. You may elect to have a specified dollar amount or percentage withheld from your regular compensation. Additionally, you may sign an additional election form to have a specific amount withheld from any bonus payments to which you may be entitled. The election form should be completed and returned to the Company. If you elect to have payroll withholding, you may terminate your election at any time by providing written notice to the Company.

If you have any questions, please contact John Lindberg.

GENERAL ELECTRONIC SECURITY, INC.

Dated 12-17-02

By

