

PART L

FIRSTENERGY CORP.

CASH BALANCE PLAN PROVISIONS

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ARTICLE L1

NAME AND CONSTITUENT PLAN

L1.1 Name. The name of this part of the Plan is the FirstEnergy Corp. Cash Balance Plan Provisions (sometimes referred to as “Part L”).

L1.2 Constituent Plan. Part L, together with Part A of the Plan, constitute the FirstEnergy Corp. Cash Balance Plan (sometimes referred to as the “Cash Balance Constituent Plan”).

ARTICLE L2

DEFINITIONS

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

L2.1 Accrued Benefit. The words “Accrued Benefit” shall mean an amount determined as follows with respect to a Cash Balance Participant or an Inactive Cash Balance Participant:

- (a) if such Accrued Benefit is expressed in the form of a monthly benefit, the monthly amount which would be payable to the Cash Balance Participant or an Inactive Cash Balance Participant at his Normal Retirement Date (or, if later, such Cash Balance Participant’s or an Inactive Cash Balance Participant’s actual Benefit Commencement Date) under the Single Life Annuity Option described in Section L9.3 hereof which is the Actuarial Equivalent of the sum of the amount credited to his Account as of the date of calculation under this Cash Balance Constituent Plan plus interest through his Normal Retirement Date (or, if later, such Cash Balance Participant’s or an Inactive Cash Balance Participant’s actual retirement date) equal to the interest which would be credited to his Account under Section L5.4 hereof if the 30 Year Treasury Rate (as defined in Section L5.1 hereof) in effect in the current Plan Year would remain in effect until the Cash Balance Participant’s or an Inactive Cash Balance Participant’s Normal Retirement Date (or, if later, such Cash Balance Participant’s or an Inactive Cash Balance Participant’s actual Benefit Commencement Date); or
- (b) if such Accrued Benefit is expressed in the form of a current single sum, the amount credited to his Account as of the date of calculation.

L2.2 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 L, determinations of actuarial equivalence required by the provisions of the Cash Balance Constituent Plan shall be made on the basis of the following:

- (a) the “applicable mortality table” prescribed by the Internal Revenue Service from time to time under Section 417(e)(3) of the Code; and
- (b) the “applicable interest rate” prescribed by the Internal Revenue Service from time to time under Section 417(e)(3) of the Code and determined for the month of October of the year prior to the year in which such rate is being used under this Part L.

L2.3 Base Earnings. The words “Base Earnings” shall mean the salary or wages paid by a Participating Employer to an Eligible Employee within any specified period before deductions for income and employment taxes and other payroll withholding. Base Earnings shall include all of the following:

- (a) any authorized deferred allotment pursuant to a cash or deferred profit sharing plan maintained by a Participating Employer meeting the requirements of Section 401(k) of the Code;
- (b) amounts which are contributed by a Participating Employer pursuant to a salary reduction agreement and which are not includible in the gross income of the Eligible Employee under Section 125, 132(f)(4) or 402(e)(3) of the Code, including, effective January 1, 1998, amounts not available to an Eligible Employee in lieu of group health plan coverage and deemed to be contributions under Section 125 of the Code because the Eligible Employee is unable to certify that he has other health coverage;
- (c) amounts imputed to an Eligible Employee pursuant to a collective bargaining agreement while on leave from a Participating Employer to work for the collective bargaining agent;
- (d) amounts received or deemed to be received by an Eligible Employee during a period of Military Service as described in Section L2.13 hereof;
- (e) payments made by a Participating Employer to an Eligible Employee or former Eligible Employee for such specified period in accordance with Workers’ Compensation as temporary total disability compensation or as partial disability compensation paid as compensation for a loss of or reduction in Base Earnings, provided that the aggregate Base Earnings taken into account for the period of such payments may not exceed the Base Earnings, as determined by a Participating Employer, that the Eligible Employee would have received had he not been injured;
- (f) shift differentials paid for duties performed by the Eligible Employee while on his regular work schedule;

- (g) any premiums paid for duties performed during the Eligible Employee's regular work schedule on a holiday recognized by a Participating Employer;
- (h) any premiums paid for duties performed during the Eligible Employee's regular work schedule as a result of his not being timely notified of a schedule change in accordance with a collective bargaining agreement or local practice; and
- (i) any base compensation payable after December 31, 2013, but deferred under any non-qualified plan.

Base Earnings shall exclude overtime pay, any annual incentive, long-term or sales awards, any other special or additional remuneration such as reimbursements or other expense allowances, fringe benefits (cash or non-cash), moving expenses, welfare benefits, employer contributions to the FirstEnergy Corp. Flexible Benefit Plan, and any amount paid to the Eligible Employee in lieu of vacation entitlement at the time he terminates his employment for any reason. In addition, Base Earnings shall be subject to the Compensation Limit.

L2.4 Benefit Commencement Date. The words "Benefit Commencement Date" shall mean for a Cash Balance Participant the date his retirement benefit commences or, in the case of a lump sum payment pursuant to the Total Distribution Option described in Article L9 hereof, is paid. Except as otherwise required by law, if the stock or assets of the business unit by which a Cash Balance Participant is employed are sold or transferred to a person, entity or joint venture which is not an Affiliate of a Participating Employer, such Cash Balance Participant's Benefit Commencement Date may not occur earlier than the date the Cash Balance 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.

L2.5 Cash Balance Account. The words "Cash Balance Account" or the word "Account" shall mean the notional account maintained or established for a Cash Balance

Participant in accordance with Section L5.2 and which is equal to the sum of his Pay Credits and Interest Credits.

L2.6 Cash Balance Participant. The words “Cash Balance Participant” shall mean any Eligible Employee who becomes a Cash Balance Participant in accordance with Section L3.1 hereof. Any person who has become a Cash Balance Participant in accordance with Section L3.1 hereof shall continue to be a Cash Balance Participant in accordance with the provisions of Section L3.2 hereof and his status as a Cash Balance Participant or as an Inactive Cash Balance Participant shall be determined under said Section L3.2 hereof.

L2.7 Covered Collective Bargaining Unit. The words “Covered Collective Bargaining Unit” shall mean the Collective Bargaining Units listed on Appendix A hereto.

L2.8 Elapsed Time Service. The words “Elapsed Time Service” shall mean for any Cash Balance Participant any period during which he is or was employed by a Participating Employer or any Affiliate after December 31, 2013. Two (2) or more periods of Elapsed Time Service or Periods of Separation that are included in a Cash Balance Participant’s Elapsed Time Service and that contain fractions of a year (computed in months and days) shall be aggregated on the basis of twelve (12) months constituting a year and thirty (30) days constituting a month.

Notwithstanding the foregoing, if any Cash Balance Participant has a termination of employment and is rehired within twelve (12) months of:

- (a) the date of his termination of employment; or
- (b) if earlier, the first day of any period of leave of absence, layoff, or Military Service after the end of which the Cash Balance Participant did not return to work for a Participating Employer or any Affiliate prior to his termination of employment;

such Cash Balance Participant's Elapsed Time Service shall include the Period of Separation measured from his termination of employment until his subsequent date of rehire (without duplicate credit for partial months).

L2.9 Eligible Employee. The words "Eligible Employee" shall mean:

- (a) a Non-Bargaining Unit Employee of a Participating Employer who is hired or rehired on or after January 1, 2014; or
- (b) a Bargaining Unit Employee of a Participating Employer who is represented by or a member of a Covered Collective Bargaining Unit and who is hired or rehired on or after the Coverage Date of such Collective Bargaining Unit (as set forth on Appendix A hereto);

but excluding any such Non-Bargaining Unit Employee or Bargaining Unit Employee who is accruing benefits (other than a Run Up Benefit under the Allegheny Constituent Plan) under any other Constituent Plan. An Employee shall cease to be an "Eligible Employee" upon the earliest to occur of:

- (i) his termination of employment;
- (ii) his ceasing to be an Employee (as described in Section A2.17 hereof);
- (iii) his becoming employed by a company which is not a Participating Employer;
- (iv) his becoming employed in accordance with an oral or written agreement or arrangement, the terms and conditions of which preclude participation in the Cash Balance Constituent Plan; or
- (v) his becoming covered by a collective bargaining agreement which excludes participation in the Cash Balance Constituent Plan or does not require inclusion in the Cash Balance Constituent Plan.

L2.10 Hour of Service. The words "Hour of Service" shall mean each hour for which an Eligible Employee:

- (a) is paid or entitled to payment for the performance of duties for a Participating Employer as determined by the Participating Employer; or

- (b) is absent from work for reasons authorized by a Participating Employer, due to vacation, holiday, absence days, illness, injury, funeral, jury duty, rest period, temporary military duty, leave of absence, union business paid by a Participating Employer as provided in a collective bargaining agreement, Military Service as described in Section L2.13 hereof or other such time-off programs determined and provided by a Participating Employer, provided that the number of Hours of Service credited under this subparagraph (b) shall not exceed the number of hours which would have been regularly scheduled for the performance of duties by the Eligible Employee during such period; or
- (c) receives back pay, irrespective of mitigation of damages, that has been either awarded or agreed to by a Participating Employer but only to the extent of straight time hours for the period of time to which the award or agreement pertains.

An Hour of Service does not include those hours during which an Eligible Employee is on strike or unauthorized absence from a Participating Employer, has been suspended without pay by a Participating Employer for disciplinary reasons, is on union business without pay from a Participating Employer (excluding leave of absence without pay in accordance with the applicable collective bargaining agreement because the Bargaining Unit Employee has been elected for office in the local union or has been selected for specific activities for or on behalf of the national union or its affiliates), or is on lay-off, except as provided in Section L4.5 hereof. An Hour of Service does not include those hours for which an Eligible Employee is paid in lieu of vacation entitlement after termination of employment.

For purposes of subparagraph (a) above, Hours of Service shall be credited for the period during which the duties are performed. For purposes of subparagraphs (b) and (c) above, Hours of Service shall be calculated and credited pursuant to Section 2530.200b-2 of the Department of Labor Regulations which are incorporated herein by this reference. The same Hours of Service shall not be credited under more than one of subparagraphs (a), (b) and (c) above.

L2.11 Interest Credits. The words “Interest Credits” shall mean the amounts credited to a Cash Balance Participant’s Account in accordance with Section L5.4 hereof.

L2.12 Joint Annuitant. The words “Joint Annuitant” shall mean either:

- (a) the spouse to whom a Cash Balance 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 Cash Balance Participant pursuant to Article L9 hereof to receive retirement benefit payments under an Annuity Option described in Article L9 on his death.

L2.13 Military Service. The words “Military Service” shall mean Military Service as defined in Section A2.25 hereof; provided, however, that for the purpose of determining the Base Earnings of a Cash Balance Participant during a period of Military Service for which he receives no pay, he shall be deemed to have received Base Earnings equal to the product of the straight time hourly rate being paid to him at the time his no pay status commenced, adjusted by any general wage increase or decrease applicable to such straight time hourly rate, multiplied by the number of regularly scheduled work hours for such job classification at his location during the period of such absence. Notwithstanding anything in this Part L to the contrary, any “differential wage payments” (as described in Section 3401(h)(2) of the Code) paid with respect to the Military Service shall be considered Base Earnings.

L2.14 Normal Retirement Age. The words “Normal Retirement Age” shall mean with respect to a Cash Balance Participant the later of:

- (a) Age sixty-five (65); and
- (b) his completion of three (3) Years of Eligibility Service.

L2.15 Normal Retirement Date. The words “Normal Retirement Date” shall mean with respect to a Cash Balance 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).

L2.16 Participating Employer. The words “Participating Employer” shall mean the Company or any Affiliate which is or shall become a Participating Employer under the Cash Balance Constituent Plan pursuant to Article A13 hereof, but, subject to Section L4.7 hereof, only for periods while it is deemed to be a Participating Employer under the Cash Balance Constituent Plan.

L2.17 Pay Credits. The words “Pay Credits” shall mean the amounts credited to a Cash Balance Participant’s Account in accordance with Section L5.3 hereof.

L2.18 Pensionable Earnings. The words “Pensionable Earnings” shall mean the Base Earnings plus the following amounts which are paid (or deferred as described in subparagraph (c) below) by a Participating Employer to an Eligible Employee within any specified period commencing on or after January 1, 2014:

- (a) overtime pay;
- (b) bonuses paid based upon achieving specified skills or performance goals pursuant to a formal bonus program established by a Participating Employer with general application to a classification of Eligible Employees;
- (c) annual incentives or cash sales incentive awards paid prior to a termination of Service and annual incentives that were earned and vested after December 31, 2013, but deferred under any non-qualified plan;
- (d) sales commissions; and
- (e) lump sum merit awards.

Pensionable Earnings shall not include any other special or additional remuneration and reimbursements, including but not limited to long-term incentives, stock options, stock awards, phantom stock awards, ad hoc awards or bonuses, meal allowances or other expense allowances, fringe benefits (cash and non-cash), severance pay, safety, suggestion or attendance awards, recruiting or retention bonuses, moving expenses, welfare benefits, and employer contributions to the FirstEnergy Corp. Flexible Benefit Plan.

L2.19 Period of Separation. The words “Period of Separation” shall mean for any Cash Balance Participant or former Cash Balance Participant a period commencing on his termination of employment and ending on the date such Cash Balance Participant or former Cash Balance Participant is rehired by a Participating Employer or any Affiliate. Notwithstanding the foregoing provisions of this Section, in the event any Cash Balance Participant ceases to be actively employed due to a Maternity/Paternity Leave of Absence, such Cash Balance Participant’s Period of Separation shall be deemed to have commenced on the later of the first anniversary of the date he ceased to be actively employed or his termination of employment.

L2.20 Service. The word “Service” shall mean the period of an Eligible Employee’s employment by a Participating Employer and shall include periods of absence as provided in Sections L4.4 and L4.5 hereof.

L2.21 Years of Benefit Service. The words “Years of Benefit Service” shall have the meaning set forth in Article L4 hereof.

L2.22 Years of Eligibility Service. The words “Years of Eligibility Service” shall have the meaning set forth in Article L4 hereof.

ARTICLE L3

ELIGIBILITY AND PARTICIPATION

L3.1 Requirements. On or after January 1, 2014 an Employee shall become a Cash Balance Participant under the Cash Balance Constituent Plan on the first day of the month coinciding with or following the latest of:

- (a) if he is a Non-Bargaining Unit Employee, the date his employer becomes a Participating Employer under the Cash Balance Constituent Plan;
- (b) if he is a Bargaining Unit Employee, the Coverage Date of his Collective Bargaining Unit (as set forth on Appendix A hereto); or
- (c) his date of hire or rehire;

on which he is an Eligible Employee.

L3.2 Status of Participant. The status of a Cash Balance Participant shall be determined as follows:

- (a) He shall be a Cash Balance Participant so long as he is an Eligible Employee, and shall cease to be a Cash Balance Participant when he shall have ceased to be an Eligible Employee.
- (b) He shall be considered to be an Inactive Cash Balance Participant during any period in which he continues to be an Employee but is not an Eligible Employee. An Inactive Cash Balance Participant does not accrue Pay Credits after he ceases to be an Eligible Employee but Interest Credits continue to be credited to his Account under the Cash Balance Constituent Plan until his Account is distributed. In addition, any other Employee who is not a Cash Balance Participant but who has an Accrued Benefit under the Cash Balance Constituent Plan which has not been cancelled shall be considered to be an Inactive Cash Balance Participant.

ARTICLE L4

CREDITING OF SERVICE

L4.1 Years of Benefit Service. For purposes of determining Pay Credits under the Cash Balance Constituent Plan, a Cash Balance Participant's Years of Benefit Service shall be the sum of his years and fractional years of Elapsed Time Service commencing on and after January 1, 2014 as a Cash Balance Participant but excluding any Period of Separation. No Cash Balance Participant shall be entitled to duplicate credit for Years of Benefit Service for any period of employment. Years of Benefit Service shall not include any Service prior to the time an Eligible Employee becomes a Cash Balance Participant.

L4.2 Years of Eligibility Service. Except as otherwise provided in Sections L4.6, L4.7 and L4.8 hereof or a Supplement, a Cash Balance Participant's Years of Eligibility Service shall be calculated in the same manner as his Years of Benefit Service for periods ending prior to January 1, 2014 and shall be his Elapsed Time Service (as defined in Section L2.8 hereof) for periods commencing on and after January 1, 2014, but shall take into account all periods of his employment with a Participating Employer or any Affiliate to the extent not already taken into account in his Years of Eligibility Service. In addition, the Years of Eligibility Service of a Cash Balance Participant who is an Inactive Participant under another Constituent Plan (as described therein) shall not be less than the years of Eligibility Service he was credited with under such Constituent Plan prior to becoming a Cash Balance Participant. Except as otherwise provided in a Supplement, no Participant shall be entitled to duplicate credit for Years of Eligibility Service for any period of employment.

L4.3 Reinstatement of Prior Years of Benefit Service and Years of Eligibility Service.

- (a) If Cash Balance Participant's employment is terminated and he is re-employed by a Participating Employer or an Affiliate, the period of his Service, including his Years of Eligibility Service and his Years of Benefit Service, prior to the termination of his employment shall be restored for purposes of the Cash Balance Constituent Plan, if he has incurred a Period of Separation and was entitled to receive vested retirement benefits in accordance with the provisions of Article L6 hereof. However, if the Cash Balance Participant has incurred a Period of Separation and is not entitled to receive vested retirement benefits in accordance with the provisions of Article L6 hereof, the period of his Service, including his Years of Eligibility Service and his Years of Benefit Service, prior to his Period of Separation shall be restored only if his Period of Separation does not equal or exceed the greater of three (3) years or the Elapsed Time Service he had on his termination of employment, disregarding any Years of Service which are not required to be taken into account by reason of any previous Period of Separation.
- (b) To avoid duplication of benefits, any retirement benefits which are based upon the use of a Cash Balance Participant's Years of Benefit Service restored under this Section shall be deemed to be included in and not in addition to retirement benefits computed by the use of the total number of the Cash Balance Participant's Years of Benefit Service. The amount and payment of subsequent retirement benefits shall be subject to the provisions of Section L7.5 hereof.

L4.4 Military Service. If a Cash Balance Participant leaves the employment of a Participating Employer to enter Military Service, he shall be deemed to remain in Service for the period of his Military Service. During the period of such Military Service, the Cash Balance Participant shall be credited with Hours of Service for all purposes of the Cash Balance Constituent Plan, including Years of Eligibility Service and Years of Benefit Service, as though he remained in the active employment of a Participating Employer. If the Cash Balance Participant shall not return to the employment of a Participating Employer within the period prescribed by law for the protection of veterans' rights or such longer period as determined by

the Administrator, he shall be deemed to have terminated his Service and employment on the last day of his period of Military Service.

L4.5 Lay-Off. If a Cash Balance Participant ceases employment with a Participating Employer by reason of lay-off due to lack of work as determined by a Participating Employer, he shall be deemed to remain in Service for the period during which he has recall rights solely for purposes of avoiding a Period of Separation. A period of lay-off will not be counted in determining Years of Benefit Service or Years of Eligibility Service. If upon recall the Participant shall fail to return to the employ of a Participating Employer within the time provided for his return, he shall be deemed to have terminated his Service and employment on the last day of the period allowed for his return.

L4.6 Transfers Between Companies.

- (a) If a Cash Balance Participant transfers employment from a Participating Employer to an Affiliate which is not a Participating Employer and thereby ceases to be an Eligible Employee, he shall not be deemed to have had a termination of employment and the period of his employment with the Affiliate shall be considered Service and shall be deemed employment by a Participating Employer solely for purposes of determining his Years of Eligibility Service, but shall not be considered in determining his Years of Benefit Service or his Base Earnings under the Cash Balance Constituent Plan. If the Cash Balance Participant shall subsequently terminate employment with the Affiliate and shall not return to employment with a Participating Employer, his rights under the Cash Balance Constituent Plan shall be determined as though his termination of employment with the Affiliate was a termination of employment with a Participating Employer, and his entitlement to retirement benefits shall be determined on the basis of his Base Earnings (disregarding any compensation received from the Affiliate) and his Years of Benefit Service, if applicable, to the date of his transfer to the Affiliate.
- (b) If an Eligible Employee transfers employment from an Affiliate which is not a Participating Employer to a Participating Employer, the period of his employment with such company shall, for the purposes of determining his Years of Eligibility Service under the Cash Balance Constituent Plan, be deemed employment by a Participating Employer.

L4.7 Employment with Predecessor Company. The benefits of the Cash Balance Constituent Plan may be extended to Eligible Employees entering or having entered the service of a Participating Employer through the acquisition of companies or properties, including credit for service after December 31, 2013 with such companies and their predecessors or affiliates or properties, to the extent the Board may determine, or shall have determined, as though such service had been rendered to a Participating Employer.

L4.8 Service With Certain Municipalities.

- (a) If an employee of a municipality who, effective with the acquisition by a Participating Employer of the electric generating and/or distribution system of the municipality, became an Eligible Employee of a Participating Employer, his period of employment after December 31, 2013 with the vendor municipality shall be, for the purposes of the Cash Balance Constituent Plan as set forth in subparagraph (b) below, considered as Eligibility Service with a Participating Employer except that earnings for employment with the municipality shall not be taken into account for the purpose of computing any Pay Credits under the Cash Balance Constituent Plan.
- (b) Benefits under the Cash Balance Constituent Plan will accrue to an Eligible Employee described in subparagraph (a) above commencing with the later of January 1, 2014 or the effective date of his employment with a Participating Employer. All service of such an Eligible Employee as a full-time employee of the municipality (not necessarily continuous) shall be taken into account in determining his Years of Eligibility Service for purposes of Sections A7.3, L2.14, L6.3 and L10.2 hereof.

ARTICLE L5

CASH BALANCE ACCOUNT

L5.1 Definitions. The following terms have the following meanings whenever used in this Article:

- (a) “Age” shall mean the Cash Balance Participant’s age on the Determination Date, based on years and full months attained (with months converted to 4 decimal places).
- (b) “Determination Date” shall mean:
 - (i) with respect to Pay Credits, the last day of each Plan Year ending after January 1, 2014; provided, however, if a Cash Balance Participant terminates employment during a Plan Year ending after January 1, 2014, his Determination Date shall be his last day of Service in such Plan Year; and
 - (ii) with respect to Interest Credits, the last day of each Plan Year ending after January 1, 2014.
- (c) “Service Points” shall mean the Cash Balance Participant’s Benefit Service on the Determination Date, based on years and full months completed (with months converted to 4 decimal places).
- (d) “Points” shall mean the sum of the Cash Balance Participant’s Age and Service Points (rounded down to the nearest integer).
- (e) “30 Year Treasury Rate” shall mean for any Plan Year the annual rate of interest on 30-year Treasury securities as described in Section 417(e)(3)(A)(ii)(II) of the Code (prior to its amendment under the Pension Protection Act of 2006) determined for October in the calendar year immediately prior to the Plan Year in which the “30 Year Treasury Rate” is being used under this Part L.

L5.2 Establishment of Cash Balance Account. At the time when an Eligible Employee first becomes a Cash Balance Participant an Account shall be established for such new Cash Balance Participant. Each Account will be credited with Pay Credits in accordance with Section L5.3 and Interest Credits in accordance with Section L5.4.

L5.3 Pay Credits. As of each Determination Date, a Cash Balance Participant's Account shall be credited with Pay Credits in an amount equal to a percentage of his Pensionable Earnings for the Plan Year in which the Determination Date occurs. This percentage shall be determined on the basis of the Cash Balance Participant's Points as of the Determination Date for which the credit is being determined, in accordance with the following table:

<u>Points</u>	<u>Percent of Pensionable Earnings</u>
Less than 40	4%
40 - 49	5%
50 - 59	6%
60 - 69	7%
70 - 79	8%
80 or more	9%

L5.4 Interest Credits. A Cash Balance Participant's Account shall be credited with Interest Credits as follows:

- (a) General. A Cash Balance Participant's Account shall be credited with an amount determined by applying the annual interest credit rate in subparagraph (b) below to the value of the Cash Balance Participant's Account as of the previous Determination Date; provided, however, if the Cash Balance Participant has received a total distribution of his Cash Balance Account during the Plan Year containing the current Determination Date, no interest credit will be made for such Plan Year. Interest Credits shall be allocated for the period beginning on the first day of the Plan Year following the Plan Year in which the Cash Balance Participant has an Account balance and ending on the Determination Date immediately preceding such Cash Balance Participant's Benefit Commencement Date.
- (b) Interest Credit Rate. The annual interest credit rate for a Plan Year is the 30 Year Treasury Rate; provided, however, that the annual interest credit rate shall not be less than 2.57%.

ARTICLE L6

ELIGIBILITY FOR RETIREMENT BENEFITS

L6.1 Normal Retirement. A Cash Balance Participant who retires from employment on his Normal Retirement Date shall be eligible to receive a retirement benefit as provided in Section L7.1 hereof. Such retirement benefit shall commence or be paid on his Normal Retirement Date. Such retirement benefit shall become nonforfeitable upon the Cash Balance Participant attaining his Normal Retirement Date while employed by a Participating Employer or an Affiliate.

L6.2 Deferred Retirement. A Cash Balance 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 nonforfeitable retirement benefit as provided in Section L7.1 hereof. Such retirement benefit shall commence or be paid on the first day of the month after his termination of employment. Such a Cash Balance Participant shall be provided with the notification described in Department of Labor regulation Section 2530.203-3.

L6.3 Vested Retirement. If a Cash Balance Participant has completed at least three (3) Years of Eligibility Service on the date his employment terminates for any reason (other than death or retirement), he shall be entitled to receive a nonforfeitable retirement benefit as provided in Section L7.2 hereof. At the election of the Cash Balance Participant, such retirement benefit may commence or be paid on the first day of any month after his termination employment and prior to his Normal Retirement Date. If the Cash Balance Participant fails to elect a commencement date prior to his Normal Retirement Date, his retirement benefit will commence on his Normal Retirement Date.

A Cash Balance Participant shall not be entitled to a retirement benefit if on the date of termination of his employment he has fewer than three (3) Years of Eligibility Service. In addition, no Cash Balance 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 L6.1 or L6.2 hereof.

L6.4 Additional Vesting Credit. A Cash Balance Participant who:

- (a) has accrued a benefit under another Part of the Plan; and
- (b) has completed three (3) Years of Eligibility Service;

shall be deemed to have five (5) Years of Eligibility Service under such other Part solely for purposes of determining his right to a nonforfeitable benefit thereunder but not for any other purpose.

ARTICLE L7

RETIREMENT BENEFITS

L7.1 Commencement On or After Normal Retirement Date Under Single Life Annuity Option. The monthly retirement benefit payable to a Cash Balance Participant who is eligible therefor pursuant to Article L6 hereof and whose retirement benefit commences on or after his Normal Retirement Date and is payable under the Single Life Annuity Option described in Article L9 hereof shall be equal to his Accrued Benefit as calculated under Section L2.1(a) hereof.

L7.2 Commencement Prior To Normal Retirement Date Under Single Life Annuity Option. The monthly retirement benefit payable to a Cash Balance Participant who is eligible therefor pursuant to Article L6 hereof and whose retirement benefit commences prior to his Normal Retirement Date and is payable under the Single Life Annuity Option described in Article L9 hereof shall be equal to the Actuarial Equivalent of the Account balance of the Cash Balance Participant as of his Benefit Commencement Date.

L7.3 Payment Under Other Annuity Option. The monthly retirement benefit payable to a Cash Balance Participant who is eligible therefor pursuant to Article L6 hereof and whose retirement benefit is payable under an Annuity Option described in Article L9 hereof, other than the Single Life Annuity Option, shall be reduced so that his retirement benefit is the Actuarial Equivalent of the retirement benefit which he would have received if his retirement benefit were payable under the Single Life Annuity Option.

L7.4 Payment Under Total Distribution Option. The lump sum retirement benefit payable to a Cash Balance Participant who is eligible therefor pursuant to Article L6

hereof and whose retirement benefit is payable under the Total Distribution Option described in Article L9 hereof shall be his Account balance at his Benefit Commencement Date.

L7.5 Adjustment of Retirement Benefits for Re-employment. If a Cash Balance Participant who is receiving retirement benefits in the form of an annuity is re-employed by any Participating Employer or Affiliate, other than as a consultant, Leased Employee or contingent or independent contractor (regardless of whether such consultant, Leased Employee or contingent or independent contractor is subsequently determined by a court, the Internal Revenue Service or other governmental entity to be a common-law employee of a Participating Employer or Affiliate), and completes nine hundred sixty (960) or more Hours of Service for a Participating Employer or an Affiliate during a calendar year (“Re-employment Service”), his retirement benefits derived from Participating Employer contributions shall be suspended during the period of his Re-employment Service. Such retirement benefits shall commence or recommence no later than the first day of the third (3rd) calendar month after the calendar month in which the Cash Balance Participant ceases to be in Re-employment Service, whether due to the Cash Balance Participant’s re-employment or to the Cash Balance Participant’s continuing employment after his Normal Retirement Date. Any retirement benefits payable upon the Cash Balance Participant’s subsequent termination of employment or retirement shall be increased by the Actuarial Equivalent of any retirement benefits which were suspended and not paid to him during his Re-employment Service. The Administrator shall notify each Cash Balance Participant who continues in employment after his Normal Retirement Date and each Cash Balance Participant who is re-employed whether or not such continuing employment or re-employment constitutes Re-employment Service and of any suspension of payments due to such

Re-employment Service in the manner and at the time required by regulations issued by the Department of Labor.

L7.6 No Repayment of Account Balance. If a Cash Balance Participant who has received a single sum payment of his Account balance shall again become an Eligible Employee who is a Cash Balance Participant, his Account balance on his date of reemployment shall be equal to zero (0). Repayment of a prior Account balance is not permitted.

ARTICLE L8

DISABILITY

L8.1 Disability Status/No Pay Credits For Period of Disability.

- (a) A Cash Balance Participant who is an Eligible Employee who qualifies for benefits under a Participating Employer's long-term disability plan shall be "disabled."
- (b) A Cash Balance 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 Cash Balance Participant's continued disability.
- (d) The following rules shall apply to a disabled Participant during his period of disability, as described in subparagraph (a) or (b) above:
 - (i) Although he will be retained on a Company payroll for a period of time, he shall not be credited with additional Pay Credits unless he has Pensionable Earnings.
 - (ii) He shall continue to receive interest credits in accordance with Section L5.4 hereof.
 - (iii) As long as he has not had a termination of employment, he shall be credited with Benefit Service in order to determine his Service Points.
 - (iv) He shall not be entitled to a distribution prior to his termination of employment.

ARTICLE L9

FORMS OF PAYMENT

L9.1 Normal Forms. The normal forms of payment under the Cash Balance Constituent Plan are as follows:

- (a) Single Life Annuity Option. If a Cash Balance 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, with no payments after his death.
- (b) Automatic Joint and Surviving Spouse Annuity Option. If a Cash Balance Participant is married and has not elected an optional form of payment described in Section L9.3 hereof in accordance with Section L9.2 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 his retirement benefit shall be payable to him during his lifetime and that after his death (subsequent to the commencement of such retirement benefit) fifty percent (50%) of his monthly 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”).

L9.2 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 L9.1 hereof, a Cash Balance Participant may elect to receive his benefit pursuant to an optional form of payment described in Section L9.3 hereof. The Administrator shall, no less than thirty (30) days and no more than ninety (90) days prior to such Cash Balance Participant’s Benefit Commencement Date, provide such Cash Balance Participant with a written explanation of:

- (a) the terms and conditions of the normal forms set forth in Section L9.1 hereof and the optional forms set forth in Section L9.3 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 L9.1 hereof;
- (c) the rights of a married Cash Balance 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 a Cash Balance 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 Cash Balance 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 (30th) day after the date on which such explanation is provided.
- (ii) A Cash Balance 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 Cash Balance 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 Cash Balance Participant has the right to at least thirty (30) days to consider whether to waive the normal form of payment described in Section L9.1 hereof and consent to another form of payment;
 - (B) the benefit commences more than seven (7) days after such explanation is received;
 - (C) the Cash Balance 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 Cash Balance Participant.

Such election shall be on a form prescribed for the purpose by the Administrator, shall be signed by the Cash Balance Participant, shall designate the Joint Annuitant and the Selected Percentage if he shall have selected a Joint and Survivor Annuity 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 Cash Balance Participant will be required prior to the payment of benefits under a Joint and Survivor Annuity Option.

If a Cash Balance 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 Cash Balance Participant's spouse consents to the Cash Balance Participant's election within the 90-day Election Period in accordance with Section A11.12 hereof.

L9.3 Optional Forms of Payment. The optional forms of payment under the Cash Balance Constituent Plan are as follows:

- (a) Single Life Annuity Option. A Cash Balance Participant may elect that his retirement benefit be paid in the form of an annuity for his lifetime only, with no payments after his death.
- (b) Joint and Survivor Annuity Option. A Cash Balance Participant may elect to receive his retirement benefit payable to him during his lifetime with the provision that after his death (subsequent to the commencement of such retirement benefit), 100%, 75% or 50% of his monthly retirement benefit, as specified by the Cash Balance Participant (the "Selected Percentage"), shall continue during the life of and be paid to the Joint Annuitant that the Cash Balance Participant shall have designated

pursuant to Section L9.2 hereof, if such Joint Annuitant survives him. However, if the designated Joint Annuitant is a person who is not the spouse of the Cash Balance 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) Total Distribution Option. A Cash Balance Participant may elect to receive payment of his retirement benefit in a single lump sum payment at his Benefit Commencement Date. Any such payment shall be made in accordance with the provisions of Section A11.17 hereof.

L9.4 Death of Joint Annuitant Prior to the Death of the Cash Balance

Participant.

- (a) If the Joint Annuitant deemed designated or the Joint Annuitant designated by a Cash Balance Participant dies before the Cash Balance Participant's Benefit Commencement Date, such designation shall be null and void and the Single Life Annuity Option will apply unless the Cash Balance Participant has remarried or designated another Joint Annuitant.
- (b) If a Joint Annuitant deemed designated or a Joint Annuitant designated by a Cash Balance Participant dies after the Cash Balance Participant's Benefit Commencement Date but prior to the death of the Cash Balance Participant, the monthly retirement benefit being paid to the Cash Balance Participant shall continue in unchanged amount for his lifetime only until his death.

ARTICLE L10

DEATH BENEFITS

L10.1 Death On or After Benefit Commencement Date. In the event of the death of a Cash Balance Participant or former Cash Balance Participant on or after his Benefit Commencement Date, there shall be paid to his Beneficiary the death benefit, if any, provided under the form of retirement benefit under which such Cash Balance Participant or former Cash Balance Participant was receiving retirement benefits.

L10.2 Death Prior To Benefit Commencement Date. If a Cash Balance Participant or former Cash Balance Participant dies:

- (a) at a time when he:
 - (i) has completed at least three (3) Years of Eligibility Service; or
 - (ii) has attained his Normal Retirement Date while he is employed by a Participating Employer or an Affiliate; and
- (b) prior to his Benefit Commencement Date;

his Beneficiary shall be entitled to receive a death benefit commencing or paid within one hundred eighty (180) days following the death of the Cash Balance Participant, unless such Beneficiary defers the commencement date until a later date otherwise permitted hereunder.

L10.3 Amount of Death Benefit. The death benefit payable to the Beneficiary of a Cash Balance Participant or former Cash Balance Participant pursuant to Section L10.2 hereof shall be as follows:

- (a) if the Beneficiary is the spouse of the deceased Cash Balance Participant or former Cash Balance Participant, such death benefit shall be payable under the Single Life Annuity Option (described in Section L9.3 hereof but with the spouse as the annuitant) in a monthly amount which is the Actuarial Equivalent of the Account balance of the deceased Cash Balance Participant or former Cash Balance Participant; or

- (b) if the Beneficiary is someone other than the spouse of the deceased Cash Balance Participant or former Cash Balance Participant, such death benefit shall payable under the Total Distribution Option described in Section L9.3 hereof in an amount which is equal to the Account balance of the deceased Cash Balance Participant or former Cash Balance Participant at the date of distribution.

A spouse may elect, in lieu of receiving her benefit under the Single Life Annuity Option, to receive such benefit in the form of the Total Distribution Option. Any such election shall be made in such manner as shall be prescribed by the Administrator. Any non-annuity distribution shall be made in accordance with the provisions of Section A11.17 hereof.

L10.4 Designated Beneficiary. In lieu of having the benefits payable pursuant to this Article payable to a Beneficiary determined in accordance with the provisions of Section L10.5 hereof prior to the date of distribution, a Cash Balance Participant or former Cash Balance Participant may sign a document designating a Beneficiary or Beneficiaries to receive such benefits. A designation, change or revocation of Beneficiary shall be made in the form and manner prescribed by the Administrator and shall become effective when filed with the Administrator; provided, however, such designation, change or revocation of Beneficiary shall not be valid unless the form has been filed with the Administrator prior to the time of the Cash Balance Participant's death. If the Cash Balance Participant or former Cash Balance Participant is married, any such designation shall be effective only if the spouse of the Cash Balance Participant or former Cash Balance Participant consents thereto in accordance with Section A11.12 hereof. If the Cash Balance Participant is less than Age thirty-five (35) when such a designation is made, the designation will be automatically revoked as of the first day of the Plan Year in which he turns Age thirty-five (35) provided he is both married and an Employee on such day. If, on or after the date of the automatic revocation of the designation of Beneficiary, the married Cash Balance Participant wishes to make a designation of a Beneficiary other than

his spouse, he can do so in writing but such designation shall only be effective if the spouse of the Cash Balance Participant consents thereto in accordance with Section A11.12 hereof. In the event a Cash Balance Participant terminates employment prior to attaining Age thirty-five (35), any earlier designation will not be automatically revoked on the first day of the Plan Year in which he attains Age thirty-five (35).

Within the Plan Year in which a married Eligible Employee becomes a Cash Balance Participant and thereafter when and if the Cash Balance Participant attains Age thirty-two (32), the Administrator shall provide him with a written explanation of the death benefit under Section L10.3 hereof, his right to designate a Beneficiary other than his spouse, the automatic revocation of such designation as of the first day of the Plan Year in which he attains Age thirty-five (35), his right to make such designation on or after such first day of the Plan Year in which he attains Age thirty-five (35), the effect of such designation, his right to revoke such designation, the effect of such revocation, and the right of his spouse in relation to the designation and revocation.

L10.5 Automatic Beneficiary. Unless a Cash Balance Participant or former Cash Balance Participant has designated a Beneficiary in accordance with the provisions of Section L10.4 hereof, his Beneficiary of any death benefits under Section L10.3 hereof shall be deemed to be the person or persons in the first of the following classes in which there are any survivors of such Cash Balance Participant or former Cash Balance Participant:

- (a) his spouse at the time of his death;
- (b) his surviving children, equally;
- (c) his estate.

APPENDIX A

TO

PART L

<u>Eligible Group</u>	<u>Coverage Date</u>
All Non-Bargained Employees	January 1, 2014
<u>Collective Bargaining Unit</u>	
International Brotherhood of Electrical Workers Local 1194 (“IBEW Local 1194”)	January 1, 2014
Utility Workers Union of America Local 270 excluding UWUA Local 270 Perry Techs (“UWUA Local 270 (except Perry Techs)”)	January 1, 2014
International Brotherhood of Electrical Workers Local 50 (“IBEW Local 50”)	January 1, 2014
International Brotherhood of Electrical Workers Local 2357 (“IBEW Local 2357”)	January 1, 2014
International Brotherhood of Electrical Workers Local 777S at the Reading Call Center (“IBEW Local 777S Reading Call Center”)	January 1, 2014
International Brotherhood of Electrical Workers Local 29 at the Beaver Valley Nuclear Power Plant (except Maintenance Planners) (“IBEW Local 29 (except Maintenance Planners)”)	January 1, 2015
International Brotherhood of Electrical Workers Local 777 excluding IBEW Local 777S Reading Call Center (“IBEW Local 777”)	January 1, 2015
Utility Workers Union of America Local 180 (“UWUA Local 180”)	January 1, 2015
Utility Workers Union of America Local 304 (“UWUA Local 304”)	January 1, 2015
Utility Workers Union of America Local 102 (“UWUA Local 102”)	January 1, 2015

International Brotherhood of Electrical Workers Local 29 (Maintenance Planners) (“IBEW Local 29 (Maintenance Planners)”)	January 1, 2014 ⁽¹⁾
Utility Workers Union of America Local 118 (“UWUA Local 118”)	January 1, 2016
Utility Workers Union of America Local 126 (“UWUA Local 126”)	January 1, 2016
Utility Workers Union of America Local 140 (“UWUA Local 140”)	January 1, 2016
Utility Workers Union of America Local 350 (“UWUA Local 350”)	January 1, 2016
Utility Workers Union of America Local 351 (“UWUA Local 351”)	January 1, 2016
Utility Workers Union of America Local 457 (“UWUA Local 457”)	January 1, 2016
Local Union No. 245 of the International Brotherhood of Electrical Workers (“IBEW Local 245”)	January 1, 2016
International Brotherhood of Electrical Workers Local 272 (“IBEW Local 272”)	January 1, 2016
IBEW Local 1289 (IBEW System Council U-3 prior to May 21, 2015)	January 1, 2016
Utility Workers Union of America Local 270 Perry Techs (“UWUA Local 270 Perry Techs”)	January 1, 2017
International Brotherhood of Electrical Workers Local 459 (except Seneca) (“IBEW Local 459”)	January 1, 2017
Office and Professional Employees International Union Local 19 (“OPEIU Local 19”)	January 1, 2017
International Brotherhood of Electrical Workers Local 1413 (“IBEW Local 1413”)	January 1, 2017

(1) IBEW Local 29 (Maintenance Planners) was certified on April 22, 2014 and became the recognized collective bargaining representative on July 1, 2015.

Notwithstanding those dates, certain Non-Bargaining Unit Employees who became Bargaining Unit Employees as IBEW Local 29 (Maintenance Planners) employees commenced participation in the Cash Balance Constituent Plan as early as January 1, 2014.