

**PART K**

**ALLEGHENY ENERGY**

**RETIREMENT PLAN PROVISIONS**

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

(Amendment No. 4 to Part K)

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ARTICLE K1

NAME AND CONSTITUENT PLAN

K1.1 Name. The name of this part of the Plan is the Allegheny Energy Retirement Plan Provisions (sometimes referred to as “Part K”).

K1.2 Constituent Plan. Part K, together with Part A of the Plan, constitute the Allegheny Energy Retirement Plan (sometimes referred to as the “Allegheny Constituent Plan”). The Allegheny Constituent Plan is an amendment and restatement of the Allegheny Energy Retirement Plan.

## ARTICLE K2

### DEFINITIONS

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

K2.1 Accrued Benefit or Retirement Benefit. The words “Accrued Benefit” or “Retirement Benefit” shall mean with respect to an Allegheny Participant the annual amount of normal retirement benefit payable under the Single Life Annuity Option and nonforfeitable as of the Allegheny Participant’s Normal Retirement Date in accordance with the provisions of Section K6.1 hereof. In the event an Allegheny Participant’s employment terminates prior to his Normal Retirement Date, his Accrued Benefit shall generally be determined as of the date employment terminated and any Retirement Benefit payable under the Single Life Annuity Option to a vested Allegheny Participant shall be determined as provided in Article K6 hereof. An Allegheny Participant’s monthly Accrued Benefit under the Allegheny Constituent Plan shall be equal to one-twelfth (1/12th) of the annual amount determined under this Section.

K2.2 Accumulated Contributions. The words “Accumulated Contributions” shall mean the aggregate of any contributions made by an Allegheny Participant under any Predecessor Plan that have not been withdrawn plus interest thereon determined as follows:

- (a) For purposes of determining the Accrued Benefit attributable to his contributions as set forth in Section K10.3(a) hereof, interest from July 1, 1976 through December 31, 1987 shall be five percent (5%) per annum compounded annually or such other minimum rate of interest as may be required under Section 411(c)(2) of the Code and, effective January 1, 1988, 120% of the Federal mid-term rate as in effect under Section 1274 of the Code for the first month of the Plan Year for the period up to the date on which the determination is made.
- (b) For purposes of determining the Accrued Benefit attributable to his contributions as set forth in Section K10.3(b) hereof, interest at the rate(s) set forth in subparagraph (a) above shall be used through the date of

determination and the rate of interest specified in Section A2.2(b)(ii) hereof shall be used to project interest from the date of determination to the Allegheny Participant's Normal Retirement Date in accordance with Section 411(c)(2) of the Code.

K2.3 Actuarial Equivalent. The words "Actuarial Equivalent" shall mean the benefit having the same value as the benefit which the actuarial equivalent replaces. Except as expressly provided to the contrary elsewhere in this Part K, determinations of actuarial equivalence required by the provisions of the Allegheny Constituent Plan with respect to Non-Bargaining Unit Employees and Bargaining Unit Employees and Beneficiaries of such Non-Bargaining Unit Employees and Bargaining Unit Employees shall be made on the basis of the following:

- (a) with respect to forms of benefit other than lump sum payments, the mortality table specified in Section A2.2(a)(i) hereof and the rate of interest specified in Section A2.2(b)(i) hereof; or
- (b) with respect to lump sum payments (including cashouts), the rate of interest specified in Section A2.2(b)(ii) hereof and the mortality table specified in Section A2.2(a)(ii) hereof.

The amount subject to Section 411(c)(3) of the Code of any distribution, including a single sum, must not be less than the amount calculated using the factors in subparagraph (b) above. The present value of any annuity form of payment cannot be less than the present value of the normal retirement benefit determined under Section K6.1 hereof using the factors in subparagraph (b) above to the extent required by applicable law.

K2.4 Allegheny Participant. The words "Allegheny Participant" shall mean any Eligible Employee who becomes an Allegheny Participant in accordance with Section K3.1 hereof. Any person who has become an Allegheny Participant in accordance with Section K3.1 hereof shall continue to be an Allegheny Participant in accordance with the provisions of Section

K3.2 hereof and his status as an Allegheny Participant or as an Inactive Allegheny Participant shall be determined under said Section K3.2 hereof.

K2.5 Annual Earnings. The words “Annual Earnings” (payable by a Participating Employer for a Computation Year commencing on or after July 1, 1997) shall mean the greater of:

- (a) The Allegheny Participant’s total annual Earnings for the calendar year preceding such Computation Year;
- (b) The Allegheny Participant’s monthly base salary on the first day of such Computation Year multiplied by twelve (12); or
- (c) The Allegheny Participant’s hourly base rate on the first day of such Computation Year multiplied by the Allegheny Participant’s normal scheduled hours for a year.

Annual Earnings in excess of the Compensation Limit shall not be taken into account.

If the period for determining Annual Earnings used in calculating benefits under the Allegheny Constituent Plan for a determination period is a short Computation Year (i.e., shorter than 12 months), and an alternative twelve (12) month computation period has not been designated, the Compensation Limit is an amount equal to the otherwise applicable Compensation Limit multiplied by a fraction, the numerator of which is the number of months in the short Computation Year, and the denominator of which is twelve (12).

K2.6 Base Annual Rate. The words “Base Annual Rate” shall mean for an Allegheny Participant the lesser of:

- (a) the Allegheny Participant’s highest July 1st monthly base salary multiplied by twelve (12) plus any lump sum payment received under the annual base salary administration program;

OR

effective July 1, 1999, the Allegheny Participant’s highest July 1<sup>st</sup> hourly rate multiplied by the Allegheny Participant’s normal scheduled hours for

the twelve (12) months beginning on that July 1<sup>st</sup> plus any lump sum payment received under the annual base salary administration program; and

- (b) the Allegheny Participant's highest average monthly Earnings for any sixty (60) consecutive months of Earnings multiplied by twelve (12), or, for an Allegheny Participant with less than five (5) years of employment prior to his Retirement Date, the Allegheny Participant's average annual Earnings during his total period of employment. Months in which the Allegheny Participant had no Earnings are excluded from the sixty (60) consecutive months for purposes of this average.

Base Earnings in excess of the Compensation Limit shall not be taken into account.

**K2.7 Benefit Commencement Date.** The words "Benefit Commencement Date" shall mean for an Allegheny Participant the first day of the month for which benefits are payable as an annuity or in the case of benefits not payable as an annuity, the first day on which all events have occurred (including receipt by the Administrator of any required application for benefits) which entitle the Allegheny Participant to the benefits. Except as otherwise required by law, if the stock or assets of the business unit by which an Allegheny Participant is employed are sold or transferred to a person, entity or joint venture which is not an Affiliate of a Participating Employer, such Allegheny Participant's Benefit Commencement Date may not occur earlier than the date the Allegheny 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.

**K2.8 Break in Service.** The words "Break in Service" shall mean a Plan Year during which an Employee completes less than five hundred (500) Hours of Service; provided, however, that with respect to the short Plan Year which commenced July 1, 2012 and ended December 31, 2012, an Employee who completes less than five hundred (500) Hours of Service in such short Plan Year shall not have a Break in Service if he completes at least five hundred

(500) Hours of Service in the 2012 calendar year. For this purpose, Hours of Service shall include hours granted at the rate of the Employee's normally scheduled work hours per day for periods during which he is on a Leave of Absence. Solely for purposes of determining whether a Break in Service has occurred, an Employee who is absent from work due to a Maternity/Paternity Leave of Absence shall be credited with eight (8) Hours of Service for each business day during such leave, but not in excess of a total of five hundred one (501) Hours of Service. These additional Hours of Service shall be credited for the Plan Year in which the Maternity/Paternity Leave of Absence begins only if their application would prevent the Employee from incurring a Break in Service for such Plan Year. In all other cases, the additional Hours of Service shall be credited for the Plan Year immediately following the Plan Year in which the Maternity/Paternity Leave of Absence begins only if their application would prevent the Employee from incurring a Break in Service for such Plan Year.

In addition, on and after August 5, 1993, FMLA Leave shall not be treated as or counted toward a Break in Service under the Allegheny Constituent Plan for purposes of determining whether an Allegheny Participant is entitled to a vested Retirement Benefit (as described in Section K6.5 hereof).

K2.9 Compensation Limit. The words "Compensation Limit" shall mean the annual earnings or compensation (such annual earnings or compensation hereinafter referred to in this Section as "Compensation") of each Allegheny Participant taken into account under the Allegheny Constituent Plan for the period the Compensation is being determined which shall not exceed the following:

- (a) for Plan Years or consecutive twelve (12) month periods which began prior to July 1, 1990, Two Hundred Thousand Dollars (\$200,000.00);



- (b) for Plan Years or consecutive twelve (12) month periods which began after June 30, 1989 and prior to July 1, 1994, Two Hundred Thousand Dollars (\$200,000.00) (plus any adjustment for cost-of-living as prescribed by the Secretary of the Treasury pursuant to Sections 401(a)(17) and 415(d) of the Code);
- (c) for Plan Years or consecutive twelve (12) month periods which began after June 30, 1994 and prior December 31, 2001, One Hundred Fifty Thousand Dollars (\$150,000.00) (plus any adjustment for cost-of-living as prescribed by the Secretary of the Treasury pursuant to Sections 401(a)(17) and 415(d) of the Code); and
- (d) for Plan Years or consecutive twelve (12) month periods which began after December 31, 2001, Two Hundred Thousand Dollars (\$200,000.00) (plus any adjustment for cost-of-living as prescribed by the Secretary of the Treasury pursuant to Sections 401(a)(17) and 415(d) of the Code);

provided, however, that in determining benefit accruals in Plan Years beginning after December 31, 2001, the Compensation Limit for Plan Years beginning before January 1, 2002, shall be \$200,000. If Compensation for any prior Plan Year or consecutive twelve (12) month period is taken into account in determining an Allegheny Participant's benefits for the current Plan Year, the Compensation for such prior Plan Year or period is subject to the applicable annual Compensation Limit in effect for that prior Plan Year or period. In addition, the cost-of-living adjustment in effect for a calendar year applies to Compensation for the Plan Year that begins with or within such calendar year.

K2.10 Computation Year. The words "Computation Year" shall mean:

- (a) for periods ending prior to July 1, 2012, the Plan Year; and
- (b) for periods commencing on and after July 1, 2012, a period commencing with July 1 and ending on the succeeding June 30.

K2.11 Contingent Beneficiary. The words "Contingent Beneficiary" shall mean the person designated by an Allegheny Participant pursuant to Section K8.2 hereof to receive the remaining guaranteed payments under a Period Certain Annuity Option if the Allegheny

Participant dies prior to the expiration of the Selected Period under the Period Certain Annuity Option.

K2.12 Covered Collective Bargaining Unit. The words “Covered Collective Bargaining Unit” shall mean the Utility Workers Union of America Local 102 (“UWUA Local 102”).

K2.13 Covered Compensation. The words “Covered Compensation” shall mean the average of the Social Security taxable wage bases in effect for each July 1st, redetermined as of each July 1st to equal the average annual Social Security Wage Base during the 35-year period ending on the last day of the calendar year, rounded to the nearest multiple of six hundred dollars (\$600.00), except that years before 1959 shall not be taken into account for purposes of this average.

K2.14 Deferred Retirement Date. The words “Deferred Retirement Date” shall mean the first day of a month subsequent to an Allegheny Participant’s Normal Retirement Date upon which his actual retirement has occurred.

K2.15 Early Retirement Date. The words “Early Retirement Date” shall mean the first day of any month coinciding with or next following the Allegheny Participant’s attainment of Age fifty-five (55), but prior to his attainment of Age sixty-five (65), upon which his actual retirement has occurred and he is eligible for a Retirement Benefit pursuant to Section K5.3 hereof.

K2.16 Earnings. The word “Earnings” shall mean for any Eligible Employee for any Plan Year:

- (a) Except as otherwise provided in this definition, all wage and salary earnings payable by a Participating Employer or Affiliate to an Allegheny Participant during any Plan Year but including elective deferrals and amounts that are excluded from gross income under Section 125 (which

exclusions shall be deemed to include any amounts not available to an Allegheny Participant in cash in lieu of group health coverage because the Allegheny Participant is unable to certify that he has other health coverage, so long as the Participating Employer or Affiliate does not request or collect information regarding the Allegheny Participant's other health coverage as part of the enrollment process for the employer's health plan), 402(e)(3), 402(h), 403(b) or 457 of the Code and amounts that are excluded from gross income under Section 132(f)(4) of the Code. Earnings shall include an Allegheny Participant's base pay, overtime pay, shift differential, premium pay, commissions, payments under a non-executive or short-term variable or incentive compensation plan and lump sums made under the Participating Employer or Affiliate base salary administration program for certain Eligible Employees. Effective January 1, 2009, Earnings shall include differential wage payments made by a Participating Employer or Affiliate to an Allegheny Participant in accordance with Sections 3401(h) and 414(u)(12) of the Code.

- (b) Earnings shall not include:
- (i) bonuses, non-cash awards (i.e., spot awards);
  - (ii) proceeds from the exercise of stock options or stock appreciation rights and earnings from grants of restricted stock, restricted stock units, or other stock-based awards;
  - (iii) moving expenses or other payments made in connection with a relocation;
  - (iv) reimbursements for medical or dental premiums;
  - (v) other reimbursements or allowances for reasonable business-related expenses, including, without limitation, any automobile allowance;
  - (vi) payments made to "gross-up" an Allegheny Participant for any applicable taxes;
  - (vii) any bonuses that are paid to an Allegheny Participant for reasons other than the direct performance of services for the Participating Employer or an Affiliate, including, without limitation, signing bonuses and retention or stay bonuses;
  - (viii) the imputed value of Participating Employer or Affiliate-provided life insurance;

- (ix) the value of any Participating Employer or Affiliate-paid educational assistance benefits that are taxable to the Allegheny Participant;
  - (x) any separation or severance payments;
  - (xi) employer contributions to the FirstEnergy Corp. Flexible Benefit Plan; and
  - (xii) any other elements of compensation as the Administrator may determine.
- (c) Earnings for an Allegheny Participant who experiences a period of Military Service means the Earnings that the Allegheny Participant would have received during the period of Military Service or, if the amount of such Earnings is not reasonably certain, the Allegheny Participant's average earnings from a Participating Employer or Affiliate for the twelve (12) month period immediately preceding the Allegheny Participant's period of Military Service (or, if shorter, the period immediately before the period of Military Service); provided, however, that the Allegheny Participant returns to work within the period during which his right to reemployment is protected by law.
- (d) Earnings in excess of the Compensation Limit shall not be taken into account. However, if the period for determining Earnings is a short Plan Year (i.e., shorter than 12 months), the Compensation Limit is an amount equal to the otherwise applicable Compensation Limit multiplied by a fraction, the numerator of which is the number of months in the short Plan Year, and the denominator of which is twelve (12).

K2.17 Eligible Employee. The words "Eligible Employee" shall mean a Bargaining Unit Employee of a Participating Employer who is represented by or a member of a Covered Collective Bargaining Unit and is employed by a Participating Employer on:

- (a) a regular or probationary full-time basis; or
- (b) a part-time or temporary basis where he is scheduled to complete at least one thousand (1,000) Hours of Service within a twelve (12) month period:
  - (i) beginning with the date of employment; or
  - (ii) within a Plan Year or, with respect to the short Plan Year which commenced July 1, 2012 and ended December 31, 2012, within such Plan Year or the 2012 calendar year; or

- (c) a part-time or temporary basis where he actually completes one thousand (1,000) Hours of Service in the computation period set forth in subparagraph (b) above;

but excluding any such Bargaining Unit Employee who is hired or rehired on or after January 1, 2015 and is a member of UWUA Local 102.

An Employee shall cease to be an “Eligible Employee” upon the earliest to occur of:

- (A) his termination of employment;
- (B) his ceasing to be an Employee (as described in Section A2.17 hereof);
- (C) his becoming employed by a company which is not a Participating Employer; or
- (D) his becoming covered by a collective bargaining agreement which excludes participation in the Allegheny Constituent Plan or does not require inclusion in the Allegheny Constituent Plan.

An individual will be considered to be an Eligible Employee for periods from January 1, 1997 to the Restatement Date during which he was an “Employee” as defined in the Predecessor Plan as then in effect.

K2.18 Hour of Service. The words “Hour of Service” shall mean each hour for which an Employee is paid, or entitled to payment, by a Participating Employer or Affiliate during the Plan Year, including hours, at the rate of the Employee’s normally scheduled work hours per day, during periods of vacations, regular holidays, temporary illness, and effective December 12, 1994, Military Service, and each hour for which back pay, irrespective of mitigation of damage, has been either awarded or agreed to by a Participating Employer or Affiliate. These hours shall be credited to the Employee for the applicable computation period in which payment is made or amounts payable to the Employee become due and shall be calculated

and credited pursuant to Section 2530.200b-2 of the Department of Labor Regulations, which are incorporated herein by reference.

Notwithstanding the foregoing, only Hours of Service with a Participating Employer are recognized for benefit accrual; provided, however, that for purposes of benefit accrual Hours of Service may also include additional Hours of Service with an Affiliate to the extent agreed to by the Board in its sole discretion on a non-discriminatory basis as to all persons similarly situated.

K2.19 Joint Annuitant. The words “Joint Annuitant” shall mean either:

- (a) the spouse to whom an Allegheny Participant is married on his Benefit Commencement Date; or
- (b) a non-spouse Beneficiary;

who is designated, or deemed to have been designated, by the Allegheny Participant pursuant to Article K8 hereof to receive Retirement Benefit payments under an Annuity Option described in Article K8, other than the Period Certain Annuity Option, on his death.

K2.20 Leave of Absence. The words “Leave of Absence” shall mean any period of absence from the employ of a Participating Employer which is approved by the Administrator on a uniform and nondiscriminatory basis and any other leave of absence required to be credited under Section 2530.2006-2 of the Department of Labor Regulations.

K2.21 Normal Retirement Age. The words “Normal Retirement Age” shall mean Age sixty-five (65) with respect to an Allegheny Participant.

K2.22 Normal Retirement Date. The words “Normal Retirement Date” shall mean with respect to an Allegheny Participant the first day of the first calendar month following his attainment of his Normal Retirement Age (or the date of attainment of his Normal Retirement Age if that date occurs on the first day of a calendar month).

K2.23 Participating Employer. The words “Participating Employer” shall mean any Affiliate of the Company which is or shall become a Participating Employer under the Allegheny Constituent Plan pursuant to Article A13 hereof, but only for periods while it is deemed to be a Participating Employer under the Allegheny Constituent Plan or a Predecessor Plan.

K2.24 Plan Year. The words “Plan Year” shall mean:

- (a) For periods prior to January 1, 2013, a period commencing with July 1 and ending on the succeeding June 30, except that:
  - (i) the Plan Year which began on July 1, 2000 ended on August 17, 2000, and a new Plan Year began on August 18, 2000 and ended immediately before July 30, 2001; and
  - (ii) the Plan Year which began on July 1, 2012 ended on December 31, 2012.

Notwithstanding the foregoing, for purposes of all calculations and limitations based on a 12-month year prior to July 1, 2012, Plan Year shall mean the period commencing July 1 and ending before the next June 30.

- (b) For periods after December 31, 2012, the calendar year.

K2.25 Predecessor Plan. The words “Predecessor Plan” shall mean, solely for purposes of this Part K, the Allegheny Energy Retirement Plan in effect immediately prior to the Restatement Date, or such predecessor version of such Plan applicable to an Allegheny Participant.

K2.26 Retirement Date. The words “Retirement Date” shall mean the date of the Allegheny Participant’s actual retirement on his Deferred, Normal or Early Retirement Date, as the case may be.

K2.27 Service. The word “Service” shall have the meaning set forth in Article K4 hereof.

K2.28 Social Security Wage Base. The words “Social Security Wage Base” shall mean the annual amount of wages specified as the maximum amount to be included in the determination of Company or Participating Employer contributions under the Federal Insurance Contributions Act in effect at the beginning of each Plan Year.

K2.29 UWUA Local 102 Participant. The words “UWUA Local 102 Participant” shall mean an Allegheny Participant who is a member of or represented by Utility Workers Union of America Local 102.

K2.30 UWUA Local 304 Participant. The words “UWUA Local 304 Participant” shall mean a “UWUA Local 304 Member” under the Predecessor Plan immediately prior to the Restatement Date. A UWUA Local 304 Participant is an Inactive Allegheny Participant.



## ARTICLE K3

### ELIGIBILITY AND PARTICIPATION

#### K3.1 Requirements.

- (a) Each Eligible Employee who was accruing benefits as a UWUA Local 102 Participant under the Predecessor Plan immediately prior to January 1, 2015 shall become an Allegheny Participant under the Allegheny Constituent Plan on January 1, 2015. Each such Eligible Employee originally became a Member in the Predecessor Plan as of the date specified in the Predecessor Plan.
- (b) Any other Eligible Employee who is hired or rehired prior to January 1, 2015 shall become an Allegheny Participant under the Allegheny Constituent Plan on the first day of the month following his completion of one thousand (1,000) Hours of Service within a twelve (12) month period beginning with his date of hire or within a Plan Year or, if later, his becoming an Eligible Employee.
- (c) Each UWUA Local 304 Participant who was accruing benefits under the Predecessor Plan immediately prior to January 1, 2015 shall not become an Allegheny Participant under the Allegheny Constituent Plan on January 1, 2015. Such a UWUA Local 304 Participant shall not be an Eligible Employee on January 1, 2015 and, as a result, shall be classified as and become an Inactive Allegheny Participant on January 1, 2015. In addition, no other Employee of a Participating Company who is a member of or represented by Utility Workers Union of America Local 304 (“UWUA Local 304”) shall be eligible to become an Allegheny Participant on or after January 1, 2015.
- (d) In accordance with the foregoing, the Predecessor Plan, Section K2.17 and Article A12 hereof, no Employee of a Participating Employer is eligible to become an Allegheny Participant under the Allegheny Constituent Plan on or after January 1, 2015 (or a Member under the Allegheny Energy Retirement Plan on or after January 1, 2012) unless he is a member of a Covered Collective Bargaining Unit and was hired or rehired prior to January 1, 2015.

#### K3.2 Status of Participant. Subject to Section K3.1(c) hereof, the status of an

Allegheny Participant or a UWUA Local 304 Participant shall be determined as follows:

- (a) He shall be an Allegheny Participant so long as he is an Eligible Employee, and shall cease to be an Allegheny Participant when he shall have ceased to be an Eligible Employee.

- (b) He shall be considered to be an Inactive Allegheny Participant during any period in which he continues to be an Employee but is not an Eligible Employee. Inactive Allegheny Participants do not accrue benefits (other than a Run Up Benefit in certain specified situations) under the Allegheny Constituent Plan. In addition, any other Employee who is not an Allegheny Participant but who has an Accrued Benefit under the Allegheny Constituent Plan which has not been cancelled shall be considered to be an Inactive Allegheny Participant.

## ARTICLE K4

### CREDITING OF SERVICE

K4.1 Service. Service includes all periods of employment for which an Employee is paid or entitled to payment for services rendered. Service shall be determined as the total of:

- (a) “Service Before July 1, 1976” (which is further described below and, except as otherwise provided, does not include service with Affiliates); and
- (b) “Service After June 30, 1976” (further described below);

and shall accrue ratably on the basis of:

- (i) full months of employment for purposes of calculating the amount of an Allegheny Participant’s Retirement Benefit under Article K6 hereof; and
- (ii) Hours of Service for purposes of service for eligibility and vesting.

An Employee hired during the first half of a calendar month receives credit for a full month of Service.

In the case of an Allegheny Participant who elected to work past Normal Retirement Date and who has at least one (1) Hour of Service on or after July 1, 1988, all Service (including Service after Normal Retirement Date) will be counted in the calculation of his Retirement Benefit. If an Allegheny Participant who elected to work past his Normal Retirement Date is not credited with an Hour of Service after June 30, 1988, then such Allegheny Participant’s benefit payments will be exactly the same as though he had retired on his Normal Retirement Date.

“Service Before July 1, 1976” shall mean periods of employment (limited as described above) prior to July 1, 1976 and shall not be considered interrupted because of Leaves

of Absence or Military Service, but all other breaks in an Employee's employment before July 1, 1976 will be considered as interrupting the Employee's Service and result in a loss of all pre-break service. Notwithstanding the foregoing, if an Employee who had a break in employment before July 1, 1976 is an Employee at any time on or after July 1, 2000, such Employee's pre-break service shall again be credited to the Employee. For purposes of determining entitlement to the minimum benefit under Section K6.3 hereof, "Service Before July 1, 1976" shall include any period of employment with the Tarentum Borough Electric Plant which immediately preceded employment with Allegheny Power System, Inc.

"Service After June 30, 1976" means Years of Service after June 30, 1976 with a Participating Employer and, for purposes of eligibility and vesting, Service after June 30, 1976 with an Affiliate.

Effective July 1, 2001, a past service credit was provided to Employees actively employed on or after July 1, 2000, who terminated employment with a Participating Employer prior to July 1, 1976, and were subsequently reemployed by the Participating Employer.

K4.2 Year of Service (Vesting Only). An Allegheny Participant shall be credited with a Year of Service for vesting purposes for each Plan Year in which he completes at least one thousand (1,000) Hours of Service; provided, however, that with respect to the short Plan Year which commenced July 1, 2012 and ended December 31, 2012, an Employee who completes less one thousand (1,000) Hours of Service in such short Plan Year shall be credited with a Year of Service if he completes at least one thousand (1,000) Hours of Service in the 2012 calendar year.

K4.3 Break in Service Rules. If an Eligible Employee who does not have a nonforfeitable right to a Retirement Benefit derived from Participating Employer contributions

has a Break in Service after June 30, 1976 but before July 1, 1985 and his number of consecutive Breaks in Service:

- (a) Equals or exceeds his number of Years of Service prior to such Break in Service, such Years of Service prior to such Break in Service shall not be taken into account for purposes of benefit accrual and vesting.
- (b) Is less than his number of Years of Service prior to such Break in Service, such Years of Service prior to such Break in Service shall be taken into account for purposes of benefit accrual and vesting as of the date the Eligible Employee is first credited with an Hour of Service after reemployment. The Eligible Employee shall become an Allegheny Participant immediately upon returning to work after a Break in Service.

If an Eligible Employee who does not have a nonforfeitable right to a Retirement Benefit derived from Participating Employer contributions has a Break in Service after June 30, 1985 and his number of consecutive Breaks in Service:

- (a) Equals or exceeds the greater of:
  - (i) five (5) years; or
  - (ii) the aggregate number of Years of Service prior to such Break in Service;such Years of Service prior to such Break in Service shall not be taken into account for purposes of benefit accrual and vesting.
- (b) Is then still less than the greater of:
  - (i) five (5) years; or
  - (ii) the aggregate number of Years of Service prior to such Break in Service;such Years of Service prior to such Break in Service shall be taken into account for purposes of benefit accrual and vesting as of the date the Eligible Employee is first credited with an Hour of Service after reemployment. The Eligible Employee shall become an Allegheny Participant immediately upon returning to work after a Break in Service.

If an Eligible Employee who has a nonforfeitable right to a Retirement Benefit derived from Participating Employer contributions has a Break in Service, Years of Service prior

to such Break in Service shall be taken into account for all purposes of the Allegheny Constituent Plan as of the date the Eligible Employee is first credited with an Hour of Service after reemployment. The Eligible Employee shall become an Allegheny Participant immediately upon returning to work after a Break in Service.

## ARTICLE K5

### ELIGIBILITY FOR RETIREMENT BENEFIT

K5.1 Normal Retirement. An Allegheny Participant who retires from employment on his Normal Retirement Date shall be eligible to receive a Retirement Benefit as provided in Section K6.1 hereof. Such Retirement Benefit shall have become nonforfeitable upon the Allegheny Participant attaining Age fifty-five (55) while employed by a Participating Employer or an Affiliate.

K5.2 Deferred Retirement. An Allegheny Participant who continues in the employ of a Participating Employer or an Affiliate beyond his Normal Retirement Date shall be eligible to retire and receive a Retirement Benefit as determined in Section K6.1 hereof. Such an Allegheny Participant shall be provided with the notification described in Department of Labor regulation Section 2530.203-3.

K5.3 Early Retirement. An Allegheny Participant who continues in the employ of a Participating Employer or an Affiliate until his attainment of Age fifty-five (55), but not Age sixty-five (65), shall be eligible to retire on an Early Retirement Date and receive a Retirement Benefit as determined in Section K6.2 hereof.

K5.4 Vested Retirement Benefit. If an Allegheny Participant has completed at least five (5) Years of Service (as described in Section K4.2 hereof) on the date his employment terminates for any reason (other than death or retirement), he shall be entitled to receive a Retirement Benefit as determined in Section K6.5 hereof. Unless otherwise noted, an Allegheny Participant with less than five (5) Years of Service whose employment is terminated prior to his attainment of Age fifty-five (55) has no rights under the Allegheny Constituent Plan, except with respect to return of his Accumulated Contributions. In addition, no Allegheny Participant shall

be eligible to receive a Retirement Benefit pursuant to this Section if he is entitled to receive a Retirement Benefit pursuant to Section K5.1, K5.2 or K5.3 hereof.



## ARTICLE K6

### RETIREMENT BENEFIT

K6.1 Benefit for Normal or Deferred Retirement. An Allegheny Participant who retires on his Normal Retirement Date or Deferred Retirement Date shall have an annual Retirement Benefit, computed as of such date, equal to the greater of (a), (b), (c) or (d) below, but not less than the minimum set forth in Section K6.3 hereof. The benefit described in (b) and (c) below shall apply only to Allegheny Participants who were continuously employed as Eligible Employees before July 1, 1989 and up through their Retirement Date.

- (a) “N” (Normal) Formula. The sum of:
- (i) 1.1% of the Allegheny Participant’s Base Annual Rate not in excess of Covered Compensation plus 1.5% of the Allegheny Participant’s Base Annual Rate in excess of Covered Compensation, multiplied by the number of years of the Allegheny Participant’s Service, up to a maximum of thirty-five (35) years; plus
  - (ii) 1.3% of the Allegheny Participant’s Base Annual Rate, multiplied by the number of years of the Allegheny Participant’s Service in excess of thirty-five (35) years.

(For this purpose, each month of the Allegheny Participant’s Service shall count as 1/12 of a Year of Service.)

Accruals of benefits under this subparagraph (a) will be completely frozen:

- (A) for all Allegheny Participants except UWUA Local 102 Participants or UWUA Local 304 Participants, effective December 31, 2011 (the “2011 freeze date”);
- (B) for an Allegheny Participant who ceases to be a UWUA Local 102 Participant on or after January 1, 2012 but who remains employed by the Company or any Affiliate, effective as of the date he ceases to be a UWUA Local 102 Participant (his “transfer date”);

- (C) for an Allegheny Participant who ceases to be a UWUA Local 304 Participant on or after January 1, 2012 and prior to December 31, 2014 but who remains employed by the Company or any Affiliate, effective as of the date he ceases to be a UWUA Local 304 Participant (his “transfer date”); and
- (D) for UWUA Local 304 Participants, effective December 31, 2014 (the “2014 freeze date”).

Without limiting the generality of the foregoing sentence, no Earnings or other compensation earned or paid after the 2011 freeze date or the 2014 freeze date, whichever is applicable, or the applicable transfer date and no Service after the 2011 freeze date or the 2014 freeze date, whichever is applicable, or the applicable transfer date shall be taken into account for purposes of calculating benefits under this formula. Covered Compensation shall also not increase after the 2011 freeze date or the 2014 freeze date, whichever is applicable, or the applicable transfer date. This frozen benefit shall sometimes be referred to as the “Frozen Benefit I.”

Notwithstanding the above, the Retirement Benefit computed under this subparagraph (a) for an Allegheny Participant whose benefit has been completely frozen and who is either:

- (E) employed by the Company or an Affiliate on both February 28, 2011, and the 2011 freeze date; or
- (F) employed by the Company or an Affiliate on the 2014 freeze date; or
- (G) employed by the Company or an Affiliate on the 2011 freeze date, provided he was vested or his number of consecutive Breaks in Service are less than five (5) on his date of rehire in 2011;

shall be equal to the greater of:

- 1) his Frozen Benefit I; or
- 2) his Frozen Benefit I, calculated without regard to any freeze on his Base Annual Rate and Covered Compensation as of the 2011 freeze date or the 2014 freeze date, whichever is applicable, or the applicable transfer date, and thereby taking into account any increases in his Base Annual

Rate and related Covered Compensation while employed by the Company or an Affiliate (the “Run Up Benefit”) and accruing benefits under the 2005 FirstEnergy Corp. Pension Plan (sometimes referred to as the “2005 FirstEnergy Constituent Plan”); provided, however, that such Run Up Benefit shall cease to accrue on the date such an Allegheny Participant:

- a. becomes a member of a collective bargaining unit whose members are not eligible for a Run Up Benefit (including becoming a UWUA Local 102 Participant); or
- b. is transferred as a member of a collective bargaining unit to an employer which is not a Participating Employer under this Allegheny Constituent Plan.

Any Allegheny Participant whose Run Up Benefit has ceased to accrue as a result of his becoming a UWUA Local 102 Participant after December 31, 2014 (his “Local 102 transfer date”) shall accrue any separate, additional benefits under this subparagraph (a) after his Local 102 transfer date by only taking into account Service and Earnings (or other compensation) after his Local 102 transfer date.

(b) “G” (Grandfathered) Formula. The sum of:

- (i) 0.85% of the Allegheny Participant’s Base Annual Rate as of June 30, 1989, not in excess of Sixteen Thousand Eight Hundred Dollars (\$16,800), plus 1.5% of the Allegheny Participant’s Base Annual Rate as of June 30, 1989 in excess of Sixteen Thousand Eight Hundred Dollars (\$16,800), multiplied by the Allegheny Participant’s years and months (counting each month as 1/12 of a year) of Service prior to July 1, 1988. Base Annual Rate as of June 30, 1989 means the lesser of:
  - (A) The Allegheny Participant’s highest July 1 monthly base salary of any year through July 1, 1988, multiplied by twelve (12) or the Allegheny Participant’s highest July 1st hourly base rate of any year through July 1, 1988, multiplied by the Allegheny Participant’s normal scheduled

hours for the twelve (12) months beginning on that July 1;  
and

- (B) The Allegheny Participant's highest average monthly Earnings for any sixty (60) consecutive months of Earnings prior to July 1, 1989, multiplied by twelve (12), or, for an Allegheny Participant with less than five (5) years of employment prior to Retirement Date, the Allegheny Participant's average annual Earnings during his total period of employment (months in which the Allegheny Participant had no Earnings are excluded from the sixty (60) consecutive months for purposes of this average); plus
- (ii) For the Allegheny Participant's 1988-89 Plan Year, or portion thereof (counting each month as 1/12 of a Plan Year), 1.125% of the Allegheny Participant's Annual Earnings not in excess of the Social Security Wage Base (\$45,000) plus 2% of the Allegheny Participant's Annual Earnings in excess of this amount; plus
- (iii) For each of the Allegheny Participant's Computation Years and months (counting each month as 1/12 of a Computation Year) of Service between June 30, 1989 and Retirement Date, 1.5% of the Allegheny Participant's Annual Earnings.

Accruals of benefits under this subparagraph (b) will be completely frozen:

- (A) for all Allegheny Participants except UWUA Local 102 Participants or UWUA Local 304 Participants, effective December 31, 2011 (the "2011 freeze date");
- (B) for an Allegheny Participant who ceases to be a UWUA Local 102 Participant on or after January 1, 2012 but who remains employed by the Company or any Affiliate, effective as of the date he ceases to be a UWUA Local 102 Participant (his "transfer date");
- (C) for an Allegheny Participant who ceases to be a UWUA Local 304 Participant on or after January 1, 2012 and prior to December 31, 2014 but who remains employed by the Company or any Affiliate, effective as of the date he ceases to be a UWUA Local 304 Participant (his "transfer date");  
and

- (D) for UWUA Local 304 Participants, effective December 31, 2014 (the “2014 freeze date”).

Without limiting the generality of the foregoing sentence, no Earnings or other compensation earned or paid after the 2011 freeze date or the 2014 freeze date, whichever is applicable, or the applicable transfer date and no Service after the 2011 freeze date or the 2014 freeze date, whichever is applicable, or the applicable transfer date shall be taken into account for purposes of calculating benefits under this formula.

- (c) “H” (Historical) Formula. The Retirement Benefit accrued under any Predecessor Plan (in effect on or prior to June 30, 1999) based on Service and Earnings only through June 30, 1989.
- (d) “J” Formula. The Retirement Benefit accrued under any Predecessor Plan (in effect on or prior to June 30, 1999) on or after July 1, 1990 based on Service and Earnings as of June 30 of that Plan Year.

Accruals of benefits under this subparagraph (d) will be completely frozen:

- (i) for all Allegheny Participants except UWUA Local 102 Participants or UWUA Local 304 Participants, effective December 31, 2011 (the “2011 freeze date”);
- (ii) for an Allegheny Participant who ceases to be a UWUA Local 102 Participant on or after January 1, 2012 but who remains employed by the Company or any Affiliate, effective as of the date he ceases to be a UWUA Local 102 Participant (his “transfer date”);
- (iii) for an Allegheny Participant who ceases to be a UWUA Local 304 Participant on or after January 1, 2012 and prior to December 31, 2014 but who remains employed by the Company or any Affiliate, effective as of the date he ceases to be a UWUA Local 304 Participant (his “transfer date”); and
- (iv) for UWUA Local 304 Participants, effective December 31, 2014 (the “2014 freeze date”).

Without limiting the generality of the foregoing sentence, no Earnings or other compensation earned or paid after the 2011 freeze date or the 2014 freeze date, whichever is applicable, or the applicable transfer date and no Service after the 2011 freeze date or the 2014 freeze date, whichever is applicable, or the applicable transfer date shall be taken into account for purposes of calculating benefits under this formula. Covered Compensation, if applicable, shall also not increase after the 2011 freeze date or the 2014 freeze date, whichever is applicable, or the applicable

transfer date. This frozen benefit shall sometimes be referred to as the “Frozen Benefit II.”

Notwithstanding the above, the Retirement Benefit computed under this subparagraph (d) for an Allegheny Participant whose benefit has been completely frozen and who is employed by the Company or an Affiliate on both February 28, 2011, and the 2011 freeze date or the 2014 freeze date, whichever is applicable, shall be equal to the greater of:

- (A) his Frozen Benefit II; or
- (B) his Frozen Benefit II, calculated without regard to any freeze on his Earnings and Covered Compensation, if applicable, as of the 2011 freeze date or the 2014 freeze date, whichever is applicable, or the applicable transfer date, and thereby taking into account any increases in his Earnings and any related Covered Compensation while employed by the Company or an Affiliate (the “Run Up Benefit”) and accruing benefits under the 2005 FirstEnergy Corp. Pension Plan (sometimes referred to as the “2005 FirstEnergy Constituent Plan”); provided, however, that such Run Up Benefit shall cease to accrue on the date such an Allegheny Participant:
  - 1) becomes a member of a collective bargaining unit whose members are not eligible for a Run Up Benefit (including becoming a UWUA Local 102 Participant); or
  - 2) is transferred as a member of a collective bargaining unit to an employer which is not a Participating Employer under this Allegheny Constituent Plan.

Any Allegheny Participant whose Run Up Benefit has ceased to accrue as a result of his becoming a UWUA Local 102 Participant after December 31, 2014 (his “Local 102 transfer date”) shall accrue any separate, additional benefits under this subparagraph (d) after his Local 102 transfer date by only taking into account Service and Earnings (or other compensation) after his Local 102 transfer date.

K6.2 Benefit at Early Retirement. An Allegheny Participant who retires on an Early Retirement Date shall have an annual Retirement Benefit equal to the greater of (a), (b),

(c), or (d) below, but not less than the minimum set forth in Section K6.3 hereof. The benefit described in (b) and (c) below shall apply only to Allegheny Participants who were continuously employed as Eligible Employees before July 1, 1989 and up through their Retirement Date.

(a) A benefit determined in the same manner as provided in Section K6.1(a) hereof, except that the part of the benefit which is attributable to:

(i) the Allegheny Participant's Base Annual Rate in excess of Covered Compensation; and

(ii) Allegheny Participant's Service in excess of thirty-five (35) years;

shall be reduced by 0.25% for each month that his Benefit Commencement Date is prior to the first day of the calendar month coincident with or next following the Allegheny Participant's sixty-second (62nd) birthday.

(b) A benefit determined in the same manner as provided in Section K6.1(b) hereof, except that until such Allegheny Participant attains Age sixty-five (65), the appropriate percentage from the table set forth below (prorated for a partial year) shall be used in lieu of the percentages specified in subparagraphs (b)(i) and (b)(ii) of Section K6.1 hereof and that until such Allegheny Participant attains Age sixty (60), the benefit determined under this subparagraph (b) shall be reduced by 0.33 $\frac{1}{3}$ % for each month that his Benefit Commencement Date is prior to his attainment of Age sixty (60).

<u>Age at Retirement</u>	<u>K6.1(b)(i)</u>		<u>K6.1(b)(ii)</u>	
	<u>First \$16,800</u>	<u>Excess Over \$16,800</u>	<u>First \$45,000</u>	<u>Excess Over \$45,000</u>
55	1.27%	1.5%	1.645%	2%
56	1.24%	1.5%	1.605%	2%
57	1.21%	1.5%	1.545%	2%
58	1.16%	1.5%	1.475%	2%
59	1.11%	1.5%	1.395%	2%
60	1.05%	1.5%	1.295%	2%
61	.88%	1.5%	1.125%	2%
62	.85%	1.5%	1.125%	2%
63	.85%	1.5%	1.125%	2%
64	.85%	1.5%	1.125%	2%
65	.85%	1.5%	1.125%	2%

- (c) A benefit determined in the same manner as provided in Section K6.1(c) hereof adjusted for early retirement in the manner set forth in the applicable Predecessor Plan.
- (d) A benefit determined in the same manner as provided in Section K6.1(d) hereof adjusted for early retirement in the manner set forth in the applicable Predecessor Plan.

If the amount set forth in subparagraph (b) or (c) of this Section exceeds the amount set forth in subparagraph (a) for benefits between Ages sixty (60) and sixty-five (65), the Allegheny Participant shall make an election with the written consent of his spouse either to receive the amounts set forth in subparagraph (b) or (c), or to receive the amount set forth in subparagraph (a). The Administrator shall provide every such Allegheny Participant, prior to such election, with a statement of the Actuarial Equivalent life value of the amounts set forth in subparagraph (b) or (c).

**K6.3 Minimum Benefit.** An Allegheny Participant's annual Retirement Benefit shall not be less than Two hundred dollars (\$200.00) for each Year of Service up to fifteen (15) years that the Allegheny Participant has, or would have had if he had continued in the employ of the Participating Company until Normal Retirement Date, multiplied by a fraction, the numerator of which is the Allegheny Participant's actual Years of Service prior to Normal Retirement Date and the denominator of which is the Years of Service that the Allegheny Participant had, or would have had, if he had remained in the employ of the Participating Employer until Normal Retirement Date.

Effective December 31, 2011, the minimum benefit under this Section was completely frozen for all Allegheny Participants except UWUA Local 102 Participants and UWUA Local 304 Participants.



Effective December 31, 2014, the minimum benefit under this Section will be completely frozen for all UWUA Local 304 Participants.

The minimum benefit of an Allegheny Participant who ceases to be a UWUA Local 102 Participant on or after the Restatement Date but who remains employed by the Company or any Affiliate shall be frozen as of the date he ceases to be a UWUA Local 102 Participant.

**K6.4 Reduction of Accrued Benefit for Failure to Contribute or Withdrawal of Contributions.** The Retirement Benefits calculated under Sections K6.1 and K6.2 hereof shall be reduced by the annual rate of any benefit accrual:

- (a) that would have accrued pursuant to a Participating Employer's contributions and the contributions made by an Allegheny Participant under any Predecessor Plan or any other retirement income plan of a Participating Employer during any period the Allegheny Participant was eligible to make contributions to such Predecessor Plan or plan, but did not do so; and
- (b) that was canceled by the Allegheny Participant's election to withdraw his contributions under such Predecessor Plan or plan.

**K6.5 Vested Retirement Benefit.** An Allegheny Participant who has terminated employment prior to Age fifty-five (55) under the circumstances described in Section K5.4 hereof shall be entitled to receive an annual Retirement Benefit commencing on his Normal Retirement Date equal to his Accrued Benefit (determined as of the date his employment terminated), except that:

- (a) In accordance with Section A4.6 hereof, such an Allegheny Participant may elect at least thirty (30) days prior to the first payment, to have payments begin on the first day of any calendar month after his fifty-fifth (55th) birthday. In such case the Retirement Benefit shall be reduced by 1/180th for each of the first sixty (60) months his Benefit Commencement Date is prior to his Normal Retirement Date plus 1/360th for each month that his Benefit Commencement Date is prior to the first day of the

calendar month coincident with or next following his sixtieth (60th) birthday.

- (b) Notwithstanding the foregoing subsection, an Allegheny Participant who satisfies the following requirements may elect to receive his vested Retirement Benefit commencing as of the first day of any month within the ten (10) year period preceding his Normal Retirement Date in an amount equal to his Retirement Benefit accrued to the date of termination of his Service with a Participating Employer in accordance with Section K6.1 hereof and reduced in accordance with the early retirement factors set forth in Table 1 hereto:
- (i) at the time of termination of employment, the Allegheny Participant was at least Age fifty (50), but not Age fifty-five (55) or older, and had ten (10) Years of Service;
  - (ii) the Allegheny Participant's termination of employment occurred under circumstances that qualified him for benefits under the Company's Severance Benefits Plan;
  - (iii) the Allegheny Participant elected to receive severance benefits under the Severance Benefits Plan; and
  - (iv) the Allegheny Participant did not revoke the election specified in subsection (iii) above.
- (c) Notwithstanding the foregoing subsections, an Allegheny Participant who satisfies the following requirements may elect to receive his vested Retirement Benefit commencing as of the first day of any month within the ten (10) year period preceding his Normal Retirement Date in an amount equal to his Retirement Benefit accrued to the date of termination of his Service with a Participating Employer in accordance with Section K6.1 hereof and reduced in accordance with the early retirement factors set forth in Table 1 hereto:
- (i) the Allegheny Participant terminates employment with his Participating Employer as the result of the sale of the business unit in which he is employed to an unrelated entity ("Buyer") in a transaction that closes no later than December 31, 2020; and
  - (ii) at the time of termination of employment, the Allegheny Participant was at least Age fifty (50), but not Age fifty-five (55) or older, and had ten (10) years of Service; and
  - (iii) the Allegheny Participant meets the eligibility requirements in (i) and (ii) above, becomes an employee of the Buyer, and continues to work for such Buyer until he either:

- (A) attains Age fifty-five (55); or
  - (B) is terminated by Buyer before Age 55 under circumstances that would have qualified him for benefits under the Company's Severance Benefits Plan if he had remained an Employee of his Participating Employer. This subparagraph (B) shall not apply to any voluntary termination of employment or a termination for cause.
- (d) Notwithstanding the foregoing subsections, an Allegheny Participant who satisfies the following requirements may elect to receive his vested Retirement Benefit commencing as of the first day of any month within the ten (10) year period preceding his Normal Retirement Date in an amount equal to his Retirement Benefit accrued to the date of termination of his Service with a Participating Employer in accordance with Section K6.1 hereof and reduced in accordance with the early retirement factors set forth in Table 1 hereto:
- (i) the Allegheny Participant was employed by a business unit of a Participating Employer that has emerged from bankruptcy;
  - (ii) at the time of emergence, the Allegheny Participant was at least Age fifty (50), but not Age fifty-five (55) or older and had ten (10) Years of Eligibility Service; and
  - (iii) becomes an employee of an unrelated entity ("Buyer") in a transaction that is either:
    - (A) the sale of all or part of the business unit, including the sale of any assets; or
    - (B) a transfer of the assets in the business unit.
- (e) In no event shall an Allegheny Participant who was an Allegheny Participant under a Predecessor Plan on June 30, 1999 receive a vested Retirement Benefit at the time of termination from Service of less than that to which the Allegheny Participant would have been entitled on such date under the Predecessor Plan using Service and Earnings only through June 30, 1999.

**K6.6 Suspension of Benefits.** Retirement Benefits of an Allegheny Participant otherwise payable hereunder shall be suspended in respect of any calendar month in which the employment of such Allegheny Participant by the Company or an Affiliate is substantial (i.e., such Allegheny Participant is credited with eighty (80) or more hours of Service). Retirement

Benefits of an Allegheny Participant which have been suspended by operation of the preceding sentence as a result of the resumption of employment of such Allegheny Participant by the Company or an Affiliate shall be recomputed upon such Allegheny Participant's subsequent retirement to take into account Annual Earnings and Service following resumption of employment unless such Annual Earnings and Service have been frozen pursuant to Section K6.1 hereof, but such Retirement Benefits shall be reduced by the Actuarial Equivalent of the Retirement Benefit payments received by the Allegheny Participant prior to resumption of employment.

ARTICLE K7

DISABILITY

K7.1 Disability Status/No Accruals During Disability.

- (a) An Allegheny Participant who is an Eligible Employee who qualifies for benefits under a Participating Employer's long-term disability plan shall be "disabled."
- (b) An Allegheny Participant who is not a participant under a Participating Employer's long-term disability plan or has been denied benefits under a Participating Employer's long-term disability plan shall be "disabled" if, in the opinion of a Participating Employer physician, he is permanently and totally disabled from any and all gainful employment.
- (c) Disability status as a result of being determined to be disabled under either subparagraph (a) or (b) above and the continuance thereof shall be subject to evidence satisfactory to the Administrator of the Allegheny Participant's continued disability.
- (d) The following rules shall apply to a disabled Allegheny Participant during his period of disability, as described in subparagraph (a) or (b) above:
  - (i) He shall not accrue any additional benefits under the Allegheny Constituent Plan.
  - (ii) He shall not be paid for or credited with Hours of Service and, as a result, shall not earn additional Years of Service for vesting purposes.
  - (iii) If he is less than Age fifty-five (55) at the time he becomes disabled and thereafter attains Age fifty-five (55) while he is disabled, he shall be considered to be continuously employed during such period of disability solely for the purpose of determining his eligibility for an early retirement benefit under Section K5.3 and the reduction for early commencement under Section K6.2 hereof.
  - (iv) In furtherance of the foregoing provisions of this subparagraph (d), he shall not be credited with and/or increase his Service, Annual Earnings, Earnings, Base Annual Rate or Covered Compensation.

## ARTICLE K8

### FORMS OF PAYMENT

K8.1 Normal Forms. The normal forms of payment under the Allegheny Constituent Plan are as follows:

- (a) Single Life Annuity Option. If an Allegheny Participant is not married as of his Benefit Commencement Date, his Retirement Benefit shall normally be payable in the form of an annuity for his lifetime only.
- (b) Automatic Joint and Surviving Spouse Annuity Option. If an Allegheny Participant is married and has not elected an optional form of payment described in Section K8.3 hereof in accordance with Section K8.2 hereof, as of his Benefit Commencement Date he shall be deemed to have made an effective designation of his spouse as his Joint Annuitant and to have elected that a reduced Retirement Benefit shall be payable to him during his lifetime and that after his death (subsequent to the commencement of such reduced Retirement Benefit) a Retirement Benefit equal to fifty (50%) of his reduced Retirement Benefit shall continue during the life of and be paid to his Joint Annuitant, if such Joint Annuitant survives him (such form of payment is hereafter referred to as a “Automatic Joint and Surviving Spouse Annuity Option”). The Automatic Joint and Surviving Spouse Annuity Option shall be the Actuarial Equivalent of the Retirement Benefit which would have been payable to the Allegheny Participant under the Single Life Annuity Option.

K8.2 Election of Other Forms. Subject to certain restrictions described herein, in lieu of receiving his benefit in accordance with the applicable normal form set forth in Section K8.1 hereof, an Allegheny Participant may elect to receive his benefit pursuant to an optional form of payment described in Section K8.3 hereof. The Administrator shall, no less than thirty (30) days and no more than ninety (90) days prior to such Allegheny Participant’s Benefit Commencement Date, provide such Allegheny Participant with a written explanation of:

- (a) the terms and conditions of the normal forms set forth in Section K8.1 hereof and the optional forms set forth in Section K8.3 hereof;
- (b) 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 K8.1 hereof;

- (c) the rights of a married Allegheny Participant's spouse in regard to such election;
- (d) his right to make, and the effect of, a revocation of such an election;
- (e) the relative values of the forms of payment which are available to him; and
- (f) 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 an Allegheny 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:

- (i) Such written explanation may be provided after the date as of which the Allegheny 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.
- (ii) An Allegheny 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 Allegheny Participant's benefit is to commence (or to waive the thirty (30) day requirement under subparagraph (i) above) if:
  - (A) the Administrator provides information clearly indicating the Allegheny Participant has the right to at least thirty (30) days to consider whether to waive the normal form of payment described in Section K8.1 hereof and consent to another form of payment;
  - (B) the benefit commences more than seven (7) days after such explanation is received;

- (C) the Allegheny 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 Allegheny Participant.

Such election shall be on a form prescribed for the purpose by the Administrator, shall be signed by the Allegheny 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 Allegheny Participant will be required prior to the payment of benefits under a Joint and Survivor Annuity Option.

If an Allegheny Participant, who has a spouse living at his Benefit Commencement Date who is entitled to the Automatic Joint and Surviving Spouse Annuity Option, elects a form of payment other than the Automatic Joint and Surviving Spouse Annuity Option, such election shall not be effective hereunder unless the Allegheny Participant's spouse consents to the Allegheny Participant's election within the 90-day Election Period in accordance with Section A11.12 hereof.

K8.3 Optional Forms of Payment. The optional forms of payment under the Allegheny Constituent Plan are as follows:

- (a) Single Life Annuity Option. An Allegheny Participant may elect that his Retirement Benefit be paid in the form of an annuity for his lifetime only.
- (b) Joint and Survivor Annuity Option. An Allegheny Participant may elect to receive a reduced Retirement Benefit payable to him during his lifetime with the provision that after his death (subsequent to the commencement of such reduced Retirement Benefit), a Retirement Benefit equal to 100%,



75%, 50% or 25%, as specified by the Allegheny Participant (the “Selected Percentage”), of his reduced Retirement Benefit shall continue during the life of and be paid to the Joint Annuitant that the Allegheny Participant shall have designated pursuant to Section K8.2 hereof, if such Joint Annuitant survives him. Such optional form of payment shall be the Actuarial Equivalent of the Retirement Benefit which would have been payable to the Allegheny Participant under the Single Life Annuity Option. However, if the designated Joint Annuitant is a person who is not the spouse of the Allegheny 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 an Allegheny 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 amount of Retirement Benefit which shall be payable 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 the Retirement Benefit to the Allegheny Participant but during the life of the Allegheny Participant, the Retirement Benefit payable to the Allegheny Participant following the death of his Joint Annuitant shall be increased to the amount which would have been payable to the Allegheny Participant had he elected to receive his Retirement Benefit under the Single Life Annuity Option. Such increase shall take effect on the first day of the month following the death of the Joint Annuitant.
- (d) Period Certain Annuity Option. An Allegheny Participant may elect to receive a reduced Retirement Benefit payable to him during his lifetime with the provision that in the event he shall die (subsequent to the commencement of such reduced Retirement Benefit) before he shall have received Retirement Benefit payments for a period of 60, 120 or 180 months, as selected by the Allegheny Participant (the “Selected Period”), after his death a Retirement Benefit equal to 100% of his reduced Retirement Benefit shall continue for the remainder of the Selected Period to the Contingent Beneficiary he shall have designated pursuant to Section K8.2 hereof; provided, however, that following the death of such Contingent Beneficiary, the lump sum Actuarial Equivalent of any remaining payments (calculated by using the rate of interest specified in Section A2.2(b)(ii) hereof and the mortality table specified in Section A2.2(a)(ii) hereof) will be paid to the estate of the Contingent Beneficiary in a single lump payment. Such optional form of payment shall be the Actuarial Equivalent of the Retirement Benefit which would have been

payable to the Allegheny Participant under the Single Life Annuity Option.

**K8.4 Death of Joint Annuitant or Contingent Beneficiary Prior to the Death of the Allegheny Participant.**

- (a) If the Joint Annuitant deemed designated or the Joint Annuitant or Contingent Beneficiary designated by an Allegheny Participant dies before the Allegheny Participant's Benefit Commencement Date, such designation shall be null and void and the Single Life Annuity Option will apply unless the Allegheny Participant has remarried or designated another Joint Annuitant or Contingent Beneficiary.
- (b) If a Joint Annuitant deemed designated or a Joint Annuitant or Contingent Beneficiary designated by an Allegheny Participant dies after the Allegheny Participant's Benefit Commencement Date but prior to the death of the Allegheny Participant, the Retirement Benefit being paid to the Allegheny Participant shall continue in unchanged amount until his death unless he has made the election provided in Section K8.3(c) hereof in which case it shall be adjusted as provided in such Section. However, if such Allegheny Participant is receiving a Retirement Benefit pursuant to a Period Certain Annuity Option described in Section K8.3(d) hereof, he may designate a successor Contingent Beneficiary. If such Allegheny Participant dies before designating a successor Contingent Beneficiary, his Contingent Beneficiary shall be deemed to be his surviving spouse, or if there is no surviving spouse, his estate.

**K8.5 Minimum Reduced Retirement Benefit.** Notwithstanding any provision of the Plan to contrary, the following minimums shall apply:

- (a) the amount of reduced Retirement Benefit payable to an Allegheny Participant, other than a UWUA Local 102 Participant or UWUA Local 304 Participant, on December 31, 2011 and who elects a periodic form of payment under the Plan which was provided under the Predecessor Plan on December 31, 2011 (other than the Single Life Annuity Option) shall not be less than the Retirement Benefit which would have been payable to such Allegheny Participant under such form of payment on December 31, 2011, utilizing the applicable Predecessor Plan factors for determining actuarial value on December 31, 2011;
- (b) the amount of reduced Retirement Benefit payable to a UWUA Local 304 Participant, on December 31, 2014 and who elects a periodic form of payment under the Plan which was provided under the Predecessor Plan on December 31, 2014 (other than the Single Life Annuity Option) shall

not be less than the Retirement Benefit which would have been payable to such UWUA Local 304 Participant under such form of payment on December 31, 2014, utilizing the applicable Predecessor Plan factors for determining actuarial value on December 31, 2014; and

- (c) the amount of reduced Retirement Benefit payable to a UWUA Local 102 Participant on the day immediately preceding the later of January 1, 2015 or the date Amendment No. 1 to the Plan was actually adopted (the “Applicable Effective Date”) and who elects a periodic form of payment under the Plan which was provided under the Plan on the day immediately preceding the Applicable Effective Date (other than the Single Life Annuity Option) shall not be less than the Retirement Benefit which would have been payable to such UWUA Local 102 Participant under such form of payment on the day immediately preceding the Applicable Effective Date, utilizing the applicable Plan factors for determining actuarial value on the day immediately preceding the Applicable Effective Date.

#### K8.6 Elimination of Forms of Payment Under Predecessor Plan.

Notwithstanding anything contained in this Plan or any Predecessor Plan to the contrary and except as provided below, terminated employees with rights to future vested benefits whose benefits are payable pursuant to a Predecessor Plan and whose benefits have not commenced shall be permitted to elect any of the optional forms of payments described in Section K8.3, including a Joint and Survivor Annuity Option with a Selected Percentage 100%, 75%, 50% or 25%. Any other Selected Percentages (formerly “continuation percentages”) were eliminated as of the end of the day on December 31, 2011. Terminated UWUA Local 102 Participants shall not be permitted to elect a Modified Joint and Survivor Annuity Option or a Period Certain Annuity Option.

ARTICLE K9  
DEATH BENEFITS

K9.1 Qualified Pre-Retirement Surviving Spouse Annuity. If a vested Allegheny Participant dies while employed by the Company or an Affiliate and before attaining Age fifty-five (55), then his surviving spouse (as defined in Section K9.2 hereof) will receive the same benefit that would have been payable if the Allegheny Participant had:

- (a) separated from service on the date of death;
- (b) survived to Age fifty-five (55);
- (c) elected, in accordance with Section K8.1 hereof, to have payments commence at Age fifty-five (55) in the form of the Automatic Joint and Surviving Spouse Annuity Option; and
- (d) died on the day after his fifty-fifth (55th) birthday.

If an Allegheny Participant dies while employed and after attaining Age fifty-five (55), the Allegheny Participant's surviving spouse will receive the same benefit that would have been payable if the Allegheny Participant had retired with his benefit payable in the form of the immediate Automatic Joint and Surviving Spouse Annuity Option on the day before his death.

If an Allegheny Participant who has retired and is entitled to benefits under Article 6 hereof dies before his Benefit Commencement Date, the Allegheny Participant's surviving spouse will receive the same benefit that would have been payable if the Allegheny Participant had:

- (i) survived to the earliest possible Benefit Commencement Date after his death;
- (ii) elected, in accordance with Section K8.1, to have payments commence at such earliest possible Benefit Commencement Date in the form of the Automatic Joint and Surviving Spouse Annuity Option; and
- (iii) died on the day after such earliest possible Benefit Commencement Date.

For purposes of this Section, a surviving spouse will begin to receive payments on the first day of the calendar month coincident with or next following the later of:

- (A) the Allegheny Participant's fifty-fifth (55th) birthday; or
- (B) the Allegheny Participant's date of death;

unless such surviving spouse elects a later date. In no event, however, may the surviving spouse elect to commence payment of the surviving spouse's benefit under this Section later than the Allegheny Participant's Normal Retirement Date.

**K9.2 Surviving Spouse.** For purposes of Section K9.1 hereof, "surviving spouse" means his surviving spouse on his date of death. Prior to January 1, 2015, the "surviving spouse" of a UWUA Local 102 Participant was his surviving spouse to whom he had been married at least one year on his date of death.

**K9.3 Qualified Pre-Retirement Survivor Annuity.** If a vested Allegheny Participant dies while employed by the Company or an Affiliate and before attaining Age fifty-five (55), and is not married, then his beneficiary (as defined in Section K9.4 hereof) will receive the same benefit that would have been payable if the Allegheny Participant had:

- (a) separated from service on the date of death;
- (b) survived to Age fifty-five (55);

- (c) elected, in accordance with Section K8.2 hereof, to have payments commence at Age fifty-five (55) in the form of the 50% Joint and Survivor Annuity Option; and
- (d) died on the day after his fifty-fifth (55th) birthday.

If an Allegheny Participant dies while employed and after attaining Age fifty-five (55), the Allegheny Participant's beneficiary will receive the same benefit that would have been payable if the Allegheny Participant had retired with his benefit payable in the form of the immediate 50% Joint and Survivor Annuity Option on the day before his death.

If a vested Allegheny Participant dies after retirement but before his Benefit Commencement Date, the Allegheny Participant's beneficiary will receive the same benefit that would have been payable if the Allegheny Participant had:

- (i) survived to the earliest possible Benefit Commencement Date after his death;
- (ii) elected, in accordance with Section K8.2, to have payments commence at such earliest possible Benefit Commencement Date in the form of the 50% Joint and Survivor Annuity Option; and
- (iii) died on the day after such earliest possible Benefit Commencement Date.

For purposes of this Section, a beneficiary will begin to receive payments on the first day of the calendar month coincident with or next following the later of:

- (A) the Allegheny Participant's fifty-fifth (55th) birthday; or
- (B) the Allegheny Participant's date of death.

K9.4 Beneficiary. For purposes of Section K9.3 hereof, 'beneficiary' means only one (1) individual designated by the Allegheny Participant (other than the Allegheny Participant's spouse) to receive the benefit payable under Section K9.3 hereof upon his death. The beneficiary may not include an entity, such as a trust, an estate or any organization, including but not limited to, any charitable organization. A beneficiary designation may be

changed or revoked by an unmarried Allegheny 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, 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 Allegheny Participant's death.

## ARTICLE K10

### ACCUMULATED CONTRIBUTIONS UNDER PREDECESSOR PLAN

K10.1 Non-forfeitable Interest. Each Allegheny Participant who shall at any time have contributed under a Predecessor Plan shall at all times have a fully vested and non-forfeitable interest in the portion of his Accrued Benefit attributable to his undistributed Accumulated Contributions, determined as provided in Section K10.4 hereof.

K10.2 Withdrawal of Accumulated Contributions. At any time on or after his termination of employment and before his Benefit Commencement Date, an Allegheny Participant may withdraw his Accumulated Contributions, and upon such withdrawal the Allegheny Participant's Accrued Benefit (or a portion thereof) shall be forfeited to the extent that it is attributable to Years of Service during which the Predecessor Plan was contributory. An Allegheny Participant whose Accrued Benefit (or a portion thereof) is forfeited due to a withdrawal hereunder, may repay to the Plan, if he is reemployed by the Company or a Participating Employer, the amount received plus interest (at the rate set forth in Section 411(c)(2)(C) of the Code) in which case his Accrued Benefit (or such portion thereof) shall be restored and, if he is not vested, he shall continue to vest in his Accrued Benefit. Repayment must be made no later than five (5) years after the date the Allegheny Participant is reemployed by the Company or Participating Employer or the date the Allegheny Participant has incurred five (5) consecutive Breaks in Service, if earlier.

In lieu of the lump sum withdrawal described above, the Allegheny Participant may elect to have the Actuarial Equivalent value of his Accumulated Contributions paid to him in the form of:

- (a) if he is not married on his Benefit Commencement Date, the Single Life Annuity Option (described in Section K8.1 hereof); or

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- (b) if he is married on Benefit Commencement Date, either:
  - (i) the Automatic Joint and Surviving Spouse Annuity Option (described in Section K8.1 hereof) whose value shall be the Actuarial Equivalent of the Single Life Annuity Option described in subparagraph (a) above; or
  - (ii) a Joint and Survivor Annuity Option of 75% for the Allegheny Participant's spouse whose value shall be the Actuarial Equivalent of the Single Life Annuity Option described in subparagraph (a) above.

The Benefit Commencement Date with respect to a withdrawal pursuant to this Section shall precede or coincide with the Allegheny Participant's Benefit Commencement Date with respect to his Accrued Benefit attributable to employer contributions.

Notwithstanding the foregoing, no withdrawal under this Section to a married Allegheny Participant shall be made unless the Allegheny Participant's spouse consents to such withdrawal in the manner provided in Section A11.12 hereof.

K10.3 Accrued Benefit Attributable to Undistributed Accumulated Contributions. An Allegheny Participant's Accrued Benefit derived from his Accumulated Contributions shall be determined as follows:

- (a) when expressed as a single sum value as of any date, it shall equal his Accumulated Contributions; and
- (b) when expressed as an annual benefit payable at Normal Retirement Date, it shall be an amount equal to his Accumulated Contributions expressed as an annual benefit commencing at Normal Retirement Date using the applicable Plan factors for determining actuarial equivalence.

K10.4 Return of Accumulated Contributions to Beneficiary. Upon the death of an Allegheny Participant an amount equal to the excess, if any, of his Accumulated Contributions over the aggregate of any payments made to the Allegheny Participant will be paid to the Allegheny Participant's legal representatives unless payments with respect to the

Allegheny Participant will be made to his spouse, Joint Annuitant or Contingent Beneficiary pursuant to a form of payment under Article K8 or as a death benefit under Article K9. In that case, upon the death of the spouse, Joint Annuitant or Contingent Beneficiary, an amount equal to the excess, if any, of the Accumulated Contributions of the Allegheny Participant over the aggregate of the payments made to the Allegheny Participant and his spouse, Joint Annuitant or Contingent Beneficiary under the Allegheny Constituent Plan will be paid to the person designated by the spouse, Joint Annuitant or Contingent Beneficiary or, if no such person survives, to the legal representatives of the spouse, Joint Annuitant or Contingent Beneficiary. Payments under this Section shall be payable as of the first day of the month following the death of the Allegheny Participant's spouse, Joint Annuitant or Contingent Beneficiary, as the case may be.

**TABLE 1**

**TO**

**PART K**

**EARLY RETIREMENT FACTORS - EARLY RETIREMENT**

**Simplified Unisex Factors**

Current Age	MONTHS											
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>
55	72.00	72.33	72.67	73.00	73.33	73.67	74.00	74.33	74.67	75.00	75.33	75.67
56	76.00	76.33	76.67	77.00	77.33	77.67	78.00	78.33	78.67	79.00	79.33	79.67
57	80.00	80.33	80.67	81.00	81.33	81.67	82.00	82.33	82.67	83.00	83.33	83.67
58	84.00	84.33	84.67	85.00	85.33	85.67	86.00	86.33	86.67	87.00	87.33	87.67
59	88.00	88.33	88.67	89.00	89.33	89.67	90.00	90.33	90.67	91.00	91.33	91.67
60	92.00	92.33	92.67	93.00	93.33	93.67	94.00	94.33	94.67	95.00	95.33	95.67
61	96.00	96.33	96.67	97.00	97.33	97.67	98.00	98.33	98.67	99.00	99.33	99.67
62	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
63	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
64	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
65	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

**SUPPLEMENT A**

**TO**

**PART K**

**MOUNTAINEER GAS COMPANY**

1. **Applicable Employee Group.** The provisions set forth in this Supplement A are applicable only to those Eligible Employees who were:
  - (a) active employees of Mountaineer Gas Company (“MG”); and/or
  - (b) employees who are or were represented by a union that represented employees of MG; and/or
  - (c) participants in the Retirement Income Plan for Mountaineer Gas Company (the “MG Plan”) under the terms of the MG Plan.
2. **Priority of this Supplement A.** The provisions of this Supplement A shall apply to all Eligible Employees who are in the Applicable Employee Group described above, notwithstanding any provision to the contrary elsewhere in the Allegheny Constituent Plan. All applicable provisions of the Allegheny Constituent Plan that are not contravened by the provisions of this Supplement A shall continue to apply to Eligible Employees covered by this Supplement A.
3. **Eligibility and Vesting.** For purposes of eligibility to participate in the Allegheny Constituent Plan and for purposes of vesting, all service that would have been credited to Eligible Employees in the Applicable Employee Group under the terms of the MG Plan shall be considered Service under the terms of the Allegheny Constituent Plan.
4. **Benefit Computation.** Eligible Employees who are included in the Applicable Employee Group shall have their benefits computed in the following manner, depending on:
  - (a) whether such Eligible Employees are or were represented by a union (“Union Employees”);
  - (b) whether such Eligible Employees are not and were not represented by a union (“Non-Union Employees”); and
  - (c) whether such individuals were retired or terminated from MG on August 18, 2000.
    - (i) **Union Employees.** Except as set forth below, the benefits of Allegheny Participants who are or were Union Employees shall be computed in

accordance with Article III of the MG Plan, as in effect on August 18, 2000, counting for this purpose all service credited under both the Allegheny Constituent Plan and the MG Plan. Final Average Compensation (for purposes of this Supplement A, as defined in the MG Plan) shall similarly be determined for this purpose by counting all years credited under both the Allegheny Constituent Plan and the MG Plan.

- (A) Allegheny Participants who are or were Union Employees who are represented by Local 420W of the Utility Workers Union of America shall have their benefits computed in accordance with Article K6 of the Allegheny Constituent Plan, counting for this purpose all Service credited under both the Allegheny Constituent Plan and the MG Plan, provided, however, that such benefit shall not be less than the benefit computed for such Allegheny Participants pursuant to Article III of the MG Plan, as in effect on August 18, 2000, counting service only through April 30, 2002 and determining Final Average Compensation as if the Allegheny Participant had terminated employment on April 30, 2002.
- (B) Allegheny Participants who are or were Union Employees who are represented by Local 420E of the Utility Workers Union of America shall have their benefits computed in accordance with Article K6 of the Allegheny Constituent Plan, counting for this purpose all Service credited under both the Allegheny Constituent Plan and the MG Plan, provided, however, that such benefit shall not be less than the benefit computed for such Allegheny Participants pursuant to Article III of the MG Plan, as in effect on August 18, 2000, counting service only through May 31, 2002 and determining Final Average Compensation as if the Allegheny Participant had terminated employment on May 31, 2002.
- (C) Allegheny Participants who are or were Union Employees who are represented by Local 496 of the Utility Workers Union of America shall have their benefits computed in accordance with Article K6 of the Allegheny Constituent Plan, counting for this purpose all Service credited under both the Allegheny Constituent Plan and the MG Plan, provided, however, that such benefit shall not be less than the benefit computed for such Allegheny Participants pursuant to Article III of the MG Plan, as in effect on August 18, 2000, counting service only through June 30, 2002 and determining Final Average Compensation as if the Allegheny Participant had terminated employment on June 30, 2002.
- (D) Allegheny Participants who are or were Union Employees who are represented by Local 5-628B of the Paper, Allied Industrial, Chemical and Energy Workers International Union (PACE), shall

have their benefits computed in accordance with Article K6 hereof (or the relevant Article of a Predecessor Plan), counting for this purpose all Service credited under both the Allegheny Constituent Plan (or relevant Predecessor Plan) and the MG Plan, provided, however, that such benefit shall not be less than the benefit computed for such Allegheny Participants pursuant to Article III of the MG Plan, as in effect on August 18, 2000, counting service only through July 31, 2002 and determining Final Average Compensation as if the Allegheny Participant had terminated employment on July 31, 2002.

(E) Allegheny Participants who are or were Union Employees who are represented by Local 5-628C and 5-372 of the Paper, Allied-Industrial, Chemical and Energy Workers International Union (PACE), shall have their benefits computed in accordance with Article K6 hereof (or the relevant Article of a Predecessor Plan), counting for this purpose all Service credited under both the Allegheny Constituent Plan (or relevant Predecessor Plan) and the MG Plan, provided, however, that such benefit shall not be less than the benefit computed for such Allegheny Participants pursuant to Article III of the MG Plan, as in effect on August 18, 2000, counting service only through October 31, 2002 and determining Final Average Compensation as if the Allegheny Participant had terminated employment on October 31, 2002.

(ii) **Non-Union Employees.** The benefits of Allegheny Participants who are Non-Union Employees who were actively employed by MG on August 18, 2000 shall be computed in accordance with Article K6 of the Allegheny Constituent Plan (or relevant Predecessor Plan), counting for this purpose all Service credited under both the Allegheny Constituent Plan (or relevant Predecessor Plan) and the MG Plan, provided, however, that such benefit shall not be less than the benefit computed for such Allegheny Participant pursuant to Article III of the MG Plan, as in effect on August 18, 2000, counting service only through such date and determining Final Average Compensation as if the Allegheny Participant had terminated employment on such date.

(iii) **Retired and Terminated Employees.** Individuals who were not actively employed by MG on August 18, 2000 but who were either receiving benefits from the MG Plan, or who had accrued the right to receive benefits in the future under the terms of the MG Plan, shall receive the same benefit under the Allegheny Constituent Plan as they are receiving, or would receive in the future, under the terms of the MG Plan.

(iv) **Determination of Service.** For the sake of clarity, for purposes of applying the provisions of this Supplement A, any reference to an

individual's "Service" shall mean Service as determined by taking into account an individual's period of employment with MG and a Participating Employer, but applying the service- counting provisions set forth in the Allegheny Constituent Plan and not the MG Plan. Without limiting the foregoing, the term "Service" shall not include any period when an Allegheny Participant is absent from employment with MG or a Participating Employer due to a period of long-term disability.