

# **PART F**

## **BEAVER VALLEY BARGAINING UNIT**

### **RETIREMENT PLAN PROVISIONS**

Composite through Amendment No. 9 to FirstEnergy Corp. Master Pension Plan

(Amendment No. 3 to Part F)

TABLE OF CONTENTS

	<u>ARTICLE NO.</u>
NAME AND CONSTITUENT PLAN	F1
DEFINITIONS	F2
ELIGIBILITY AND PARTICIPATION	F3
CREDITING OF SERVICE	F4
ELIGIBILITY FOR RETIREMENT OR TERMINATED VESTED PENSION	F5
RETIREMENT OR TERMINATED VESTED PENSION	F6
DISABILITY	F7
FORMS OF PAYMENT	F8
DEATH BENEFITS	F9
APPENDIX I	

## ARTICLE F1

### NAME AND CONSTITUENT PLAN

F1.1 Name. The name of this part of the Plan is the Beaver Valley Bargaining Unit Retirement Plan Provisions (sometimes referred to as “Part F”).

F1.2 Constituent Plan. Part F, together with Part A of the Plan, constitute the Beaver Valley Bargaining Unit Retirement Plan (sometimes referred to as the “Beaver Valley Constituent Plan”). The Beaver Valley Constituent Plan was originally established as a January 1, 2007 amendment and restatement of the 1999 Beaver Valley Plan and has been subsequently amended.

ARTICLE F2

DEFINITIONS

Unless the context otherwise indicates, the following terms used herein shall have the following meanings whenever used in this Part F:

F2.1 Accrued Benefit. The words “Accrued Benefit” shall mean, as of any determination date, the amount determined under subparagraph (a) of this Section, subject to any adjustments that may be required by subparagraphs (b), (c) and (d) of this Section, and, after said adjustments have been made to the amount determined under subparagraph (a) of this Section, minus, in the case of a Prior Duquesne Plan Participant, the amount determined under subparagraph (e) of this Section:

- (a) The greater of (i) or (ii):
  - (i) The sum of (A) and (B):
    - (A) 1.4% of the BV Participant’s Future Service Compensation.
    - (B) 1.4% of the BV Participant’s Annual Rate of Past Service Compensation, multiplied by the number (including fractions) of years of Past Benefit Service.
  - (ii) Fifty-One Dollars (\$51.00) multiplied by the number (including fractions) of years of Benefit Service up to a maximum of One Thousand Twenty Dollars (\$1,020.00) after twenty (20) or more years of Benefit Service.
- (b) The Accrued Benefit of a Prior Duquesne Plan Participant shall not be less than the sum of (i) and (ii):
  - (i) The amount determined under subparagraph (a) above as if the BV Participant’s employment had been terminated on December 31, 1993 under the terms of the Duquesne Plan then in effect.

- (ii) 1.4% of the BV Participant's aggregate Compensation with respect to the periods of Benefit Service after December 31, 1993.
- (c) The Accrued Benefit of a Prior Duquesne Plan Participant shall not be less than the amount determined by applying the provisions of the Duquesne Plan relating to Future Service Compensation, Annual Rate of Past Service Compensation and Credited Past Service (referred to as "Past Benefit Service" hereunder) that were previously in effect and calculated on the Transfer Date, utilizing the prior five (5) year period.
- (d) A BV Participant's Accrued Benefit represents the annual amount of a Single Life Annuity that would be paid (in equal monthly installments) to the BV Participant commencing at Normal Retirement Age.
- (e) A Prior Duquesne Plan Participant's Frozen Duquesne Accrued Benefit.

F2.2 Annual Rate of Past Service Compensation. The words "Annual Rate of Past Service Compensation" shall mean, with respect to a BV Participant retiring or terminating during a specific period set forth in Column 1 of Table 1 of Appendix I hereof, the average obtained by taking the BV Participant's Compensation during the five (5) calendar years during which it was highest during his period of Eligibility Service which is prior to the corresponding calendar year set forth in Column 2 of Table 1 of Appendix I hereof, dividing the total by the number of months worked in said years and then multiplying the result by twelve (12) to obtain the annual rate. For a BV Participant who had no Compensation, or less than a full month's Compensation, prior to the corresponding calendar year set forth in Column 2 of Table 1 of Appendix I hereof, the Annual Rate of Past Service Compensation shall be the weighted average annual rate of pay prior to such corresponding calendar year for the first job classification in which he worked after the expiration of the applicable period set forth in Column 2 of Table 1 of Appendix I hereof.

Notwithstanding the foregoing, a BV Participant who retires or terminates during a specific period set forth in Column 1 of Table 1 of Appendix I hereof shall be treated as

terminating or retiring during an earlier period used to calculate Annual Rate of Past Service Compensation under this Part F or the Predecessor Plan if such treatment would prevent such BV Participant from experiencing a decrease in his Accrued Benefit calculated pursuant to Section F2.1 hereof. In such event, such BV Participant shall also be treated as terminating or retiring during the same period for purposes of determining his Past Benefit Service and Future Service Compensation.

F2.3 Automatic Joint and Surviving Spouse Annuity Option. The words “Automatic Joint and Surviving Spouse Annuity Option” shall mean a form of payment under which the monthly payment to the BV Participant for life is less than would apply under the Single Life Annuity Option, but after the BV Participant’s death, fifty percent (50%) of the amount of the monthly payment to the BV Participant is continued to the BV Participant’s Spouse for life. Such form of payment shall be the Actuarial Equivalent of the pension which would have been payable to the BV Participant under the Single Life Annuity Option. (Note: Under Section F8.1 hereof, the Automatic Joint and Surviving Spouse Annuity Option is the normal form of payment for a BV Participant who is married on his Benefit Commencement Date, unless revoked as provided in Section F8.2 hereof.) The reduced pension payable to a BV Participant under the Automatic Joint and Surviving Spouse Annuity Option may not be less than the pension which would have been payable to him under the Qualified Joint and Surviving Spouse Annuity (as described in Section 1.410 of the Predecessor Plan) on December 31, 2005, utilizing the reduction factors in effect on December 31, 2005.

F2.4 Beneficiary. The word “Beneficiary” shall mean the individual so designated by a BV Participant to receive benefits payable under the Beaver Valley Constituent Plan as a result of his death.

F2.5 Benefit Commencement Date. The words “Benefit Commencement Date” shall mean the first date for which a benefit under the Beaver Valley Constituent Plan is paid to a BV Participant as an annuity, or in any other form. The prior Benefit Commencement Date of a BV Participant whose benefits have been suspended pursuant to Section F6.5 hereof and Section F6.6 hereof shall be disregarded upon his subsequent termination of employment. Benefit Commencement Dates shall be determined in accordance with the applicable provisions of Section 417 of the Code.

Except as otherwise required by law, if the stock or assets of the business unit by which a BV Participant is employed are sold or transferred to a person, entity or joint venture which is not an Affiliate of a Participating Employer, such BV Participant’s Benefit Commencement Date may not occur earlier than the date the BV Participant could have commenced benefits under the terms of the Plan if he terminated employment or retired from the Participating Employer as of the day before the transaction.

F2.6 Benefit Service. The words “Benefit Service” shall have the meaning set forth in Article F4 hereof. Prior to January 1, 2007, “Benefit Service” was referred to as “Credited Service.”

F2.7 BV Participant. The words “BV Participant” shall mean any Eligible Employee who met the requirements for participation in Article F3 hereof.

F2.8 Compensation. The word “Compensation” shall mean:

- (a) With respect to a calendar year, the amount described in subparagraph (i) below, reduced by the amounts described in subparagraphs (ii) and (iii) below.
  - (i) The amount reported by the Employer to the Internal Revenue Service on Form W-2 as the BV Participant’s compensation for federal income tax purposes for the year, including, effective January 1, 2009, any “differential wage payments” (as described

in Section 3401(h)(2) of the Code) paid with respect to the Military Service, plus any salary reduction contributions made by an Employer on such BV Participant's behalf under Sections 125, 132(f)(4) and 402(e)(3) of the Code, including, effective January 1, 1998, amounts not available to a BV Participant in lieu of group health plan coverage and deemed to be contributions under Section 125 of the Code because the BV Participant is unable to certify that he has other health coverage.

- (ii) Any amounts attributable to:
  - (A) relocation expenses;
  - (B) transportation mileage;
  - (C) participation, or a waiver of participation, in Employer-sponsored group health plans;
  - (D) the exercise of options to purchase Company stock under any stock option or similar plan maintained by the Company;
  - (E) the payment of the appreciation in the value of Company stock and dividends on such stock with respect to any stock appreciation rights issued to any BV Participant under any stock option or similar plan maintained by the Company;
  - (F) use by a BV Participant of his personal automobile while conducting Employer business, or commuting between home and work locations, whether or not taxable;
  - (G) reimbursement for authorized spousal expenses incurred while conducting Employer business;
  - (H) retirement bonus paid prior to Age sixty-five (65) as a part of an early retirement program;
  - (I) vacation advances;
  - (J) rebates paid on account of a BV Participant's purchase of certain electrical appliances;
  - (K) meal allowances;
  - (L) payments made on account of travel by a BV Participant to alternative work locations;
  - (M) tuition reimbursements, whether taxable or non-taxable;



- (N) income derived from insurance premiums;
  - (O) separation or severance pay;
  - (P) purchase of annuities;
  - (Q) imputed income derived from Employer-provided parking facilities;
  - (R) matching contributions under the FirstEnergy Corp. Savings Plan and, prior to April 30, 2002, under the FirstEnergy Corp. 401(k) Retirement Savings Plan for IBEW Represented Employees at the Beaver Valley Nuclear Power Plant;
  - (S) such other extraordinary items of remuneration as the Administrator shall determine from time to time pursuant to such uniform and nondiscriminatory rules as it shall adopt;
  - (T) effective October 1, 2008, the \$140.00 allowance which is paid by the Employer to the BV Participant in the first weekly paycheck following October 1 of each calendar year in lieu of payment for personal protective equipment; and
  - (U) employer contributions to the FirstEnergy Corp. Flexible Benefit Plan.
- (iii) Effective March 1, 1994, any amounts attributable to the exercise of any options to purchase Company stock under any grant of stock options made to an individual BV Participant by the Board of Directors.
- (b) Compensation while on official leave of absence from the Employer to serve full time as the business manager or assistant business manager of the Union which shall be credited at the rate of 1.4 multiplied by the lineman's rate for the first year in office and 1.5 multiplied by the lineman's rate for subsequent years for the business manager and at the rate of 1.25 multiplied by the lineman's rate for the first year in office and 1.35 multiplied by the lineman's rate for subsequent years for the assistant business manager, for a maximum of two thousand eighty (2,080) hours per year. In addition to the amount determined pursuant to Section F2.8(a) hereof, Compensation for the president or vice president of each local of the Union which will include his straight time wage rate multiplied by the number of basic scheduled hours excused by the Employer during which he actually conducted Union business.

Notwithstanding the foregoing or Section A2.13 hereof, Compensation shall not include amounts in excess of One Hundred Fifty Thousand Dollars (\$150,000.00) in each calendar year before 1994 reflected in the determination of benefits, One Hundred Fifty Thousand Dollars (\$150,000.00) as adjusted for increases in the cost of living in accordance with Section 401(a)(17) of the Code with respect to calendar years after 1993 and prior to 2002 reflected in the determination of benefits and Two Hundred Thousand Dollars (\$200,000.00) as adjusted for increases in the cost of living in accordance with Section 401(a)(17) of the Code with respect to calendar years after 2001 reflected in the determination of benefits.

In determining Compensation under this Section with respect to a Prior Duquesne Plan Participant, for periods prior to the Transfer Date the terms “Employer” and “Company” shall mean the Duquesne Light Company, DQE, Inc. and any other “Employer” under the Duquesne Plan for the period Compensation is being determined. Compensation determined with respect to a Prior Duquesne Plan Participant for a period prior to the Transfer Date shall not be in excess of his “Compensation” determined under the Duquesne Plan for the same period.

F2.9 Contingent Beneficiary. The words “Contingent Beneficiary” shall mean the person designated by a BV Participant pursuant to Section F8.2 hereof to receive the remaining guaranteed payments under a Period Certain Annuity Option if the BV Participant dies prior to the expiration of the Selected Period under the Period Certain Annuity Option.

F2.10 Disability Retirement Date. The words “Disability Retirement Date” shall mean the first day of any month prior to a BV Participant’s Normal Retirement Date on which the BV Participant retires in accordance with Section F7.1 hereof.

F2.11 Duquesne Plan. The words “Duquesne Plan” shall mean the Retirement Plan for Employees of Duquesne Light Company.

F2.12 Early Retirement Date. The words “Early Retirement Date” shall mean the first day of any month within the ten (10) years immediately preceding a BV Participant’s Normal Retirement Date on which the BV Participant retires in accordance with Section F5.3 hereof.

F2.13 Eligibility Service. The words “Eligibility Service” shall have the meaning set forth in Article F4 hereof. Prior to January 1, 2007, “Eligibility Service” was referred to as “Vesting Service.”

F2.14 Eligible Employee. The words “Eligible Employee” shall mean an Employee of the Beaver Valley Nuclear Power Plant of the Employer whose terms and conditions of employment are covered under the collective bargaining agreement between the Employer and the Union; provided, however, that an Employee shall not be an Eligible Employee if his initial date of hire is on or after January 1, 2006. In addition, an Employee who is rehired on or after January 1, 2006 shall not be an Eligible Employee for any period after his date of rehire.

F2.15 Employer. The word “Employer” shall mean the Company or its wholly owned subsidiary, First Energy Nuclear Operating Co.

F2.16 Frozen Duquesne Accrued Benefit. The words “Frozen Duquesne Accrued Benefit” shall mean for a Prior Duquesne Plan Participant, as of any determination date, the annual amount of his Accrued Benefit computed as if he terminated employment on the Transfer Date under the terms of the Duquesne Plan then in effect and without regard to any changes made to the Duquesne Plan, either retroactively or prospectively, after the Transfer Date (without taking into account his cash balance pension, if any, under the Duquesne Plan).

F2.17 Future Service Compensation. The words “Future Service Compensation” shall mean the BV Participant’s aggregate Compensation during his period of Benefit Service but, for a BV Participant retiring or terminating on or after the Restatement Date, his aggregate Compensation for Benefit Service subsequent to December 31 of the most recent calendar year which is included in the calculation of his Annual Rate of Past Service Compensation under Section F2.2 hereof.

F2.18 Hours of Service. The words “Hours of Service” shall mean:

- (a) all hours for which an Employee is paid or entitled to payment by an Employer or a Related Company:
  - (i) for the performance of duties; or
  - (ii) on account of a period of time for which no duties are performed due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, Military Service or leave of absence; and
- (b) all hours for which back pay (irrespective of mitigation of damages) is awarded or agreed to by an Employer or a Related Company.

An Employee shall be deemed to have worked one thousand (1,000) Hours of Service only if either:

- (A) his period of employment during the year was for twenty-three (23) weeks or more; or
- (B) the available records maintained by the Employer for purposes of the Fair Labor Standards Act indicate that he had one thousand (1,000) or more hours of employment during such year.

Hours of Service shall be calculated and credited to the Employee in accordance with Department of Labor Regulations Sections 2530.200b-2(b) and (c) which are hereby incorporated by reference.

F2.19 Joint and Survivor Annuity Option. The words “Joint and Survivor Annuity Option” shall mean one (1) of the optional forms of payment described in Sections F8.3(b) and F8.3(c) hereof.

F2.20 Joint Annuitant. The words “Joint Annuitant” shall mean the person designated by a BV Participant to receive lifetime pension payments after the death of the BV Participant under the Joint and Survivor Annuity Option.

F2.21 Normal Retirement Age. The words “Normal Retirement Age” shall mean Age sixty-five (65).

F2.22 Normal Retirement Date. The words “Normal Retirement Date” shall mean for a BV Participant the first day of the month next following the BV Participant’s attainment of Normal Retirement Age (or the date of attainment of his Normal Retirement Age if that date occurs on the first day of a month).

F2.23 Period Certain Annuity Option. The words “Period Certain Annuity Option” shall mean the optional form of payment described in Section F8.3(d) hereof.

F2.24 Postponed Retirement Date. The words “Postponed Retirement Date” shall mean the first day of the month next following the date on which a BV Participant’s employment terminates following his Normal Retirement Date.

F2.25 Predecessor Plan. The words “Predecessor Plan” shall mean, solely for purposes of this Part F, the 1999 Beaver Valley Plan.

F2.26 Pre-Retirement Survivor Option. The words “Pre-Retirement Survivor Option” shall mean the pre-retirement death benefit described in Section F9.3(b)(i) hereof.

F2.27 Pre-Retirement Ten (10) Year Certain Option. The words “Pre-Retirement Ten (10) Year Certain Option” shall mean the pre-retirement death benefit described in Section F9.3(b)(ii) hereof.

F2.28 Prior Duquesne Plan Participant. The words “Prior Duquesne Plan Participant” shall mean a BV Participant who immediately prior to the Transfer Date was both participating in the Duquesne Plan and employed by the Duquesne Light Company, DQE, Inc. or any other “Employer” under the Duquesne Plan.

F2.29 Qualified Pre-Retirement Surviving Spouse Annuity. The words “Qualified Pre-Retirement Surviving Spouse Annuity” shall mean a monthly benefit payable to a BV Participant’s surviving Spouse under a 50% Joint and Survivor Annuity Option based on the BV Participant’s Accrued Benefit (which takes into account the offset of his Frozen Duquesne Accrued Benefit pursuant to Section F2.1(e) hereof), reduced for early commencement of benefits by five-twelfths of one percent (5/12%) for each month by which the date payments commence precedes the first day of the month following the date which would have been the BV Participant’s sixtieth (60th) birthday (subject to a maximum reduction of twenty-five percent (25%)); provided, however, that if the BV Participant’s death occurs while he is an Employee, no such reduction for early commencement of benefits shall be made and further provided that in the case of payments made to the surviving Spouse of Prior Duquesne Plan Participant prior to the first day of the month following the date which would have been such deceased BV Participant’s fifty-fifth (55th) birthday, such benefit shall be based on the BV Participant’s Accrued Benefit, reduced as described above, without taking into account the offset of his Frozen Duquesne Accrued Benefit pursuant to Section F2.1(e) hereof.

F2.30 Related Company. The words “Related Company” shall mean the Company and any Affiliate.

F2.31 Retirement Date. The words “Retirement Date” shall mean a BV Participant’s Normal, Early, Disability or Postponed Retirement Date, whichever is applicable.

F2.32 Single Life Annuity Option. The words “Single Life Annuity Option” shall mean a form of payment which provides a monthly benefit for the BV Participant’s life only. (Note: Under Section F8.1 hereof, the Single Life Annuity Option is the normal form of payment for a BV Participant who is unmarried on his Benefit Commencement Date, unless revoked as provided therein.)

F2.33 Spouse. The word “Spouse” shall mean, subject to Section A11.21 hereof, the person to whom a BV Participant is married on the earlier of:

- (a) the BV Participant’s Benefit Commencement Date; and
- (b) the date of the BV Participant’s death.

F2.34 Totally and Permanently Disabled. The words “Totally and Permanently Disabled” shall mean that a physical or mental condition renders a BV Participant disabled to the extent that he is found by a medical examiner selected by the Administrator to be totally and, presumably, permanently disabled and that he is eligible for and receives disability benefits under the Social Security Act. In the event that a BV Participant ceases to receive disability benefits under the Social Security Act, he shall no longer be considered to be Totally and Permanently Disabled for purposes of the Beaver Valley Constituent Plan.

F2.35 Transfer Date. The words “Transfer Date” shall mean with respect to a Prior Duquesne Plan Participant the earliest date he was employed by the Company pursuant to

the Conveyance Agreement dated March 25, 1999 between the Company and Duquesne Light Company; provided, however, that such date shall not be later than April 24, 2000.

F2.36 Union. The word “Union” shall mean the International Brotherhood of Electrical Workers (“IBEW”) Local 29 at the Beaver Valley Nuclear Power Plant (except Maintenance Planners) and, with respect to a Prior Duquesne Plan Participant for periods of coverage under the Duquesne Plan prior to the Transfer Date, the IBEW Local by which he was represented.



## ARTICLE F3

### ELIGIBILITY AND PARTICIPATION

#### F3.1 Requirements.

- (a) Each Eligible Employee who was both:
  - (i) a Participant under the 1999 Beaver Valley Plan; and
  - (ii) an Employee;

on December 31, 2006 became a BV Participant under the Beaver Valley Constituent Plan on January 1, 2007 if he was still an Eligible Employee on January 1, 2007. Each such BV Participant's status on or after the Restatement Date shall be determined pursuant to Section F3.3 hereof.

- (b) Subject to Article A12 hereof, no other Employee, including a rehired Employee, shall become a BV Participant under the Beaver Valley Constituent Plan on or after January 1, 2007.

F3.2 Former Employees. If a former Employee, who was previously a BV Participant or a Participant under the Predecessor Plan, is rehired, he shall not become a BV Participant after his rehire and shall not accrue any further benefits under the Beaver Valley Constituent Plan. Without limiting the generality of the foregoing, to this end of freezing each such rehired Employee's Accrued Benefit under the Beaver Valley Constituent Plan, if any, no Compensation or other remuneration earned or paid after his rehire and no Benefit Service, Eligibility Service or other service earned after his rehire shall be counted for purposes of calculating such former BV Participant's benefits under the Beaver Valley Constituent Plan. If such an Employee is rehired at a time when his prior Eligibility Service under the Beaver Valley Constituent Plan is cancelled, he shall not have an Accrued Benefit under the Beaver Valley Constituent Plan.

F3.3 Status of Participant. The status of a BV Participant shall be determined

as follows:

- (a) He shall be a BV Participant so long as he is an Eligible Employee, and shall cease to be a BV Participant when he shall have ceased to be an Eligible Employee.
- (b) He shall be considered to be an Inactive BV Participant during any period in which he continues to be an Employee but is not an Eligible Employee. Inactive BV Participants do not accrue benefits under the Beaver Valley Constituent Plan. In addition, any other Employee who is not a BV Participant but who has an Accrued Benefit under the Beaver Valley Constituent Plan which has not been cancelled shall be considered to be an Inactive BV Participant.

ARTICLE F4

CREDITING OF SERVICE

F4.1 Past Benefit Service. The Past Benefit Service of a BV Participant retiring or terminating during a specific period set forth in Column 1 of Table 2 of Appendix I hereof shall be the period of Benefit Service as of December 31 of the most recent calendar year prior to the corresponding applicable date set forth in Column 2 of Table 2 of Appendix I hereof which is included in the calculation of his Annual Rate of Past Service Compensation under Section F2.2 hereof.

F4.2 Benefit Service. The Benefit Service of a BV Participant shall be his period of Eligibility Service (measured in years and months with a fraction of a month treated as a full month) as a BV Participant in the Beaver Valley Constituent Plan or a Participant in the Predecessor Plan or, for periods prior to the Transfer Date with respect to a prior Duquesne Plan Participant, as a Participant in the Duquesne Plan, except as follows:

- (a) A break in employment of less than one (1) year shall not constitute a break in Benefit Service but shall be excluded from Benefit Service.
- (b) A Prior Duquesne Plan Participant's Benefit Service for service rendered prior to September 30, 1975 shall be his corresponding period of "Continuous Service" under the Duquesne Plan as in effect on that date.
- (c) Benefit Service for service rendered on or after October 1, 1975 in the first and in the last calendar year of employment shall be based on the actual duration of employment in such calendar year.
- (d) A BV Participant's Benefit Service shall include any official leave of absence from the Employer to serve full time as the business manager or assistant business manager of the Union and any basic scheduled hour excused by the Employer during which the president or the vice president of a local of the Union actually conducted Union business.
- (e) Anything in this Section to the contrary notwithstanding, if a BV Participant who is a regular, full-time employee covered by a collective

bargaining agreement between the Employer and the Union (in the case of a Prior Duquesne Plan Participant, as amended by the Memorandum of Agreement between the Employer and the Union dated October 31, 1996 for periods prior to the Transfer Date):

- (i) incurs a separation from active employment as a result of a layoff;
- (ii) returns to active employment with the Employer or a Related Company; and
- (iii) the period of time from the date of separation until the first day of the month following the date of such return is less than or equal to two (2) years;

such BV Participant's Benefit Service shall include the period of such separation; provided, however, that in the case of a BV Participant who was laid off during the period from January 1, 1994 through September 30, 1996, upon such a BV Participant's return to active employment with the Employer or a Related Company, the BV Participant's Benefit Service shall include the period of such separation without regard to the length of the period from the date of separation to the date of return.

In determining Benefit Service under this Section with respect to a Prior Duquesne Plan Participant, for periods prior to the Transfer Date the term "Employer" shall mean the Duquesne Light Company, DQE, Inc. and any other "Employer" under the Duquesne Plan for the period Benefit Service is being determined. Benefit Service determined with respect to a Prior Duquesne Plan Participant for a period prior to the Transfer Date shall not be in excess of his "Credited Service" determined under the Duquesne Plan for the same period. Prior to January 1, 2007, "Benefit Service" was referred to as "Credited Service."

F4.3 Eligibility Service. The Eligibility Service of a BV Participant shall be, subject to the following rules and exceptions, his period of employment with the Company or a Related Company as established by the relevant personnel records:

- (a) An Employee's Eligibility Service commences on the date of his hire if he is credited with one thousand (1,000) or more Hours of Service in his

first year of employment, or on the first day of the first calendar year thereafter during which he is credited with one thousand (1,000) or more Hours of Service. Service rendered in the first and in the last calendar years of employment shall be based on the actual duration of employment in such calendar year unless the Employee is credited with at least one thousand (1,000) Hours of Service or more in such calendar year in which event he shall be granted a full year of Eligibility Service for such calendar year.

- (b) A break in employment of less than one (1) year shall not constitute a break in Eligibility Service and shall be included as Eligibility Service.
- (c) Authorized leaves of absence shall not be deemed to be breaks in Eligibility Service and the periods of such leaves shall be included in Eligibility Service. For purposes of this subparagraph (c), an authorized leave of absence shall include:
  - (i) any official leave of absence to serve full time as the business manager or assistant business manager of the Union;
  - (ii) any basic scheduled hour excused by the Employer during which the President or Vice President of a local of the Union actually conducted Union business; and
  - (iii) any period of absence from employment approved by the Employer under uniform and nondiscriminatory rules and procedures.

Whether or not specifically approved by the Employer, an authorized leave of absence shall be deemed to include the first year of an absence from employment for any reason other than because of quit, retirement, discharge or death.

- (d) In the event that an Employee, whose employment terminated, is subsequently reemployed, his Eligibility Service immediately prior to such break shall be included as Eligibility Service only if:
  - (i) he had attained Normal Retirement Age prior to the break;
  - (ii) he had vested rights under the Beaver Valley Constituent Plan or the Predecessor Plan; or
  - (iii) the length of his break in Eligibility Service was less than the greater of five (5) years or his Eligibility Service prior to the break.

However, if the break in Eligibility Service began prior to January 1, 1985, such prior Eligibility Service (referred to as "Vesting Service" under the Duquesne Plan in effect prior to January 1, 1985) shall not be included if it had already been lost under the terms of the Duquesne Plan in effect prior to January 1, 1985 or if it would have been lost had the BV Participant been reemployed on December 31, 1984 under the terms of the Duquesne Plan then in effect.

- (e) Solely for purposes of measuring the length of a break in Eligibility Service, in the case of an Employee who was first absent from employment due to a Maternity/Paternity Leave of Absence, a break in Eligibility Service shall not be deemed to have commenced until two (2) years after such absence commenced, or if earlier, on the date such Employee's employment is terminated by reason of quit, retirement, discharge or death.
- (f) An Employee's Eligibility Service in any calendar year shall in no event exceed one (1) year.
- (g) Anything in this Section to the contrary notwithstanding, if a BV Participant who is a regular, full-time employee covered by a collective bargaining agreement between the Employer and the Union (in the case of a Prior Duquesne Plan Participant, as amended by the Memorandum of Agreement between the Employer and the Union dated October 31, 1996 for periods prior to the Transfer Date):
  - (i) incurs a separation from active employment as a result of a layoff;
  - (ii) returns to active employment with the Company or a Related Company; and
  - (iii) the period of time from the date of separation until the first day of the month following the date of such return is less than or equal to two (2) years;

the period of such separation shall not constitute a break in Eligibility Service and shall be included as Eligibility Service; provided, however, that in the case of a BV Participant who was laid off during the period from January 1, 1994 through September 30, 1996, upon such a BV Participant's return to active employment with the Company or a Related Company, the BV Participant's period of such separation shall not constitute a break in Eligibility Service and shall be included as Eligibility Service without regard to the length of the period from the date of separation to the date of return.

- (h) In addition, on and after August 5, 1993, FMLA Leave shall not be treated as or counted toward a break in Eligibility Service under the Beaver Valley Constituent Plan for purposes of determining whether a BV Participant is entitled to a vested interest in his Accrued Benefit.

In determining Eligibility Service under this Section (including “Hours of Service” in accordance with Section F2.18 hereof) with respect to a Prior Duquesne Plan Participant, for periods prior to the Transfer Date the terms “Employer” and “Company” shall mean the Duquesne Light Company, DQE, Inc. and any other “Employer” under the Duquesne Plan for the period Eligibility Service is being determined. Eligibility Service determined with respect to a Prior Duquesne Plan Participant for a period prior to the Transfer Date shall not be in excess of his “Vesting Service” determined under the Duquesne Plan for the same period. Prior to January 1, 2007, “Eligibility Service” was referred to as “Vesting Service.”

F4.4 Pre-2006 Transfer Rule. If the status of an Employee was changed so that he became an Eligible Employee under the Predecessor Plan prior to January 1, 2006, his Eligibility Service for his period of employment with the Company or a Related Company prior to his becoming a Participant under the Predecessor Plan shall be included as Benefit Service subject to the exceptions set forth in Section F4.2 hereof (Section 1.120 under the Predecessor Plan) and pay during such prior employment will be included for purposes of determining his Annual Rate of Past Service Compensation and his Future Service Compensation.

## ARTICLE F5

### ELIGIBILITY FOR RETIREMENT OR TERMINATED VESTED PENSION

#### F5.1 Normal Retirement.

- (a) A BV Participant's right to his Accrued Benefit shall be nonforfeitable upon his attaining Normal Retirement Age while an Employee.
- (b) A BV Participant who has attained Normal Retirement Age may retire on his Normal Retirement Date and shall be entitled to a normal retirement pension payable monthly for life and commencing on his Normal Retirement Date.
- (c) The amount of a BV Participant's normal retirement pension shall be determined under Section F6.1 hereof.

#### F5.2 Postponed Retirement.

- (a) A BV Participant who continues employment with an Employer or a Related Company beyond his Normal Retirement Date may retire on a Postponed Retirement Date and shall be entitled to a postponed retirement pension payable monthly for life and commencing on his Postponed Retirement Date.
- (b) The amount of a BV Participant's postponed retirement pension shall be determined under Section F6.2 hereof.

#### F5.3 Early Retirement.

- (a) A BV Participant who has completed at least five (5) years of Eligibility Service may retire on an Early Retirement Date and shall be entitled to an early retirement pension payable monthly for life and commencing on the first day of any month on or after his Early Retirement Date but not later than his Normal Retirement Date.
- (b) The amount of a BV Participant's early retirement pension shall be determined under Section F6.3 hereof.

#### F5.4 Terminated Vested.

- (a) In the event of the termination of employment (other than by death or retirement) of a BV Participant who has completed at least five (5) years of Eligibility Service, he shall be entitled to a terminated vested pension



payable monthly for life and, except as otherwise provided in Section F6.4 hereof, commencing on his Normal Retirement Date.

- (b) The amount of a BV Participant's terminated vested pension shall be determined under Section F6.4 hereof.
- (c) If a BV Participant's employment is terminated (other than by death or retirement) prior to his completion of five (5) years of Eligibility Service, no benefits will be payable under the Beaver Valley Constituent Plan. In the case of a BV Participant who has no vested interest in his Accrued Benefit on the date he terminates employment, such BV Participant shall be deemed to have received a total distribution of his zero (0) vested interest as of his date of termination in accordance with Section A11.6 hereof, and he shall have no further interest in the Beaver Valley Constituent Plan, except as provided in Section A11.6 hereof.

ARTICLE F6

RETIREMENT OR TERMINATED VESTED PENSION

F6.1 Normal Retirement Pension.

- (a) The annual amount of a BV Participant's normal retirement pension shall be his Accrued Benefit if it is paid under the Single Life Annuity Option.
- (b) If the largest early retirement pension to which the BV Participant would have been entitled had he retired early at any time under Section F6.3(b) hereof is greater than his normal retirement pension as otherwise calculated under this Section, then his normal retirement pension shall equal such greatest early retirement pension. This subparagraph (b) shall only apply in calculating his normal retirement pension actually payable at his Normal Retirement Date.

F6.2 Postponed Retirement Pension.

- (a) The annual amount of the postponed retirement pension payable to a BV Participant under the Single Life Annuity Option shall be:
  - (i) In the case of a BV Participant who is employed at a rate of forty (40) or more Hours of Service per month, the amount determined under Section F6.1 hereof, calculated as of such BV Participant's Postponed Retirement Date; provided, however, if his pension payments commence after the April 1st in the calendar year after the calendar year in which he attains Age seventy and one-half (70-1/2), his Accrued Benefit shall be actuarially increased in accordance with Section A10.6 hereof.
  - (ii) In the case of a BV Participant who is employed at a rate of fewer than forty (40) Hours of Service per month, the greater of:
    - (A) the amount determined under Section F6.1 hereof, calculated as of such BV Participant's Postponed Retirement Date; or
    - (B) the amount determined under Section F6.1 hereof, calculated as of such BV Participant's Normal Retirement Date (under the terms of the Beaver Valley Constituent Plan in effect as of such date), adjusted so that the amount payable to such BV Participant after his Postponed Retirement Date is the Actuarial Equivalent of the amount

that would have been payable to such BV Participant had benefit payments commenced at his Normal Retirement Date.

- (b) The Administrator shall furnish to each Employee who continues employment with an Employer or a Related Company beyond Normal Retirement Age at a rate of forty (40) or more Hours of Service per month the notice required by Department of Labor Regulation Section 2530.203-3 at such time or times as may be required by such Regulation.

F6.3 Early Retirement Pension. The annual amount of an early retirement pension which is payable under the Single Life Annuity Option shall be either (a) or (b) below, as elected by the BV Participant:

- (a) The amount of his Accrued Benefit if the BV Participant's Benefit Commencement Date is on or after the first day of the month following his attainment of Age sixty (60) but not later than his Normal Retirement Date.
- (b) The amount of his Accrued Benefit reduced by five-twelfths of one percent (5/12%) for each month by which the BV Participant's Benefit Commencement Date (which may be the BV Participant's Early Retirement Date or the first day of any month after his Early Retirement Date and prior to his attainment of Age sixty (60)) precedes the first day of the month following his attainment of Age sixty (60).

F6.4 Terminated Vested Pension. The annual amount of a terminated vested pension which is payable under the Single Life Annuity Option shall be either (a) or (b) below, as elected by the BV Participant:

- (a) The amount of his Accrued Benefit if the BV Participant's Benefit Commencement Date is his Normal Retirement Date.
- (b) In lieu of the pension commencing at Normal Retirement Date, the BV Participant may elect a reduced amount of pension to commence on the first day of any month within the ten (10) years ending on the first day of the month immediately following his attainment of the Normal Retirement Age. The amount of such reduction shall be determined under Section F6.3(b) hereof.

F6.5 Reemployment of Retired BV Participant.

- (a) If a retired BV Participant is reemployed by an Employer or a Related Company, his pension payments during the period of such reemployment shall be suspended for each month in which he works forty (40) or more Hours of Service and he shall be an Inactive BV Participant as of the date of his reemployment. Upon his subsequent retirement, his pension (taking into account the offset of his Frozen Duquesne Accrued Benefit pursuant to Section F2.1(e) hereof) shall be increased by the Actuarial Equivalent of any payments which were suspended and not paid to him as a result of his reemployment.
- (b) A BV Participant who continues employment with an Employer or Related Company past his Normal Retirement Date at the rate of forty (40) or more Hours of Service per month shall not receive his pension until he in fact retires.
- (c) In accordance with Section F3.2 hereof, a rehired BV Participant shall not accrue any further benefits under the Beaver Valley Constituent Plan. Any future accruals would be under the 2005 FirstEnergy Constituent Plan or the Cash Balance Constituent Plan.

F6.6 Reemployment of Terminated Vested BV Participant. If a BV Participant

whose employment has terminated (other than by retirement) again becomes an Employee, he shall be treated as an Inactive BV Participant and his prior period of employment shall be included in Eligibility Service to the extent provided in Section F4.3(d) hereof. If such prior period of employment is to be included in Eligibility Service in accordance with Section F4.3(d) hereof, pension payments (if any) shall not be made for any month during which such Inactive BV Participant works forty (40) or more Hours of Service. The benefit that may be subsequently payable to or with respect to the Inactive BV Participant after he again ceases to be an Employee shall be increased by the Actuarial Equivalent of any payments which were suspended and not paid to him as a result of his reemployment. In accordance with Section F3.2 hereof, a rehired BV Participant shall not accrue any further benefits under the Beaver Valley Constituent Plan.

Any future accruals would be under the 2005 FirstEnergy Constituent Plan or the Cash Balance Constituent Plan.

F6.7 Adjustment of Pension for Lump Sum Payment. If a former BV Participant who has received:

- (a) a single sum payment pursuant to Section A11.5 hereof;
- (b) a Single Sum Cashout pursuant to Section A11.33 hereof; or
- (c) a Voluntary Cashout pursuant to the 2014 Voluntary Cashout Window Program of the Plan;

shall again become an Employee, such former BV Participant shall have no Accrued Benefit under the Beaver Valley Constituent Plan upon his reemployment unless such former BV Participant repays such payment or Cashout pursuant to Section A11.36 hereof

F6.8 Adjustments to Pensions. The Board of Directors may from time to time, in its sole discretion, by attaching a written Appendix to the Beaver Valley Constituent Plan and providing appropriate instructions to the Trustee, increase the amount of pension provided by the Company under the Beaver Valley Constituent Plan or under the Predecessor Plan to retirees under the Beaver Valley Constituent Plan or under the Predecessor Plan, or to a specific class of retirees under the Beaver Valley Constituent Plan or under the Predecessor Plan, provided that any such increase shall be determined under a non-discriminatory formula that is uniformly applicable to all retirees under the Beaver Valley Constituent Plan or under the Predecessor Plan to whom the increase is applicable. In addition, any such adjustment shall not be applicable to a Prior Duquesne Plan Participant's Frozen Duquesne Accrued Benefit.

F6.9 Non-Duplication of Benefits. Subject to Article A12 hereof, if a BV Participant (or his Beneficiary), other than a BV Participant (or his Beneficiary) described in Section F4.4 hereof, is entitled to receive, or upon application would be entitled to receive, any

pension or retirement benefits from another Constituent Plan, then, to the extent such benefits are based on periods of employment included as Benefit Service under the Beaver Valley Constituent Plan, the amount thereof shall be deducted from the amount of retirement pension otherwise payable under the Beaver Valley Constituent Plan with respect to such period of Benefit Service. In the event that such other benefit is not paid at the same time and manner as the benefits payable under the Beaver Valley Constituent Plan, such deduction shall be made on an equitable basis as determined by the Administrator.

ARTICLE F7

DISABILITY

F7.1 Disability Retirement.

- (a) A BV Participant who has completed at least ten (10) years of Eligibility Service and becomes Totally and Permanently Disabled while an Employee and prior to his attainment of Normal Retirement Age shall be entitled to retire on a Disability Retirement Date and receive a disability pension payable monthly commencing on his Disability Retirement Date.
- (b) The annual disability pension shall be the amount of his Accrued Benefit reduced before his sixty-second (62nd) birthday by the amount, if any, of benefits payable under any disability benefit program (other than Workers' Compensation, Social Security and Company long-term disability benefits) to which the Employer makes contributions; provided that in the case of payments made to a BV Participant who is a Prior Duquesne Plan Participant prior to the first day of the month following his fifty-fifth (55th) birthday, such pension shall be based on the BV Participant's Accrued Benefit, reduced as described above, without taking into account the offset of his Frozen Duquesne Accrued Benefit pursuant to Section F2.1(e) hereof.
- (c) A BV Participant in receipt of a disability pension under this Section may be required to submit to medical examination, and/or to submit evidence of his continued eligibility for disability benefits under the Social Security Act, but not more often than semi-annually, to determine whether he continues to be Totally and Permanently Disabled. If, on the basis of such examination, it is found that he is no longer Totally and Permanently Disabled, or if he engages in gainful employment, except for purposes of rehabilitation as determined by the Administrator, or if it is found that he is no longer entitled to such Social Security disability benefits, or in the event the disabled BV Participant refuses to submit to a medical examination, or if he refuses to submit evidence of his continued eligibility for such Social Security disability benefits, his disability pension shall cease.
- (d) If a BV Participant whose entitlement to disability pension payments has ceased is then reemployed by an Employer or a Related Company, the provisions of Section F6.5 hereof shall apply. Otherwise, if the BV Participant has not attained Normal Retirement Age, he shall be deemed to have terminated his employment as of his Disability Retirement Date and he shall be entitled to an early retirement pension under the

provisions of Sections F5.3 and F6.3 hereof or a terminated vested pension under the provisions of Sections F5.4 and F6.4 hereof, whichever is applicable, to commence as of the later of:

- (i) the first day of the month following his ceasing to be Totally and Permanently Disabled; and
- (ii) the first day of the month following his attainment of Age fifty-five (55).



ARTICLE F8  
FORMS OF PAYMENT

F8.1 Normal Forms. The normal forms of payment under the Beaver Valley Constituent Plan are as follows:

- (a) Single Life Annuity Option. If a BV Participant does not have a Spouse on his Benefit Commencement Date, his pension shall normally be paid in the form of the Single Life Annuity Option (described in Section F2.32 hereof).
- (b) Automatic Joint and Surviving Spouse Annuity Option. If a BV Participant has a Spouse on his Benefit Commencement Date, his pension shall normally be paid in the form of the Automatic Joint and Surviving Spouse Annuity Option (described in Section F2.3 hereof).

F8.2 Election of Other Forms. Subject to certain restrictions described herein and in Sections A10.4(a) and F8.4 hereof, in lieu of receiving his pension in accordance with the applicable normal form set forth in Section F8.1 hereof, a BV Participant may elect another form of payment, as follows:

- (a) if the BV Participant has retired in accordance with Section F5.1, F5.2, F5.3 or F7.1 hereof, he may elect to receive his benefit pursuant to an optional form of payment described in Section F8.3 hereof; or
- (b) if the BV Participant has terminated employment in accordance with Section F5.4 hereof, he may elect to receive his benefit pursuant to the Special 75% Joint and Survivor Annuity Option described in Section F8.3(b) hereof, if his normal form of payment is the Automatic Joint and Surviving Spouse Annuity Option.

The Administrator shall, no less than thirty (30) days and no more than ninety (90) days prior to such BV Participant's Benefit Commencement Date, provide such BV Participant with a written explanation of:

- (i) the terms and conditions of the normal forms set forth in Section F8.1 hereof and the applicable optional forms set forth in Section F8.3 hereof;

- (ii) his right to make, and the effect of, an election under this Section not to receive his benefits pursuant to the normal form set forth in Section F8.1 hereof;
- (iii) the rights of a married BV Participant's Spouse in regard to such election;
- (iv) his right to make, and the effect of, a revocation of such an election;
- (v) the relative values of the forms of payment which are available to him; and
- (vi) if applicable, his right to defer receipt of his benefits and the consequences of failing to defer receipt of his benefits.

Any election of a form of payment shall be made by a BV Participant within the ninety (90) days prior to his Benefit Commencement Date (the "90-day Election Period"); provided, however, that his Benefit Commencement Date shall be delayed, if necessary, to insure that he shall have received the foregoing written explanation at least thirty (30) days prior to his Benefit Commencement Date. Any such election may be revoked and made again any number of times as long as the 90-day Election Period has not expired.

Notwithstanding anything contained in this Article to the contrary, the following provisions apply to the time for written explanation described in the preceding paragraphs:

- (A) Such written explanation may be provided after the date as of which the BV Participant's benefit is to commence, except to the extent provided in lawful regulations. If so provided, the 90-day Election Period shall not end before the thirtieth (30<sup>th</sup>) day after the date on which such explanation is provided.
- (B) A BV Participant may elect (with any applicable spousal consent) to waive any requirement that the written explanation to be provided at least thirty (30) days before the date as of which the BV Participant's benefit is to commence (or to waive the thirty (30) day requirement under subparagraph (A) above) if:

- 1) the Administrator provides information clearly indicating the BV Participant has the right to at least thirty (30) days to consider whether to waive the normal form of payment described in Section F8.1 hereof and consent to another form of payment;
- 2) the benefit commences more than seven (7) days after such explanation is received;
- 3) the BV Participant is permitted to revoke an affirmative distribution election at least until the Benefit Commencement Date, or if later, at any time prior to the expiration of the seven (7) day period that begins the day after such explanation is provided to the BV Participant.

Such election shall be on a form prescribed for the purpose by the Administrator, shall be signed by the BV Participant, shall designate the Joint Annuitant and the Selected Percentage if he shall have selected a Joint and Survivor Annuity Option and shall designate the Contingent Beneficiary and the Selected Period if he shall have selected a Period Certain Option. Such election shall be deemed to be made when it shall have been received by the Administrator or its designated representative. Satisfactory proof of the age of the Joint Annuitant designated by the BV Participant will be required prior to the payment of benefits under a Joint and Survivor Annuity Option.

If a BV Participant who has a Spouse living at his Benefit Commencement Date elects an optional form of payment, such election shall not be effective hereunder unless the BV Participant's Spouse consents to the BV Participant's election within the 90-day Election Period in accordance with Section A11.12 hereof. Such consent shall be irrevocable and shall acknowledge the effect of the election to revoke the Automatic Joint and Surviving Spouse Annuity Option. Such consent shall apply only to the Spouse who gave the consent and to the particular optional form of payment to which the consent applies.

F8.3 Optional Forms of Payment. The optional forms of payment under the

Beaver Valley Constituent Plan are as follows:

- (a) Single Life Annuity Option. A BV Participant who has a Spouse may elect the Single Life Annuity Option (described in Section F2.32 hereof).
- (b) Joint and Survivor Annuity Option. A BV Participant who has retired in accordance with Section F5.1, F5.2, F5.3 or F7.1 hereof may elect to receive a reduced pension payable to him during his lifetime with the provision that after his death (subsequent to the commencement of such reduced pension), a pension equal to 100%, 75%, 50% or 25%, as specified by the BV Participant (the “Selected Percentage”), of his reduced pension shall continue during the life of and be paid to the Joint Annuitant that the BV Participant shall have designated pursuant to Section F8.2 hereof, if such Joint Annuitant survives him.

Special 75% Joint and Survivor Annuity Option. A BV Participant whose normal form of payment is the Automatic Joint and Surviving Spouse Annuity Option and who has terminated employment in accordance with Section F5.4 hereof may elect to receive a reduced pension payable to him during his lifetime with the provision that after his death (subsequent to the commencement of such reduced pension), a pension equal to 75% of his reduced pension shall continue during the life of and be paid to his Spouse as his Joint Annuitant (sometimes referred to as the “Special 75% Joint and Survivor Annuity Option”).

Such optional form of payment shall be the Actuarial Equivalent of the pension which would have been payable to the BV Participant under the Single Life Annuity Option. However, if the designated Joint Annuitant is a person who is not the Spouse of the BV Participant at the Benefit Commencement Date, such elected Joint and Survivor Annuity Option must conform to the incidental death benefit requirements of Section 1.401(a)(9)-6 of the Treasury Regulations. If such elected Joint and Survivor Annuity Option shall fail to satisfy the requirements of the preceding sentence, such election shall be of no effect.

- (c) Modified Joint and Survivor Annuity Option. If a BV Participant has elected a Joint and Survivor Annuity Option as provided in subparagraph (b) of this Section, he may elect to receive a further reduced pension which shall be payable to him in accordance with his election under subparagraph (b) of this Section but with the provision that in the event his Joint Annuitant shall die after the commencement of such reduced pension but during the life of the BV Participant, the pension payable to the BV Participant following the death of the Joint

Annuitant shall be increased to the amount which would have been payable to the BV Participant had he elected to receive his pension under the Single Life Annuity Option.

- (d) Period Certain Annuity Option. A BV Participant may elect to receive a reduced pension payable to him during his lifetime with the provision that in the event he shall die (subsequent to the commencement of such reduced pension) before he shall have received pension payments for a period of 60, 120 or 180 months, as selected by the BV Participant (“Selected Period”), after his death a pension equal to 100% of his reduced pension shall continue for the remainder of the Selected Period to the Contingent Beneficiary he shall have designated pursuant to Section F8.2 hereof. Such optional form of payment shall be the Actuarial Equivalent of the pension which would have been payable to the BV Participant under the Single Life Annuity Option.

Notwithstanding any provision of the Beaver Valley Constituent Plan to the contrary, the reduced pension payable to a BV Participant who elects to have his pension payable to him in accordance with the Period Certain Annuity Option with a Selected Period of 120 months or in accordance with the 50%, 75% or 100% Joint and Survivor Annuity Option may not be less than the pension which would have been payable to him under such Option on December 31, 2005, utilizing the reduction factors in effect on December 31, 2005.

F8.4 Rules for Electing Options. The following rules and requirements must be met in order for an optional form of payment under Section F8.3 hereof, or an optional form of pre-retirement death benefit under Section F9.3(b) hereof, to be applicable:

- (a) The election must be in writing in such form as shall be required by the Administrator, and filed with the Administrator prior to the expiration of the 90-day Election Period (described in Section F8.2 hereof).
- (b) The date on which the option is to go into effect must be stated on the election form (“stated effective date”). In no event may such stated effective date be prior to:
  - (i) the date on which the BV Participant first becomes eligible for retirement under Section F5.3 hereof or completes twenty-five (25) years of Eligibility Service, if earlier; or

- (ii) with respect to the Special 75% Joint and Survivor Annuity Option, the date on which the BV Participant is first able to commence receiving his terminated vested pension under Section F6.4 hereof.
- (c) The name of the Joint Annuitant, the Contingent Beneficiary or the designated Beneficiary under Section F9.3 hereof, as the case may be, and their addresses and relationship to the BV Participant must be stated on the form. In the case of a Joint and Survivor Annuity Option, the Joint Annuitant's date of birth must also be stated on the election form. Proof, acceptable to the Administrator, of the Joint Annuitant's date of birth and, if the Joint Annuitant is the Participant's Spouse, of their marriage must be submitted within ninety (90) days after the election is filed.
- (d) The election of an optional form of payment pursuant to Section F8.2 hereof shall be canceled automatically if and when the Automatic Joint and Surviving Spouse Annuity Option becomes effective due to the BV Participant's marriage in accordance with Section F8.1 hereof.
- (e) The consent of a Joint Annuitant or Contingent Beneficiary shall not be required for the election of an optional form of payment unless the Joint Annuitant or Contingent Beneficiary is the BV Participant's Spouse as provided in Section F8.2 hereof.
- (f) If the BV Participant dies prior to the stated effective date of the option, the election shall become null and void. If his Joint Annuitant under a Joint and Survivor Annuity Option dies prior to the stated effective date of the option, the election shall become null and void. If a Contingent Beneficiary under a Period Certain Annuity Option or a designated Beneficiary under the Pre-Retirement Ten (10) Year Certain Option dies at any time during the BV Participant's lifetime, whether before or after the stated effective date of the option, the election shall remain in effect and the BV Participant may designate a new Contingent Beneficiary or a new Beneficiary; provided, however, if the BV Participant is married, the continuation of the option and the new Contingent Beneficiary or the new Beneficiary designation shall be subject to spousal consent to the extent provided in Section F9.3(a) hereof or Section F8.2 hereof, whichever is applicable.
- (g) If the BV Participant's Benefit Commencement Date occurs prior to the stated effective date of the option, his pension shall be determined without regard to the option until the stated effective date of the option, at which time the pension thereafter payable shall be converted to the optional form of payment. In such case, if a Period Certain Annuity

Option had been elected, the Selected Period shall be determined from the BV Participant's Benefit Commencement Date.

- (h) If the BV Participant retires on or after the first day of the month next following or coinciding with his fifty-fifth (55th) birthday and dies on or after the stated effective date of the option, but before his Benefit Commencement Date, the amount payable to his Joint Annuitant or Contingent Beneficiary shall be determined as if the BV Participant had elected to have his pension payments commence as of the first day of the month following the month in which his death occurred and, in the case of a Period Certain Annuity Option, the Selected Period shall be determined from such day.
- (i) If a BV Participant dies while in the active service of the Employer or a Related Company on or after the stated effective date of the option, the amount payable to his Joint Annuitant (other than a Joint Annuitant under the Special 75% Joint and Survivor Annuity Option), his Contingent Beneficiary or his designated Beneficiary under Section F9.3 hereof shall be determined and paid as if the BV Participant had retired and elected to have his pension payments commence on the first day of the month following his death. For this purpose the requirement that the BV Participant be eligible to retire under Section F5.3 hereof shall be waived and the reduction determined in accordance with Section F6.3 hereof shall not be greater than it would have been if the BV Participant had attained his fifty-fifth (55th) birthday on the date of his death; provided, however, if the BV Participant's Joint Annuitant, Contingent Beneficiary or designated Beneficiary under Section F9.3 hereof is his Spouse, the reduction under Section F6.3(b) hereof shall not be made.

In the case of a Joint and Survivor Annuity Option, if the Joint Annuitant dies while the BV Participant is in the active service of the Employer or a Related Company on or after the stated effective date of the option, the election shall become null and void.

- (j) In the case of a Period Certain Annuity Option, if the BV Participant dies before the end of the Selected Period and no Contingent Beneficiary survives him, the lump sum Actuarial Equivalent of the remaining guaranteed payments shall be paid to the BV Participant's estate. If a Contingent Beneficiary who survives the BV Participant dies before the end of the Selected Period, the remaining guaranteed payments that would have been made to such Contingent Beneficiary shall be applied in the manner prescribed in the BV Participant's Contingent Beneficiary designation; provided that if the Contingent Beneficiary designation did not specify how such remaining payments shall be applied, the lump sum Actuarial Equivalent of the remaining payments shall be paid to the Contingent Beneficiary's estate.

- (k) The election of an option may be canceled or modified, subject to the same conditions that apply to the election of an option. A BV Participant may change his Contingent Beneficiary under a Period Certain Annuity Option at any time by notice filed with the Administrator. A BV Participant may not change his Joint Annuitant under a Joint and Survivor Annuity Option other than by a modification of the option in accordance with the foregoing rules. However, if the BV Participant is married, any modification to an option (including a change in the designated Contingent Beneficiary, Joint Annuitant or Beneficiary) shall be subject to spousal consent.



ARTICLE F9  
DEATH BENEFITS

F9.1 Prior to Benefit Commencement Date. If a BV Participant's death occurs prior to his Benefit Commencement Date and the Qualified Pre-Retirement Surviving Spouse Annuity, the Pre-Retirement Survivor Option, the Pre-Retirement Ten (10) Year Certain Option, the Pre-Retirement Survivor's Benefit or the Qualified Pre-Retirement Survivor Benefit is not then effective, no benefits will be payable under the Beaver Valley Constituent Plan after the BV Participant's death.

F9.2 After Benefit Commencement Date. If a BV Participant's death occurs after his Benefit Commencement Date, the death benefits (if any) payable are determined under the form of payment (in accordance with Article F8 hereof) under which the BV Participant was receiving his pension immediately prior to his death.

F9.3 Pre-Retirement Options (Prior to Benefit Commencement Date).

- (a) Qualified Pre-Retirement Surviving Spouse Annuity. Unless specifically revoked in writing as provided below, if a married BV Participant who has either completed five (5) or more years of Eligibility Service or has attained his Normal Retirement Age should die before his Benefit Commencement Date (regardless of whether his employment has terminated), a Qualified Pre-Retirement Surviving Spouse Annuity shall be payable to his Spouse.
  - (i) Such payments shall commence on the first day of the month following the later of:
    - (A) the date which was or would have been the BV Participant's fifty-fifth (55th) birthday; or
    - (B) the date of the BV Participant's death; provided, however, that if the BV Participant had completed twenty-five (25) or more years of Eligibility Service and his death occurs while he is an Employee, payments shall commence as of

the first day of the month following the date of the BV Participant's death regardless of his Age.

Notwithstanding the immediately preceding sentence, if the amount of monthly benefit payment will be reduced for early commencement as a result of the death of the BV Participant while he is not an Employee, the Spouse may elect to have benefit payments commence on a later date (but not after the date such benefit payments may commence to be paid without reduction for early commencement).

- (ii) A married BV Participant who wishes to elect an optional pre-retirement death benefit under Section F9.3(b) hereof may, during the election period specified in Section F9.3(a)(iv) hereof, waive the Qualified Pre-Retirement Surviving Spouse Annuity. A BV Participant's election to waive the Qualified Pre-Retirement Surviving Spouse Annuity must:
  - (A) expressly revoke the Qualified Pre-Retirement Surviving Spouse Annuity;
  - (B) designate either the Pre-Retirement Survivor Option (described in Section F9.3(b)(i) hereof) or the Pre-Retirement Ten (10) Year Certain Option (described in Section F9.3(b)(ii) hereof) (which designation cannot be changed without spousal consent);
  - (C) designate the Beneficiary under such option (which designation cannot be changed without spousal consent);
  - (D) be in writing on a form prescribed by the Administrator for such purpose;
  - (E) be filed with the Administrator within the period specified in Section F9.3(a)(iv) hereof; and
  - (F) contain spousal consent as described in Section F9.3(a)(iii) hereof.
- (iii) The BV Participant's Spouse's consent to waive the Qualified Pre-Retirement Surviving Spouse Annuity shall be made in accordance with Section A11.12 hereof. Such consent shall be irrevocable and shall acknowledge the effect of the election to revoke the Qualified Pre-Retirement Surviving Spouse Annuity. Such consent shall apply only to the Spouse who gave the consent and to the particular option election under Section F9.3(b) hereof to which the consent applies. However, spousal

consent shall not be required if the option elected under Section F9.3(b) hereof is the Pre-Retirement Survivor Option with the Spouse as the designated Beneficiary.

- (iv) An election to revoke the Qualified Pre-Retirement Surviving Spouse Annuity may be made at any time and any number of times within the election period beginning on the first day of the Plan Year in which the BV Participant is eligible under Section F9.3(b) hereof to elect the Pre-Retirement Survivor Option or the Pre-Retirement Ten (10) Year Certain Option and ending on the date of the BV Participant's death. A revocation of this automatic coverage shall apply only while an option under Section F9.3(b) hereof is effective. A BV Participant who has revoked the Qualified Pre-Retirement Surviving Spouse Annuity may nevertheless cancel such revocation at any time during the election period by completing the appropriate form and submitting it to the Administrator.
- (v) The Administrator shall furnish the BV Participant with a written explanation of:
  - (A) the terms and conditions of the Qualified Pre-Retirement Surviving Spouse Annuity;
  - (B) the BV Participant's right to make, and the effect of, an election to revoke the Qualified Pre-Retirement Surviving Spouse Annuity;
  - (C) the rights of the BV Participant's Spouse to consent, or refuse to consent, to such waiver; and
  - (D) the BV Participant's right to make, and the effect of, a cancellation of revocation.

This notice shall be furnished in whichever of the following periods ends last:

- 1) the period beginning with the first Plan Year in which the BV Participant is eligible under Section F9.3(b) hereof to elect the Pre-Retirement Survivor Option or the Pre-Retirement Ten (10) Year Certain Option;
- 2) within one (1) year after he became a Participant under the Predecessor Plan; and

- 3) within one (1) year after this Section F9.3(a) first applies to the BV Participant.
- (vi) The Beaver Valley Constituent Plan makes no reduction to the amount of pension otherwise payable to a BV Participant to reflect the cost of Qualified Pre-Retirement Surviving Spouse Annuity coverage prior to his Retirement Date.
- (b) Other options. If the Qualified Pre-Retirement Surviving Spouse Annuity under Section F9.3(a) hereof is either not applicable or has been duly revoked, the BV Participant may elect the Pre-Retirement Survivor Option or the Pre-Retirement Ten (10) Year Certain Option in accordance with Section F8.4 hereof. (Note: Under Section F8.4(b) hereof, the election of a Pre-Retirement Survivor Option or the Pre-Retirement Ten (10) Year Certain Option cannot be effective prior to the earlier of the date on which the BV Participant first becomes eligible for retirement under Section F5.3 hereof or completes twenty-five (25) years of Eligibility Service.
- (i) Pre-Retirement Survivor Option. After the BV Participant's death prior to his Benefit Commencement Date, a specified percentage (at least 50% but not more than 100%) of the BV Participant's Accrued Benefit is paid to his Beneficiary for the life of the Beneficiary, if surviving. The amount of the Pre-Retirement Survivor Option is based on the BV Participant's Accrued Benefit, adjusted in a manner consistent with the factors used to obtain the amount of reduced pension under Section F8.3(b) hereof.
- (ii) Pre-Retirement Ten (10) Year Certain Option. After the BV Participant's death prior to his Benefit Commencement Date, a monthly benefit shall be paid to the BV Participant's Beneficiary for one hundred twenty (120) months. The amount of the Pre-Retirement Ten (10) Year Certain Option is equal to the Actuarial Equivalent of the Single Life Annuity Option otherwise payable to the Beneficiary during his lifetime but, in the event of his death within the 120-month period beginning on the date as of which payments commence, the same lesser amount to be paid to his Beneficiary for the remainder of such 120-month period.
- (c) The election of the Pre-Retirement Survivor Option or the Pre-Retirement Ten (10) Year Certain Option shall be canceled automatically if and when the Qualified Pre-Retirement Surviving Spouse Annuity becomes effective in accordance with Section F9.3(a) hereof.

- (d) If a BV Participant has elected the Pre-Retirement Survivor Option or Pre-Retirement Ten (10) Year Certain Option and his employment is terminated other than by death or retirement prior to the first day of the month next following his fifty-fifth (55th) birthday, whether before or after the stated effective date of the option, the election shall be null and void.

F9.4 Pre-Retirement Survivor's Benefit.

- (a) The Beneficiary of a BV Participant who dies when he is not survived by a Spouse eligible for benefits under Section F9.3(a) or a Beneficiary eligible for benefits under Section F9.3(b) hereof will be entitled to a Pre-Retirement Survivor's Benefit under this Section if the BV Participant dies prior to his Benefit Commencement Date and at the time of his death was:
  - (i) an Eligible Employee who had completed ten (10) years of Eligibility Service; or
  - (ii) retired and eligible for a normal, early or postponed retirement pension.

Notwithstanding the foregoing or any other provision of this Part F, a deceased BV Participant's surviving Spouse who is eligible for benefits under Section F9.3(a) hereof may elect to receive a Pre-Retirement Survivor's Benefit under this Section in lieu of the Qualified Pre-Retirement Surviving Spouse Annuity under Section F9.3(a) hereof if such deceased BV Participant met the requirements of subparagraph (i) or (ii) above at the time of his death. The Administrator shall furnish any such surviving Spouse with a written explanation of the terms and conditions of the Pre-Retirement Survivor's Benefit and the effect of an election to waive the Qualified Pre-Retirement Surviving Spouse Annuity. Any election by the surviving Spouse under this Section F9.4(a) shall be in writing on a form prescribed by the Administrator for such purpose.

- (b) The Pre-Retirement Survivor's Benefit shall be monthly income paid to and for the life of such Beneficiary, commencing on the first day of the month following the BV Participant's death. Notwithstanding the foregoing, if the benefit to the Beneficiary shall be payable in a single lump sum payment pursuant to the election of the Beneficiary under any applicable provision of this Plan, payment shall be made no later than December 31 of the end of the year following the year in which occurs the BV Participant's death or the end of the year in which the BV Participant dies, if he was past Normal Retirement Date at the time of death. Subject to the provisions of Section F9.7 hereof, the amount of monthly income payable to the Beneficiary shall be equal to what the

Beneficiary would have received had he been the BV Participant's Joint Annuitant and had such BV Participant, on the first day of the month following his death, started receiving his benefits under the 100% Joint and Survivor Annuity Option (as described in Section F8.3(b) hereof and actuarially equivalent to the Single Life Annuity Option described in Section F2.32 hereof). The amount of monthly income payable to the Beneficiary shall be further reduced for commencement prior to the date the BV Participant would have attained Age sixty (60) in accordance with Section F6.3(b) hereof; provided, however, that the amount of the reduction shall not exceed 25%. The birth dates of the BV Participant and his Beneficiary shall be used for the purpose of the calculations to be made in accordance with this subparagraph.

- (c) For purposes of this Section, the term "Beneficiary" shall have the meaning set forth in Section F9.6 hereof.

Except as otherwise provided in subparagraph (a) above with regard to the election of a surviving Spouse to receive a Pre-Retirement Survivor's Benefit under this Section, no benefit shall be payable under this Section upon the death of a BV Participant if no Beneficiary is designated under this Section.

#### F9.5 Qualified Pre-Retirement Survivor's Benefit.

- (a) The Beneficiary of a BV Participant who dies when he is not survived by a Spouse eligible for benefits under Section F9.3(a) or a Beneficiary eligible for benefits under Section F9.3(b) hereof will be entitled to a Qualified Pre-Retirement Survivor's Benefit under this Section if the BV Participant dies prior to his Benefit Commencement Date and at the time of his death was:
  - (i) an Eligible Employee who had completed five (5) years of Eligibility Service but fewer than ten (10) years of Eligibility Service; or
  - (ii) a terminated married BV Participant eligible for a terminated vested pension.

Notwithstanding the foregoing or any other provision of this Part F, a deceased BV Participant's surviving Spouse who is eligible for benefits under Section F9.3(a) hereof may elect to receive a Qualified Pre-Retirement Survivor's Benefit under this Section in lieu of the Qualified Pre-Retirement Surviving Spouse Annuity under Section F9.3(a) hereof if such deceased BV Participant met the requirements of subparagraph (i) or (ii) above at the time of his death. The Administrator shall furnish any such surviving Spouse with a written explanation of the terms and

conditions of the Qualified Pre-Retirement Survivor's Benefit and the effect of an election to waive the Qualified Pre-Retirement Surviving Spouse Annuity. Any election by the surviving Spouse under this Section F9.5(a) shall be in writing on a form prescribed by the Administrator for such purpose.

- (b) The Qualified Pre-Retirement Survivor's Benefit shall be monthly income paid to and for the life of such Beneficiary, commencing on the first day of any month between the month after the month in which occurs the BV Participant's death and December 31 of the year following the year in which occurs the BV death, as the Beneficiary selects, provided that if the BV Participant had attained his Normal Retirement Date prior to his death, payments to the Beneficiary shall commence as of the first day of the month following the month in which occurs the BV Participant's death. Notwithstanding the foregoing, if the benefit to the Beneficiary shall be payable in a single lump sum payment pursuant to the election of the Beneficiary under any applicable provision of this Plan, payment shall be made no later than December 31 of the end of the year following the year in which occurs the BV Participant's death or the end of the year in which the BV Participant dies, if he was past Normal Retirement Date at the time of death. Subject to the provisions of Section F9.7 hereof, the amount of monthly income payable to the Beneficiary shall be equal to what the Beneficiary would have received had he been the BV Participant's Joint Annuitant and had such BV Participant, on the first day of the month following his death, started receiving his benefits under the 100% Joint and Survivor Annuity Option (as described in Section F8.3(b) hereof and actuarially equivalent to the Single Life Annuity Option described in Section F2.32 hereof). If payment begins on or after the date the BV Participant attained or would have attained Age 55 and before the date the BV Participant attained or would have attained Age sixty(60), the amount of monthly income payable to the Beneficiary shall be reduced in accordance with Section F6.3(b) hereof; provided that the amount of the reduction shall not exceed 25%. If benefit payments to the Beneficiary begin prior to the time the BV Participant would have attained Age fifty-five (55), the monthly benefit shall be further reduced in accordance with the actuarial factors set forth in subsections (a)(i) and (b)(i) of Section A2.2 for each month in which benefit payments commence prior to attainment of Age fifty-five (55). The birth dates of the BV Participant and his Beneficiary shall be used for the purpose of the calculations to be made in accordance with this subparagraph.
- (c) For purposes of this Section, the term "Beneficiary" shall have the meaning set forth in Section F9.6 hereof.

Except as otherwise provided in subparagraph (a) above with regard to the election of a surviving Spouse to receive a Qualified Pre-Retirement Survivor's Benefit under this Section, no benefit shall be payable under this Section upon the death of a BV Participant if no Beneficiary is designated under this Section.

F9.6 Beneficiary. For purposes of Sections F9.4 and F9.5 hereof, the term "Beneficiary" means:

- (a) In the case of a designation by an unmarried BV Participant, only one (1) individual designated by such BV Participant, and may not include an entity, such as a trust, an estate or any organization, including but not limited to, any charitable organization, to receive the benefit payable under Section F9.4 or F9.5 hereof, whichever is applicable, upon his death. A Beneficiary designation may be changed or revoked by an unmarried BV Participant at any time without the consent of any Beneficiary. A designation, change or revocation of Beneficiary shall be made in the form and manner prescribed by the Administrator and shall become effective when filed with the Administrator; provided, however, such designation, change or revocation of Beneficiary shall not be valid unless the form has been filed with the Administrator prior to the time of the BV Participant's death.
- (b) In the case of an election by a surviving Spouse under Section F9.4(a) or F9.5(a), such surviving Spouse.

F9.7 Payment of death benefits under this Article must conform to the incidental death benefit requirements of Section 1.401(a)(9)-6 of the Treasury Regulations. In the event the Beneficiary of a BV Participant is a person who is not his Spouse and such person's death benefit under Section F9.4 or F9.5 hereof cannot be determined by using the 100% Joint and Survivor Annuity Option since such Option fails to satisfy the requirements of the preceding sentence, the applicable death benefit shall instead be determined as if the BV Participant had elected the maximum Joint and Survivor Annuity Option (75% or 50%) permitted under said Treasury Regulations.



**APPENDIX I**  
**TO**  
**PART F**

Table 1 (Section F2.2 - Annual Rate of Past Service Compensation):

<u>Column 1</u>	<u>Column 2</u>
On or after 10/1/08 but before 10/1/09	calendar years prior to 2003
On or after 10/1/09 but before 10/1/10	calendar years prior to 2004
On or after 10/1/10 but before 10/1/11	calendar years prior to 2005
On or after 10/1/11 but before 10/1/12	calendar years prior to 2006
On or after 10/1/12 but before 10/1/13	calendar years prior to 2007
On or after 10/1/13 but before 10/1/14	calendar years prior to 2008
On or after 10/1/14 but before 10/1/15	calendar years prior to 2009
On or after 10/1/15 but before 10/1/16	calendar years prior to 2010
On or after 10/1/16 but before 10/1/17	calendar years prior to 2011
On or after 10/1/17 but before 10/1/18	calendar years prior to 2012
On or after 10/1/18 but before 10/1/19	calendar years prior to 2013
On or after 10/1/19 but before 10/1/20	calendar years prior to 2014
On or after 10/1/20	calendar years prior to 2015

Table 2 (Section F4.1 - Past Benefit Service):

<u>Column 1</u>	<u>Column 2</u>
On or after 10/1/08 but before 10/1/09	January 1, 2003
On or after 10/1/09 but before 10/1/10	January 1, 2004
On or after 10/1/10 but before 10/1/11	January 1, 2005
On or after 10/1/11 but before 10/1/12	January 1, 2006
On or after 10/1/12 but before 10/1/13	January 1, 2007
On or after 10/1/13 but before 10/1/14	January 1, 2008
On or after 10/1/14 but before 10/1/15	January 1, 2009
On or after 10/1/15 but before 10/1/16	January 1, 2010
On or after 10/1/16 but before 10/1/17	January 1, 2011
On or after 10/1/17 but before 10/1/18	January 1, 2012
On or after 10/1/18 but before 10/1/19	January 1, 2013
On or after 10/1/19 but before 10/1/20	January 1, 2014
On or after 10/1/20	January 1, 2015