Frequently Asked Questions regarding CH2M stock proration rules; estate tax planning options; tax cost basis considerations; and 401(k) rollovers and cash distributions

I am no longer employed by CH2M and I want to take a lump sum cash distribution of the CH2M stock component of my 401(k) Plan account and rollover the cash distribution to an IRA – does the 401(k) Plan permit this?

Yes, it does, but it is important to understand our internal market rules on proration and what happens if you choose to sell stock out of both your 401(k) account and your Computershare/Direct Ownership Account on the same Trade Date. So please read what follows carefully.

Section 6.8 of the CH2M Retirement and Tax Deferred Savings Plan (“CH2M 401(k) Plan” or the “Plan”) allows for rollover of Plan distributions by a Plan Participant (“Participant”). A former employee Participant may therefore, pursuant to Section 6.3(a) of the Plan, seek a cash distribution of the Participant’s 401(k) Plan account, including the CH2M stock in the Participant’s 401(k) Plan account. To the extent the Participant’s 401(k) Plan account is invested in CH2M stock, the distribution request would be subject to the rules of the CH2M Internal Market (including, without limitation, proration). A Participant may initiate such a request by calling Fidelity (Toll Free Number: (800) 835-5098) and speaking to a customer service representative.

Please note, that in instances where a Participant is seeking both a full cash distribution of CH2M stock under Section 6.3(a) of the 401(k) Plan and to sell non-401(k) CH2M stock directly held in their Computershare/Direct Ownership Account, if the CH2M Internal Market trade period is subject to proration, the proration will be applied across the combined 401(k) Plan request and the Computershare/Direct Ownership sell request, and not applied separately to each. Also, if, after proration, there remains unsold CH2M stock from the Participant’s 401(k) Plan account, that CH2M stock will remain in the Participant’s 401(k) Plan account. In such a circumstance, the Participant will need to initiate a new request for a lump sum cash distribution in the next or any future CH2M Internal Market trade if the Participant wants to initiate another rollover transaction under Section 6.3(a) and 6.8 of the 401(k) Plan.

A Participant should consult with his or her tax advisor and/or financial planner with respect to current investments and options pertaining to the 401(k) Plan.

You may obtain a copy of the 401(k) Plan by submitting a written request to the Director of Global Benefits, Attn: Erik Ammidown, CH2M, 9191 S. Jamaica Street, Englewood, CO 80112.

I am no longer employed by CH2M and I want all of my CH2M stock in the 401(k) Plan rolled over “in kind” to an IRA – does the 401(k) Plan permit this?

Yes, but first you need to confirm that you have an IRA or other qualified retirement plan that will accept the CH2M stock. Please read what follows carefully.

Section 6.8 of the CH2M 401(k) Plan allows for rollover of Plan distributions by a Plan Participant. A former employee Participant may therefore, pursuant to Section 6.3(b) of the Plan, seek to have the CH2M stock rolled over “in kind” as CH2M stock to an IRA willing to accept the CH2M stock. However, Participants need to be mindful that, while an in-kind rollover is permitted in theory, in actual practice it may not be available.
IRA and other qualified retirement plans are typically unwilling to accept stock that is uncertificated and not publicly traded, such as CH2M stock, and other qualified retirement plans (such as a 401(k) Plan sponsored by another employer) are typically only willing to accept cash rollovers. If a Plan Participant initiates an in-kind distribution of the CH2M stock held in the Participant’s 401(k) Plan account and no IRA or other qualified retirement plan has been identified by the Participant as being willing and able to accept CH2M stock, then the in-kind CH2M stock distribution request cannot be processed for rollover. Accordingly, to avoid a potential tax consequence to the Participant associated with a non-rollover distribution, in such an instance the CH2M stock will remain in the Participant’s 401(k) Plan account. So it is critically important that the Participant verify the IRA or other qualified retirement plan will actually accept an in-kind rollover of CH2M stock before requesting a rollover. Accordingly, Participants are highly encouraged not to request a distribution of CH2M stock as an in-kind rollover before confirming that an IRA or other qualified retirement plan is willing and able to accept the CH2M stock.

Finally, Participants need to be aware that even if the Participant can identify an IRA or other qualified retirement plan willing to accept the CH2M stock as an in-kind rollover, the CH2M stock held by the IRA or other qualified retirement plan would still be subject to the rules of the CH2M Internal Market (including, without limitation, proration).

A Participant should consult with his or her tax advisor and/or financial planner with respect to current investments and options pertaining to the 401(k) Plan.

You may obtain a copy of the 401(k) Plan by submitting a written request to the Director of Global Benefits, Attn: Erik Ammidown, CH2M, 9191 S. Jamaica Street, Englewood, CO 80112.

I have a trust and want to do some estate planning related to my CH2M 401(k) Plan account by naming the trust as a beneficiary under the 401(k) Plan – does the 401(k) Plan permit this?

Yes. The definition of “Beneficiary” in Section 1.8 of the 401(k) Plan means “any individual, trust, estate or other recipient” properly designated by the Participant pursuant to the procedures required to make such designation. For married Participants, under Section 6.7 of the Plan, a Participant’s spouse is a presumed beneficiary, meaning that any alternative beneficiary designation requires spousal consent. The spouse’s consent must be in writing, must acknowledge the effect of the election, must be witnessed by a notary public or Plan representative, and must meet one of the following requirements:

- the consent must name a specific beneficiary that cannot be changed without the additional consent of the spouse in a form meeting the requirements of this section; or
- the consent must specifically provide that the participant may change the designation of a beneficiary without any further consent by the spouse, and the spouse must acknowledge in the consent that he or she is giving up the right to limit his or her consent to a specific beneficiary; or
- the consent must specifically provide that the Participant may change the designation of a beneficiary, with such change being limited to a change among certain beneficiaries without any further consent by the spouse, and the spouse must acknowledge in the consent that he or she is giving up the right to limit his or her consent to a specific beneficiary.

You may obtain beneficiary designation forms from Fidelity at www.401k.com.

A Participant should consult with his or her tax advisor and/or financial planner with respect to estate planning pertaining to the 401(k) Plan.
You may obtain a copy of the 401(k) Plan by submitting a written request to the Director of Global Benefits, Attn: Erik Ammidown, CH2M, 9191 S. Jamaica Street, Englewood, CO 80112.

I am a former employee and I am considering taking a net unrealized appreciation (NUA) distribution from my 401(k) Plan account. What do I need to know?

Fidelity has published a document entitled, “General Information about Net Unrealized Appreciation and the CH2M HILL Retirement & Tax-Deferred Savings Plan,” which is available to Participants when they log-in to their Fidelity accounts. After logging on, a Participant can access the document through the following path: Plan Information/Company Stock Information/NUA Overview. Each Participant is encouraged to review the information made available by Fidelity to understand how CH2M stock is distributed in-kind as part of an NUA distribution request and the continuing applicability of the CH2M Internal Market rules (including, without limitation, proration) to such CH2M stock.

A Participant should consult with his or her tax advisor and/or financial planner before making any NUA distribution request.

I see that with proration of the CH2M Internal Market, there may be limitations on distributions from my 401(k) Plan account and/or my Computershare/Direct Ownership account in any given Internal Market trade. Is it possible for CH2M to make an exemption to such CH2M stock sale limitations for retirees?

Unfortunately, no. The laws and regulations governing the operation of the 401(k) Plan, the Ownership Program and the CH2M Internal Market do not permit CH2M to give preference among its Common Stock stockholders on the basis of retirement status. CH2M will continue to follow the Internal Market rules for stockholder requests to sell directly held shares of CH2M Common Stock, and to follow the provisions of the 401(k) Plan (in addition to the CH2M Internal Market rules) for Participant requests for distributions. In all instances, CH2M will meet its legally required distribution obligations with respect to its 401(k) Plan Participants.

For more information, please refer to our public documents filed with the U.S. Securities and Exchange Commission and our ir.ch2m.com website. If you have questions about direct shares, please contact Computershare toll-free on CH2M’s dedicated number at 844.549.CH2M (2426). The international number is 1.781.575.3087. To view your account please access their website at www.computershare.com/ch2m. Please also refer to the 401(k) Plan, which can be obtained by submitting a written request to the Director of Global Benefits, Attn: Erik Ammidown, CH2M, 9191 S. Jamaica Street, Englewood, CO 80112.

I have a trust and want to do some estate planning related to my directly held shares of CH2M stock (not in the 401(k) Plan) by naming the trust as a beneficiary of such CH2M stock – does the Company permit this?

Unfortunately, there is no ability for a CH2M stockholder to designate a beneficiary for directly held shares of CH2M stock in an individual’s Computershare/Direct Ownership account. Accordingly, upon death, shares of CH2M stock pass to the CH2M stockholder’s estate. We have looked into options, but due to the complexities associated with the CH2M Internal Market and the rules and regulations of the U.S. Securities & Exchange Commission, we are not able to offer this beneficiary designation capability for directly held shares of CH2M stock.
I own more CH2M shares than what typically has been permitted to be sold since CH2M began prorating the CH2M Internal Market. I want to sell my shares of CH2M stock and want to manage my tax liabilities associated with the cost-bases for those shares. How can I do this?

Since the September 2014 trade, the CH2M Board of Directors has limited the Company’s participation in the Internal Market, resulting in proration being applied to stockholder sales of CH2M stock. CH2M stockholders have therefore been able to sell a low of approximately 235 shares in the December 2014 trade to a high of approximately 500 shares (plus approximately 65% of the remaining shares in the submitted sell order) in the September 2015 trade. The proration amounts in each trade from September 2014 forward are as follows:

<table>
<thead>
<tr>
<th>Trade Date</th>
<th>Number of Shares that Could Be Sold</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/26/2014</td>
<td>489.562</td>
</tr>
<tr>
<td>12/16/2014</td>
<td>235.112</td>
</tr>
<tr>
<td>3/24/2015</td>
<td>273.021</td>
</tr>
<tr>
<td>6/5/2015</td>
<td>275.005</td>
</tr>
<tr>
<td>9/3/2015</td>
<td>500 + approximately 65% of remaining shares in order</td>
</tr>
<tr>
<td>12/3/2015</td>
<td>435.018</td>
</tr>
<tr>
<td>3/22/2016</td>
<td>500 + approximately 10% of remaining shares in order</td>
</tr>
<tr>
<td>6/2/2016</td>
<td>500 + approximately 17% of remaining shares in order</td>
</tr>
<tr>
<td>9/7/2016</td>
<td>297</td>
</tr>
<tr>
<td>2/10/2017</td>
<td>260</td>
</tr>
<tr>
<td>4/28/2017</td>
<td>250</td>
</tr>
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What level, if any, CH2M participates in the internal market in any given trade is dependent, in part, upon the overall buy and sell orders for that trade. It is only when the trade window closes and the buy/sell orders are known that our Board of Directors determines the number of shares each shareholder will be able to sell in the Internal Market. Because of our bank covenants and preferred investor agreements, proration of the CH2M Internal Market is likely to continue for the foreseeable future.

When a CH2M stockholder puts in a sell request, the CH2M stockholder must identify which shares of CH2M stock he or she is seeking to sell. In this regard, CH2M stockholders have some control over which CH2M shares and which cost-bases will apply to the sale. In instances where a CH2M stockholder has placed the entirety of his or her directly held CH2M shares in the internal market, if the total number of shares to be sold exceeds the amount the shareholder is permitted to sell due to proration, then CH2M proportionately allocates the total number of shares that can be sold across each set of shares put into the internal market by the CH2M stockholder (combined across directly held shares and 401(k) Plan shares if an individual seeks to sell from both sources in the same trade). Accordingly, a CH2M stockholder who wants to manage as much as possible the tax liabilities associated with the cost bases shares to be sold should keep this in mind in terms of what shares and how many shares he or she puts up for sale in the Internal Market in any given trade.
Each stockholder should consult with his or her tax advisor and/or financial planner with respect to sell requests from his or her Computershare/Direct Ownership account and/or 401(k) Plan account. I see that with proration of the CH2M Internal Market, there may be limitations on my ability to sell directly held shares of CH2M stock in any given Internal Market trade. Is it possible for CH2M to make an exemption to such CH2M stock sale limitations for retirees (e.g., permit retirees to sell the CH2M stock over a three year or longer period pursuant to a promissory note)?

Unfortunately, no. The laws and regulations governing the operation of the Ownership Program and the CH2M Internal Market do not permit CH2M to give preference among its Common Stock stockholders on the basis of retirement status. CH2M will continue to follow the Internal Market rules for stockholder requests to sell directly held shares of CH2M Common Stock.

For more information, please refer to our public documents filed with the U.S. Securities and Exchange Commission and our ir.ch2m.com website. If you have questions about direct shares, please contact Computershare toll-free on CH2M’s dedicated number at 844.549.CH2M (2426). The international number is 1.781.575.3087. To view your account please access their website at www.computershare.com/ch2m.