NTESS
RETIREMENT INCOME PLAN

Summary Plan Description

Effective January 1, 2020
## Contents

### Introduction ...................................................................................................................... 1

### Summary of Plan Changes ................................................................................................. 2

1. **Who is Eligible to Participate in the RIP?** ................................................................. 3

2. **Who is an Eligible Employee?** .................................................................................. 3

3. **How Does the RIP Count Service for Purposes of Determining Benefits?** ............ 3

4. **When am I Eligible for Pension Payments and When do they Start?** ...................... 6

5. **How is my Benefit Calculated?** .................................................................................. 7

6. **How is my Pension Benefit Calculated if I am a PSP Participant and Became a Participant in the RIP Solely as a Result of the Merger?** ..................................................... 11

7. **How do Absences Affect the Calculation of my Benefit?** ........................................ 11

8. **Will My Pension Benefit Be Reduced if I Retire or Terminate Employment Early?** .... 12

9. **Do any Special Provisions Apply to Employees Who Made Mandatory Contributions to the RIP?** ...................................................................................................................... 12

10. **Do any Special Provisions Apply to Former Participants in the Lockheed Martin Specialty Components Pension Plan?** ................................................................. 12

11. **What Happens to My Benefit if I Do Not Stop Working Until After my Normal Retirement Age?** .............................................................. 13

12. **What Happens If I Die Before My Pension Start Date?** ........................................... 13

13. **What are my Pension Payment Options?** ................................................................ 15

14. **What Circumstances Could Cause a Reduction in my Benefits?** ............................. 18

15. **If I am Receiving Benefits under the RIP, can My Benefits Be Suspended?** .......... 19

16. **What Happens if I Get a Divorce?** ........................................................................... 20

17. **What is a Lump Sum Distribution?** .......................................................................... 20

18. **What is a Rollover?** .................................................................................................. 21

19. **Can Plan Assets Be Assigned or Attached by Creditors?** .................................... 21

20. **What Happens if I am Overpaid by the RIP?** ........................................................ 21

21. **What Happens If I Take a Military Leave?** ............................................................ 21

22. **Do Collective Bargaining Agreements Provide for Plan Participation?** .................. 22

23. **Is this Plan Subject to “Top Heavy” Rules?** ............................................................ 22

24. **Does the RIP Give Employment Rights?** ............................................................... 22
25. Can the RIP be Amended or Terminated? ................................................................. 22
26. How is the RIP Administered? ................................................................................. 24
27. How can I Appeal a Decision About My Plan Benefits? ........................................... 24
28. What are My ERISA Rights? ....................................................................................... 24
29. Other Important Information ....................................................................................... 26

APPENDIX A: Definitions ............................................................................................. 28

APPENDIX B: “Greater of Formula” .............................................................................. 35

APPENDIX C: Pension Band Values as of December 31, 2012 ........................................ 42

APPENDIX D: Claims and Appeal Procedure for the NTESS Retirement Income Plan .................. 43

APPENDIX E: Special Provisions for Employees who Made Mandatory Contributions to the RIP ........... 45

APPENDIX F: Special Provisions for Former Participants in the Lockheed Martin Specialty Components Pension Plan and Certain other Pension Plans with Benefits Transferred to the RIP ...... 46

APPENDIX G: Early Retirement Factors – Deferred Vested Pensions without Joint and 100% Surviving Spouse Annuity .................................................................................................................. 48

APPENDIX H: Early Retirement Factors – Deferred Vested Pensions with Joint and 100% Surviving Spouse Annuity .................................................................................................................. 49

APPENDIX I: Early Retirement Factors – Deferred Vested Pensions with Joint and 50% Surviving Spouse Annuity .................................................................................................................. 50

APPENDIX J: Reduction Factors – Service and Disability Pensions with Joint and 50% Contingent Survivor Annuity .................................................................................................................. 51

APPENDIX K: Reduction Factors – Deferred Vested Pensions with Joint and 50% Contingent Survivor Annuity .................................................................................................................. 52
SUMMARY PLAN DESCRIPTION
FOR
NTESS RETIREMENT INCOME PLAN

Introduction

National Technology & Engineering Solutions of Sandia LLC (NTESS) is pleased to sponsor for your benefit the NT Tess Retirement Income Plan (RIP or Pension Plan), formerly known as the Sandia Corporation Retirement Income Plan, which is designed to provide a source of continuing income during retirement for covered employees.

This Summary Plan Description (SPD) explains how to determine if you will be eligible for a benefit from the Pension Plan when you retire or terminate your employment. Under certain circumstances, reduced pension benefits can be continued to your Spouse or a contingent annuitant, following your death.

This SPD includes the provisions of the RIP as of January 1, 2020. The pension benefits described in this SPD apply to Eligible Employees (as defined in Questions 1 and 2) who experience a Termination of Employment (as defined in Appendix A) with NT Tess or another Affiliated Company (as defined in Appendix A) on or after this date. More detailed information is contained in the NT Tess Retirement Income Plan document, which governs the operation of this Pension Plan. In the event there is or appears to be any discrepancy between the terms of the RIP document and this SPD, the terms of the RIP document control.

Please Note: Capitalized terms appearing in this SPD are defined in Appendix A.

NOTE: The Pension Plan is maintained at the discretion of NT Tess. The Pension Plan does not create a contract of employment and does not change the at-will employment relationship between you and NT Tess. The NT Tess Board of Managers (or its designated representative) reserves the right to amend (in writing) any or all provisions of the Pension Plan, and to terminate (in writing) the Pension Plan at any time without prior notice unless required by law.
Summary of Plan Changes

This section contains a brief description of material Pension Plan changes that have been implemented since the previous SPD.

Effective January 1, 2020, the definition of Earnings was modified to exclude taxable income from the Student Debt Contribution Program and to clarify which awards and bonuses are included in Earnings.

Effective January 1, 2020, the Modified Rule of Parity no longer applies. If an Eligible Employee has not completed subsequent Years of Service to restore pre-break Plan Service by December 31, 2019, pre-break Plan Service will be permanently disregarded.

Effective May 1, 2019, language related to overtime for SPA-represented employees was clarified in the definition of Earnings.

Effective January 1, 2020, Required Minimum Distributions are effective at age 72. For those who turned 70 ½ in 2019, Required Minimum Distributions are required to begin April 1, 2020.
1. **Who is Eligible to Participate in the RIP?**

   You are eligible to participate in the RIP if you are an “Eligible Employee” (*see* Question 2, below) and you were participating in the RIP on December 31, 2019. The RIP is closed to Rehires and to New Hires. An individual ceases to be a participant when he or she ceases to have an accrued benefit in the RIP.

2. **Who is an Eligible Employee?**

   An Eligible Employee for purposes of participation in the RIP is an employee who works for NTESS, *other than* the following:

   (a) a Leased Employee,
   
   (b) a non-resident alien with no United States (U.S.) source income,
   
   (c) an individual whose earnings and conditions of employment are governed by the terms of a collective bargaining agreement unless and to the extent that a written agreement between NTESS and the relevant union makes such coverage available,
   
   (d) an individual who is eligible to participate in another defined benefit pension plan sponsored by NTESS,
   
   (e) an employee on loan from another Affiliated Company who is accruing service credit under another pension plan of that Affiliated Company,
   
   (f) a student intern,
   
   (g) a faculty sabbatical employee,
   
   (h) a recurrent (on call) employee,
   
   (i) a New Hire, or
   
   (j) a Rehire.

   If you are a Rehire of NTESS after the Applicable Closure Date, you will *not* be eligible to earn additional retirement benefits under the RIP during your period of reemployment. There are certain circumstances, however, under which an individual can return to work with NTESS and *not* be treated as a Rehire. Please see the definition of “Rehire” in Appendix A for a discussion of these circumstances.

   If you have a question about your eligibility, please contact the Plan Administrator to determine whether you are eligible to earn future benefits under the RIP, and what service counting rules apply to you.

3. **How Does the RIP Count Service for Purposes of Determining Benefits?**

   Your service with NTESS (or another Affiliated Company) may be accounted for separately for various Pension Plan purposes. Rules for counting service are summarized below. Please contact the Plan Administrator if you have questions regarding your service.
(a) **Plan Service.** *Note: “Plan Service” is different from “Credited Service,” which is described in (b), below.*) Plan Service is used to determine your eligibility for a Service Pension, early retirement benefits and breaks in service. Plan Service is *not* used to calculate the amount of your pension benefits — “Credited Service” is used for this purpose. Plan Service consists of your current period of continuous NTESS employment as an Eligible Employee, **plus** the following adjustments:

- The first 30 days of an unpaid absence or Approved Leave if you return to NTESS immediately at the end of the absence or leave. Only one 30-day period will be credited within a single fiscal year.

- The period of a Special Leave of Absence (SLOA, is included if you return to NTESS immediately at the end of the leave as an Eligible Employee. Effective July 1, 2017, for SLOAs that begin or are extended on or after January 1, 2017, the SLOA service credit is capped at a maximum of three years and, following return, must remain an Eligible Employee for a period of at least one year to receive the SLOA service credit.

- Qualified military service during a leave from NTESS, as required by law.

- Up to six months of unpaid absence because of a temporary layoff due to a reduction in force if you are re-hired in an eligible job classification within four years of the layoff.

- Approved corrective action time off without pay due to a suspension, cancellation, or revocation of a security clearance, if you again return to work as an Eligible Employee.

- Certain prior continuous service with NTESS in an ineligible job classification (such as student intern) if you convert from that ineligible job classification (except for a Leased Employee) to an eligible job classification within 30 days.

- Service with another Affiliated Company during the period of time the entity is an Affiliated Company of NTESS.

- Service as a New Hire or a Rehire.

(b) **Credited Service.** Credited Service is used to calculate the amount of your pension benefit. It is based on your Plan Service, **less** the following adjustments:

- Periods for which you were eligible to contribute to the RIP before July 1, 1975 and elected not to make contributions.

- If you withdraw and do not repay your employee contributions, Credited Service will not include years for which those employee contributions were made. *See, e.g.*, Appendix E.
• Prorated service for periods of part-time employment. The proration of service will be based on your scheduled hours of work in relation to a full-time employee. For this purpose, all part-time employees are “deemed” to be scheduled to work at least 50% of full-time.

• Periods of service with an Affiliated Company other than NTESS that are not accompanied by a transfer of assets from that entity’s tax qualified pension plan.

• Service as a New Hire or a Rehire.

• In no event will you earn more than one full year of Credited Service during any Plan Year.

• You will not accrue benefits (e.g., Credited Service) under this Pension Plan to the extent you are entitled to and vest in accrued pension benefits under another employer’s pension plan for the same service (e.g., if you are entitled to a pension due to your work while on a Special Leave of Absence).

(c) Vesting Service. Your pension benefit will become Vested, or nonforfeitable, after you have completed five Years of Service for Vesting. Beginning with the year of your 18th birthday, a Year of Service for Vesting is a Plan Year in which you are credited with 1,000 Hours of Service with an Affiliated Company.

Full-time employees are credited with 45 hours of Vesting Service for each week they are paid for one or more hours. Part-time employees, or employees who are employed for no more than three consecutive weeks and for no more than a total of 30 days in a calendar year, are credited with 10 hours of Vesting Service for each day in which they are paid for one or more hours.

(d) Bridging Rules. If you have a Termination of Employment and later return to employment with NTESS or another Affiliated Company, your prior Plan Service cannot be included with your service after the break in service until it is bridged, as described in the following three paragraphs.

If you have a Termination of Employment and incur a One-Year Break in Service, your Years of Service after the break will not be taken into account under the Pension Plan for any purpose until you have completed one Year of Service after your reemployment date. Upon completion of one Year of Service after your reemployment date, your Years of Service before the break in service will be aggregated with your Years of Service earned after the date you were re-employed by NTESS or another Affiliated Company.

If you have a Termination of Employment before you are vested and incur five or more consecutive One-Year Breaks in Service, your pre-break service will be disregarded for all Pension Plan purposes.

If you return to work more than five years after receiving a lump sum distribution, your prior service will not be bridged under any circumstances.

Rehires will not accrue additional Credited Service (i.e., retirement benefits) under any circumstances; however, pursuant to the bridging rules, they may accrue additional years of Plan Service and Vesting Service. See Question 15 which permits a participant whose
Pension Plan benefit payment has been suspended to earn addition Plan Service for certain purposes.

4. When am I Eligible for Pension Payments and When do they Start?

(a) **What Is a Service Pension?** A Service Pension is your earned retirement benefit, calculated as described in Question 5 or Question 6, and payable to you as described in Question 13.

(b) **When Do I Qualify For a Service Pension?** You are eligible to retire with a Service Pension when you meet both the following minimum age and Plan Service requirements while still employed by NTESS or another Affiliated Company:

<table>
<thead>
<tr>
<th>Minimum (Age)</th>
<th>Minimum Plan Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any age</td>
<td>30 years</td>
</tr>
<tr>
<td>50</td>
<td>25 years</td>
</tr>
<tr>
<td>55</td>
<td>20 years</td>
</tr>
<tr>
<td>60</td>
<td>15 years</td>
</tr>
<tr>
<td>65</td>
<td>10 years</td>
</tr>
</tbody>
</table>

Your Plan Service used to determine eligibility for a Service Pension will *not* be affected by part-time employment.

If you leave NTESS before meeting the requirements for a Service Pension, you may be eligible for a Deferred Vested Pension.

(c) **What Is a Deferred Vested Pension?** If you have a Termination of Employment with at least 5 years of Vesting Service (*see* Question 2(c)) and you are *not* eligible for a Service Pension, then you are eligible for a Deferred Vested Pension, calculated as described in Question 5 or Question 6 and payable to you as described in Question 13. After your Termination of Employment, you will receive a statement showing the amount of your Deferred Vested Pension. If you do *not* receive this statement, contact the Plan Administrator.

(d) **When may I Start Receiving My Pension Payments?** If you are eligible for a Service Pension, you may start your pension payments as soon as the day following your Termination of Employment. If you are eligible for a Deferred Vested Pension (*see* Question 4(c) above), your pension payments may start at age 65 (or when you have a Termination of Employment, if later). However, if you are eligible for a Deferred Vested Pension, following Termination of Employment, you may elect to begin receiving a reduced pension Annuity at a date earlier than age 65 under the following circumstances:

- If your Plan Service is at least 20 years, you may begin receiving payments after you turn age 55; or
If your Plan Service is at least 25 years, you may begin receiving payments after you turn age 50.

The reduction factors that apply when Deferred Vested Pension payments start before age 65 are illustrated in Appendices G, H, and I.

Alternately, you may delay or postpone the start of your Service Pension or Deferred Vested Pension payments to a later date, but not later than April 1st of the calendar year following the calendar year in which you attain age 72 (70½ if age attained on or before December 31, 2019). If you elect to defer the start of your pension payments, the retirement age factor used to calculate your pension benefit will be based on your age when payments commence.

During the deferral period, if you are married and you do not waive the Preretirement Survivor Annuity, as described in Question 12, below, your benefit will automatically be reduced by the cost of Preretirement Survivor Annuity coverage for each full or partial year of coverage between your Termination of Employment and the earliest of your Pension Start Date, the date of your death, or the date you subsequently waive Preretirement Survivor Annuity coverage (with your Spouse’s consent).

(e) **How Do I Apply for My Pension Annuity?** Except as provided in the following paragraph, your pension Annuity is not paid automatically. You must apply in writing to the Plan Administrator within 180 days before the date you would like your payments to commence. *See Question 13(a).*

When you reach age 72 and are vested in the Pension Plan, you will begin receiving pension payments even if you are still employed. Payments begin on April 1st following the calendar year in which you attain age 72 (70½ if age attained on or before December 31, 2019) in the Normal Form of Benefit unless you elect an optional payment form. *See Question 13.* If you continue to remain employed by NTESS, your pension benefit will be recalculated each December 31st to determine your monthly pension payment for the next year. Your final benefit amount will be calculated upon Termination of Employment, In the event of your death, your surviving Spouse/beneficiary should contact the Plan Administrator as soon as possible, as a delay in commencing the payment of death benefits could make them subject to tax penalties.

### 5. How is my Benefit Calculated?

**Note:** If you are a prior PSP Participant and you became a participant in the RIP solely as a result of the merger of the PSP into the RIP, your pension benefit will be calculated as described in Question 6, below.

(a) **If your Termination of Employment was before January 1, 2012, your pension benefit is determined using the following formula for the Final Average Pay Benefit:**

\[
\text{High-3 Final Average Pay} \\
\times \text{Final Average Pay Retirement Age Factor} \\
\times \text{Credited Service}
\]
Your *High-3 Final Average Pay* is calculated by taking the sum of your eligible pension Earnings for the 36 consecutive full calendar months during which you were an Eligible Employee earning Credited Service within the most recent 10 years that produce the highest result and dividing by three.

For purposes of determining *High-3 Final Average Pay* see Appendix A and also Question 7. *Credited Service* is limited to 50 years.

Your *Final Average Pay Retirement Age Factor* will be determined by your age, stated in terms of years and fully completed months since your last birthday, on your Pension Start Date. The *Final Average Pay Retirement Age Factors* for the Final Average Pay Benefit are illustrated in the following table:

<table>
<thead>
<tr>
<th>Age in Years</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>below 50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50</td>
<td>1.04%</td>
<td>1.05%</td>
<td>1.05%</td>
<td>1.06%</td>
<td>1.07%</td>
<td>1.07%</td>
<td>1.08%</td>
<td>1.09%</td>
<td>1.09%</td>
<td>1.10%</td>
<td>1.10%</td>
<td>1.11%</td>
</tr>
<tr>
<td>51</td>
<td>1.12%</td>
<td>1.13%</td>
<td>1.13%</td>
<td>1.14%</td>
<td>1.15%</td>
<td>1.15%</td>
<td>1.16%</td>
<td>1.17%</td>
<td>1.17%</td>
<td>1.18%</td>
<td>1.18%</td>
<td>1.19%</td>
</tr>
<tr>
<td>52</td>
<td>1.20%</td>
<td>1.21%</td>
<td>1.21%</td>
<td>1.22%</td>
<td>1.23%</td>
<td>1.23%</td>
<td>1.24%</td>
<td>1.25%</td>
<td>1.25%</td>
<td>1.26%</td>
<td>1.26%</td>
<td>1.27%</td>
</tr>
<tr>
<td>53</td>
<td>1.28%</td>
<td>1.29%</td>
<td>1.29%</td>
<td>1.30%</td>
<td>1.31%</td>
<td>1.31%</td>
<td>1.32%</td>
<td>1.33%</td>
<td>1.33%</td>
<td>1.34%</td>
<td>1.34%</td>
<td>1.35%</td>
</tr>
<tr>
<td>54</td>
<td>1.36%</td>
<td>1.37%</td>
<td>1.37%</td>
<td>1.38%</td>
<td>1.39%</td>
<td>1.39%</td>
<td>1.40%</td>
<td>1.41%</td>
<td>1.41%</td>
<td>1.42%</td>
<td>1.42%</td>
<td>1.43%</td>
</tr>
<tr>
<td>55</td>
<td>1.44%</td>
<td>1.45%</td>
<td>1.45%</td>
<td>1.46%</td>
<td>1.47%</td>
<td>1.47%</td>
<td>1.48%</td>
<td>1.49%</td>
<td>1.49%</td>
<td>1.50%</td>
<td>1.51%</td>
<td>1.51%</td>
</tr>
<tr>
<td>56</td>
<td>1.52%</td>
<td>1.53%</td>
<td>1.53%</td>
<td>1.54%</td>
<td>1.55%</td>
<td>1.55%</td>
<td>1.56%</td>
<td>1.57%</td>
<td>1.57%</td>
<td>1.58%</td>
<td>1.59%</td>
<td>1.59%</td>
</tr>
<tr>
<td>57</td>
<td>1.60%</td>
<td>1.61%</td>
<td>1.61%</td>
<td>1.62%</td>
<td>1.63%</td>
<td>1.63%</td>
<td>1.64%</td>
<td>1.65%</td>
<td>1.65%</td>
<td>1.66%</td>
<td>1.66%</td>
<td>1.67%</td>
</tr>
<tr>
<td>58</td>
<td>1.68%</td>
<td>1.69%</td>
<td>1.69%</td>
<td>1.70%</td>
<td>1.71%</td>
<td>1.71%</td>
<td>1.72%</td>
<td>1.73%</td>
<td>1.73%</td>
<td>1.74%</td>
<td>1.75%</td>
<td>1.75%</td>
</tr>
<tr>
<td>59</td>
<td>1.76%</td>
<td>1.77%</td>
<td>1.77%</td>
<td>1.78%</td>
<td>1.79%</td>
<td>1.79%</td>
<td>1.80%</td>
<td>1.81%</td>
<td>1.81%</td>
<td>1.82%</td>
<td>1.83%</td>
<td>1.83%</td>
</tr>
<tr>
<td>60</td>
<td>1.84%</td>
<td>1.85%</td>
<td>1.85%</td>
<td>1.86%</td>
<td>1.87%</td>
<td>1.87%</td>
<td>1.88%</td>
<td>1.89%</td>
<td>1.89%</td>
<td>1.90%</td>
<td>1.91%</td>
<td>1.91%</td>
</tr>
<tr>
<td>61</td>
<td>1.92%</td>
<td>1.93%</td>
<td>1.93%</td>
<td>1.94%</td>
<td>1.95%</td>
<td>1.95%</td>
<td>1.96%</td>
<td>1.97%</td>
<td>1.97%</td>
<td>1.98%</td>
<td>1.99%</td>
<td>1.99%</td>
</tr>
<tr>
<td>62 &amp; up</td>
<td>2.00%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Subject to the rules for early commencement of your pension benefit (see Question 4(d)), the Final Average Pay Retirement Age Factor used for all participants who do not meet the age and service requirements for an immediate Service Pension will be 2.0%, which is the factor that applies at age 65.

**Example:**

A participant with the following personal data retired with a Service Pension on December 31, 2011:

- Date of birth: March 20, 1951
- Retirement age: 60 years, 9 months
- Credited Service: 30.33 years
- High-3 Final Average Pay: $80,000
Here’s how that participant’s benefit will be calculated:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-3 Final Average Pay</td>
<td>$80,000.00</td>
</tr>
<tr>
<td>Multiplied by Credited Service</td>
<td>x 30.33</td>
</tr>
<tr>
<td>Multiplied by Final Average Pay Retirement Age Factor</td>
<td>x .019</td>
</tr>
<tr>
<td>Annual Pension Benefit</td>
<td>$46,101.60</td>
</tr>
<tr>
<td>Monthly Pension Benefit</td>
<td>$3,841.80</td>
</tr>
</tbody>
</table>

(b) **If your Termination of Employment was or will be after December 31, 2011, your pension benefit will be your Final Average Pay Benefit, if any, (as calculated in (a) above through 12/31/11) PLUS your Career Average Benefit (calculated as provided below):**

**Final Average Pay Benefit is**

- High-3 Final Average Pay through 12/31/11
- x Final Average Pay Retirement Age Factor
- x Credited Service through 12/31/11 (see 5(a), above for details)

**plus**

**Career Average Benefit is**

- Career Earnings after 12/31/2011
- x Career Average Retirement Age Factor (see explanation and Table below)

For purposes of determining Career Earnings, see Appendix A and also Question 7. Credited Service is limited to 50 years.

The age factors used in the formula will be determined by your age, stated in terms of years and fully completed months since your last birthday, as of your Pension Start Date. The **Final Average Pay Retirement Age Factor** table is set forth earlier in this SPD (see 5(a), above). The **Career Average Retirement Age Factors** for the Career Average Benefit are illustrated in the following table:
Subject to the rules for early commencement of your pension benefit (see Question 4(d)), the Career Average Retirement Age Factor used for all participants who do not meet the age and service requirements for an immediate Service Pension will be 2.25%, which is the factor that applies on and after age 65.

**Example:**

A participant with the following personal data retires with a Service Pension on January 1, 2016 (Pension Start Date):

- **Date of birth:** March 20, 1954
- **Retirement age:** 61 years, 9 months
- **Credited Service through 12/31/11:** 30.33 years
- **High-3 Final Average Pay:** $80,000
- **Career Earnings after 12/31/11:** $332,000

Here’s how that participant’s benefit will be calculated:

High-3 Final Average Pay \( \times \) 30.33 \( \times \) .0198 = $48,042.72
6. How is my Pension Benefit Calculated if I am a PSP Participant and Became a Participant in the RIP Solely as a Result of the Merger?

If you are a PSP Participant, your benefits earned under the PSP were frozen as of December 31, 2012, as described below.

PART A: Not employed on January 1, 2013.

If you were a PSP Participant that was not employed by the Company or another Affiliated Company on January 1, 2013 (e.g., prior to January 1, 2013, you had a Termination of Employment and were eligible for a Deferred Vested Pension or you had retired and were receiving benefit payments from the PSP), your PSP benefit was calculated pursuant to the provisions and definitions (e.g., assigned pension band, Credited Service and supplemental payments) applicable to you under the PSP when you terminated employment. For additional information, please contact the Plan Administrator.

PART B: Employed on January 1, 2013

If you were a PSP Participant employed by the Company or another Affiliated Company on January 1, 2013, you became eligible to earn pension benefits under the RIP’s “Greater of Formula,” as described in Appendix B of this SPD. Your benefit under the RIP after the merger will never be less than your benefit under the PSP on December 31, 2012.

Please note that special provisions may apply to individuals who transferred from the PSP to the RIP or from the RIP to the PSP during 2012. If you want additional information about these special provisions, please contact the Plan Administrator.

7. How do Absences Affect the Calculation of my Benefit?

In the case of an unpaid absence, the following rules apply for computing the Earnings used in the calculation of your benefit:

- For purposes of determining your High-3 Final Average Pay (see Question 5(a)) for an unpaid absence occurring before January 1, 2012:
  - If you received Credited Service during the period of absence, Earnings will be included based on the greater of:
• Your base salary or wage rate at the time you began the unpaid absence; or

• Eligible compensation you received during the most recent equal period of employment before the absence.

  o If you did not receive Credited Service during the unpaid absence, Earnings will be included in the benefit formula based on the eligible compensation you received during the most recent equal period of employment before the absence.

• For an unpaid absence occurring on and after January 1, 2012, Earnings will be determined based on Career Earnings (see Question 5(b)).

8. Will My Pension Benefit Be Reduced if I Retire or Terminate Employment Early?

   There is no adjustment to a Service Pension amount between age 62 and Normal Retirement Age. If you retire with a Service Pension before age 62 your pension benefit will be permanently reduced. The early retirement penalties are reflected in the Final Average Pay Retirement Age Factors and the Career Average Retirement Age Factors assigned to ages below 62. See the tables in Question 5 of this SPD. See, also, Appendix B for special reductions that are applicable to certain PSP Participants who receive a benefit based on the frozen PSP benefit calculation.

   If you do not qualify for a Service Pension, but you qualify for a Deferred Vested Pension and you begin receiving your pension benefit before attaining age 65, your benefit amount will be permanently reduced as provided in Question 4.

9. Do any Special Provisions Apply to Employees Who Made Mandatory Contributions to the RIP?

   There are special provisions which apply to employees who were employed by NTESS before July 1, 1975 and made mandatory contributions to the RIP (see Appendix E).

10. Do any Special Provisions Apply to Former Participants in the Lockheed Martin Specialty Components Pension Plan?

    There are special provisions which apply to former participants of the Lockheed Martin Specialty Components Pension Plan whose pension benefits transferred to the RIP (see Appendix F).
11. **What Happens to My Benefit if I Do Not Stop Working Until After my Normal Retirement Age?**

   If you have a Termination of Employment after reaching Normal Retirement Age, you are eligible to receive a postponed retirement benefit. In general, your postponed retirement benefit is equal to your Normal Retirement Benefit (see Questions 5 and 6) based on your Earnings and service as of your Termination of Employment.

12. **What Happens If I Die Before My Pension Start Date?**

   (a) **Death Before Termination of Employment.**

   (i) **Preretirement Survivor Annuity.** If you are Vested in your Pension Plan benefit and you die before your Pension Start Date, your surviving Spouse (if any) may be eligible to receive a Preretirement Survivor Annuity. A Preretirement Survivor Annuity is an Annuity payable to your eligible Spouse for his or her lifetime. The amount payable is calculated based on the amount your surviving Spouse would have received if you had a Termination of Employment on the day before your death and had elected to receive a Joint and 100% Surviving Spouse Annuity (see Question 13) on the earliest possible date. If you are not married on the date of your death and you die before your Pension Start Date, no employer-provided pension benefit will be payable to anyone from the Pension Plan on account of your death (see Appendix E and Appendix F for death benefits from employee contributions).

   (ii) **Vested with Plan Service Less than 15 Years.** If you are Vested in your Pension Plan benefit and die before your Termination of Employment (and before completing at least 15 years of Plan Service or becoming eligible for a Service Pension), your eligible surviving Spouse will receive a Preretirement Survivor Annuity. To qualify for this Annuity, your Spouse must have been married to you for the one-year period ending on the date of your death. Under these circumstances, the Preretirement Survivor Annuity is based on the Joint and 100% Surviving Spouse Annuity which is calculated using the maximum age factors and subject to a 14% reduction for the survivor option.

   The Preretirement Survivor Annuity will become payable to your eligible surviving Spouse starting with the date you would have turned age 65. However, if the present value of the Annuity is $5,000 or less, your Spouse’s pension will be paid in a lump sum.

   (iii) **Plan Service at Least 15 Years or Eligible for a Service Pension.** If you die before your Termination of Employment and after completing at least 15 years of Plan Service or becoming eligible for a Service Pension, your surviving Spouse will receive a Preretirement Survivor Annuity. To qualify for this Annuity, your Spouse must have been married to you on the date of your death (the one-year of marriage requirement does not apply). Under these circumstances, the Preretirement Survivor Annuity is based on the Joint and 100% Surviving Spouse Annuity.
Annuity which is calculated using the maximum age factors and subject to a 10% reduction for the survivor option.

The Preretirement Survivor Annuity will become payable to your surviving Spouse starting on the day after your death. However, if the present value of the Annuity is $5,000 or less, your Spouse’s pension will be paid in a lump sum.

(b) **Death After Termination of Employment.** Preretirement Survivor Annuity coverage protects your Spouse’s right to an Annuity if you die after your Termination of Employment but before your Pension Start Date. You must pay for this post-Termination of Employment coverage as discussed in item (c)(ii) below)

(i) **Preretirement Survivor Annuity.** If you die after your Termination of Employment and before your Pension Start Date, your surviving Spouse can receive a Preretirement Survivor Annuity if your surviving Spouse has been married to you for the one-year period ending on the date of your death. If you were Service Pension Eligible on the date of your Termination of Employment, the amount of the Joint and 100% Preretirement Survivor Annuity is based on your age on the date of your death and is subject to a 10% reduction for the survivor option. If you were not Service Pension Eligible on the date of your Termination of Employment, the Preretirement Survivor Annuity is based on the Joint and 100% Surviving Spouse Annuity which is calculated using the maximum age factors and subject to a 14% reduction for the survivor option or the early retirement reduction factors (see Question 4(d)).

This Preretirement Survivor Annuity will become payable to your Spouse on the earliest date that you could have elected to begin receiving a pension benefit under the Pension Plan. However, if the present value of the Preretirement Survivor Annuity is $5,000 or less, your Spouse’s pension will be paid in a lump sum.

(ii) **Paying for Preretirement Survivor Annuity Coverage.** If you are married when you have a Termination of Employment and your Pension Start Date is not the day after your Termination of Employment, your pension will automatically be reduced to provide Preretirement Survivor Annuity coverage unless you decline Preretirement Survivor Annuity coverage with the written consent of your Spouse (witnessed by a notary).

You can decline or re-elect this coverage at any time after your Termination of Employment and before your Pension Start Date. However, your Spouse must provide written consent (witnessed by a notary) any time you decline the coverage. If you do not decline this coverage, your pension will be permanently reduced when you start receiving payments, to pay for the cost of each full or partial calendar year the coverage was in effect.

The amount of the reduction for each year of coverage is based on your age, as follows:

<table>
<thead>
<tr>
<th>Your Age on January 1 of the Year of Coverage</th>
<th>Reduction for Each Full or Partial Year of Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Less than 45</td>
<td>.30% (.0030)</td>
</tr>
<tr>
<td>45 – 54</td>
<td>.40% (.0040)</td>
</tr>
<tr>
<td>55 – 59</td>
<td>.70% (.0070)</td>
</tr>
<tr>
<td>60 – 64</td>
<td>1.00% (.0100)</td>
</tr>
<tr>
<td>65 – 69</td>
<td>1.40% (.0140)</td>
</tr>
<tr>
<td>70 – 74</td>
<td>2.20% (.0220)</td>
</tr>
</tbody>
</table>

**Example:**

If you have a Termination of Employment at age 59 and begin an annual Deferred Vested Pension of $6,000 ($500 per month) at age 65, the cost for Preretirement Survivor Annuity coverage is computed as follows:

Annual Pension at age 65: $6,000

Annual Pension reduced by (i) and (ii), below

(i) 1 year for age 59: .0070 x $6,000 = $42, plus

(ii) 5 years for ages 60 – 64: 5 x .0100 x $6,000 = $300

Total Reduction ($300 + $42) = 342

Reduced Annual Pension at 65 ($6,000 - $342) = $5,658

Reduced Monthly Pension at age 65 ($5,658/12) = $471.50

**NOTE:** This example illustrates the cost (reduction of you pension payment amount) for Preretirement Survivor Annuity coverage. An additional reduction will apply for post-retirement survivor Annuity coverage when pension payments commence.

**NOTE:** If you die after your Pension Start Date (see Appendix A), survivor benefits, if any, will be determined based on the payment option you selected (see Question 13). For example, if you selected a Single Life Annuity, then no benefits will be paid to anyone after your death.

13. **What are my Pension Payment Options?**

The default payment option for your Pension Plan benefit is the applicable Normal Form of Benefit (see (b) and (c) below). You can waive the Normal Form of Benefit by following the
Pension Plan’s administrative procedures (see (a) below). If the present value of your benefit is $5,000 or less, however, your benefit will be paid in a lump sum (see Question 18).

(a) **E lecting a Payment Option.** In order to start your pension, you will need to obtain a distribution packet from the Plan Administrator and follow the administrative procedures outlined in that packet (see Question 4(e)). The distribution packet will describe your Normal Form of Benefit and how to waive your Normal Form of Benefit in order to elect an optional form of benefit. A married participant who properly waives the Normal Form of Benefit, with their Spouse’s written consent (witnessed by a Notary), can elect a Single Life Annuity, a Joint and 50% Surviving Spouse Annuity or a Joint and 50% Contingent Survivor Annuity (see (d), (f), and (g) below). An unmarried participant who properly waives the Normal Form of Benefit can elect a Joint and 50% Contingent Survivor Annuity (see (g) below). You must submit your signed benefit election/waiver form to the Plan Administrator within the 180-day election period before your Pension Start Date (see Appendix A). You can change your mind (with Spousal consent) any time during the 180-day election period before your Pension Start Date. Your election/waiver cannot be changed for any reason, including a change in your marital status, on or after your Pension Start Date.

(b) **Normal Form of Benefit for an Unmarried Participant.** If you are not married on your Pension Start Date, your Normal Form of Benefit is a Single Life Annuity (see (d) below).

(c) **Normal Form of Benefit for Married Participants.** If you are married on your Pension Start Date (if the Pension Start Date is immediately following your Termination of Employment or Death, or if you have been married for one-year if your Pension Start Date is later), your Normal Form of Benefit is a Joint and 100% Surviving Spouse Annuity (see (e) below). Your monthly pension benefit will automatically be reduced to provide the Surviving Spouse Annuity.

(d) **Single Life Annuity.** A Single Life Annuity provides a monthly pension benefit for your lifetime with no payments to anyone after your death.

(e) **Joint and 100% Surviving Spouse Annuity.** The Joint and 100% Surviving Spouse Annuity provides a reduced monthly pension benefit to you as long as you are alive. Your monthly Service Pension benefit is reduced by 10% (or 14% for Deferred Vested Pensions) to provide this survivor Annuity. Following your death, and except as otherwise may be provided in a Qualified Domestic Relations Order (see Questions 14 and 16) entered into before your Pension Start Date, the Spouse to whom you were married on your Pension Start Date will receive monthly pension benefits for their lifetime equal to your reduced monthly pension benefit.

If your Spouse dies before you, the 10% (or 14%) reduction is discontinued starting with the benefit payment for the month after your Spouse’s death.

**Example:**

Assume a married participant, who qualifies for a Service Pension monthly benefit of $3,841.80 elects his or her Pension Start Date to be the day immediately following Termination of Employment and elects the Joint and 100% Surviving Spouse Annuity,
the Normal Form of Benefit. Here is an illustration of that participant’s and their surviving spouse’s monthly pension benefits:

<table>
<thead>
<tr>
<th>Benefit Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Monthly Pension</td>
<td>$3,841.80</td>
</tr>
<tr>
<td>10% Reduction for Joint and 100% Surviving Spouse Annuity</td>
<td>- 384.18</td>
</tr>
<tr>
<td>Participant’s Monthly Pension Benefit</td>
<td>$3,457.62</td>
</tr>
<tr>
<td>Surviving Spouse’s Monthly Pension Benefit</td>
<td>$3,457.62</td>
</tr>
</tbody>
</table>

(f) **Joint and 50% Surviving Spouse Annuity.** The Joint and 50% Surviving Spouse Annuity provides a reduced monthly pension benefit to you as long as you are alive. Your monthly Service Pension benefit is reduced by 5% (or 7% for Deferred Vested Pensions) to provide this survivor Annuity. Following your death, and except as may be otherwise provided in a Qualified Domestic Relations Order (see Questions 14 and 16) entered into before your Pension Start Date, the Spouse to whom you were married on your Pension Start Date will receive monthly pension benefits for their lifetime equal to one-half of your reduced monthly pension benefit.

If your Spouse dies before you, the 5% (or 7%) reduction is discontinued starting with the benefit payment for the month after your Spouse’s death.

**Example:**

Assume a married participant who qualifies for a Service Pension monthly benefit of $3,841.80 elects his or her Pension Start Date to be the day immediately following Termination of Employment and elects the Joint and 50% Surviving Spouse Annuity with written consent of their Spouse (witnessed by a notary). Here is an illustration of that participant’s and their surviving Spouse’s pension benefits:

<table>
<thead>
<tr>
<th>Benefit Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Monthly Pension</td>
<td>$3,841.80</td>
</tr>
<tr>
<td>5% Reduction for Joint and 50% Surviving Spouse Annuity</td>
<td>- 192.09</td>
</tr>
<tr>
<td>Participant’s Monthly Pension Benefit</td>
<td>$3,649.71</td>
</tr>
<tr>
<td>Surviving Spouse’s Monthly Pension Benefit</td>
<td>$1,824.86</td>
</tr>
</tbody>
</table>

(g) **Joint and 50% Contingent Survivor Annuity.** The Joint and 50% Contingent Survivor Annuity is available to all participants who are eligible for a pension regardless of their marital status. With this form of payment, you may name anyone (other than your Spouse with their written and notarized consent if you are married) as a contingent annuitant to receive monthly pension benefits after your death. Your monthly pension benefit is reduced by a factor based on the ages of you and your selected annuitant (see Appendix J for the factors for Service Pensions and Appendix K for the factors for Deferred Vested Pensions). Following your death, your contingent annuitant will receive monthly pension benefits for their lifetime equal to one-half of your reduced monthly pension benefit.
If a distribution is to be made to a minor, the Plan Administrator may direct that part or all of the distribution be paid to the legal guardian, parent, responsible adult or custodian of the minor.

If your contingent annuitant dies before you, the reduction is discontinued starting with the benefit payment for the month after his or her death.

Example:
Assume a participant who qualifies for a monthly pension benefit of $3,841.80 is not married on his or her Pension Start Date, no Preretirement Survivor Annuity reductions apply, and there is no Qualified Domestic Relations Order. The participant names a son who is 23 years younger than the participant as a contingent annuitant. Here’s an illustration of that participant’s and survivor’s pension benefits:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Monthly Pension</td>
<td>$3,841.80</td>
</tr>
<tr>
<td>9% Reduction for Joint and 50% Contingent Survivor</td>
<td>- 345.76</td>
</tr>
<tr>
<td>Annuity (see Appendix G)</td>
<td></td>
</tr>
<tr>
<td>Participant’s Monthly Pension Benefit</td>
<td>$3,496.04</td>
</tr>
<tr>
<td>Surviving Contingent Annuitant’s Monthly Pension Benefit</td>
<td>$1,748.02</td>
</tr>
</tbody>
</table>

14. **What Circumstances Could Cause a Reduction in my Benefits?**

(a) **Death.** If a participant dies before his or her Pension Start Date and there is no eligible surviving Spouse, then no death benefit will be payable from the Pension Plan. The participant’s Pension Plan benefits will be forfeited except for refunds of employee contributions, if any. *(see Question 9).*

(b) **Plan Termination.** If the Pension Plan is terminated *(see Question 25)* and it is not fully funded, your benefit could be reduced.

(c) **Lost Participant or Beneficiary.** If the Plan Administrator is unable to locate you, your surviving Spouse, your beneficiary or contingent annuitant for 2 years from the date a benefit is required to be paid, all or a portion of your Pension Plan benefits or survivor and death benefits could be forfeited.

(d) **Funding Level.** If the Pension Plan is less than 80% funded using regulated calculation assumptions, benefit restrictions may apply (e.g., restrictions on the amount of benefits that can be paid in the form of a lump sum). If the Pension Plan is less than 60% funded, additional restrictions may apply.

(e) **QDRO.** A Qualified Domestic Relations Order (QDRO) could provide that all or a portion of your Pension Plan benefit is to be paid to an alternate payee, such as your former Spouse in the event of a divorce *(see Question 16).*

(f) **Suspension of Benefits.** Your monthly pension benefit payments may be suspended if you return to work for NTESS or another Affiliated Company *(see Question 15).*

(g) **Payments Under Law.** Your Pension Plan benefits will not be reduced by pensions or benefits paid under the Social Security Act, the Railroad Retirement Act, or due to
military service. However, if any law currently in effect (such as Workers’ Compensation regulations) or any law enacted in the future should provide payments like those provided by this Pension Plan, Pension Plan benefits will be limited to the amount in excess of those paid under the law if required by the law.

(h) **Maximum Limitations.** Federal regulations limit the amount of annual compensation that can be recognized by a qualified retirement plan’s benefit formula, and the amount of benefits that can be paid to any individual from a pension plan’s trust fund. These limits normally affect only the higher-paid employees (or, in some cases, employees retiring at an early age) and are subject to periodic change by the Internal Revenue Service (IRS).

(i) **Vesting.** If you are not fully Vested *(see Question 3(c))* , you will not receive benefits under the Pension Plan.

### 15. If I am Receiving Benefits under the Pension Plan, can My Benefits Be Suspended?

If you are a participant receiving monthly pension benefits under the Pension Plan and you are reemployed by NTESS or another Affiliated Company, or if you continue in employment with NTESS or another Affiliated Company after attaining Normal Retirement Age, your Pension Plan monthly benefit payments will be suspended (and permanently withheld) for any calendar month in which you complete 40 or more Hours of Service with NTESS or another Affiliated Company. Notwithstanding the preceding sentence, participants who have attained the April 1st following attaining age 72 (age 70½ if attained on or before December 31, 2019) will receive or continue to receive benefit payments in accordance with the Pension Plan’s required minimum distribution provisions.

(a) **Notice.** The Plan Administrator will notify you if your Pension Plan benefit payments are suspended.

(b) **Regulations.** Department of Labor regulations governing suspension of your benefit payments can be found in Section 2530.203-3 of the Code of Federal Regulations.

(c) **Review.** The Pension Plan’s Claims Procedures *(see Appendix D)* may be used to request a review of the suspension.

(d) **Status.** If your prior service with NTESS or another Affiliated Company is included in your Plan Service for purposes of computing your Pension Plan monthly benefit, your prior benefit elections automatically will expire and the provisions of Question 12 *(which describes Preretirement Survivor Annuity coverage)* again will apply.

(e) **Eligible Employee.** If on the date you are re-employed by NTESS or another Affiliated Company you satisfy the Pension Plan’s then current definition of an Eligible Employee, then to the extent provided in the Pension Plan you will continue to earn benefits *(e.g., Credited Service)* for your service on and after your date of re-employment. Otherwise *(e.g., if you are a “Rehire” or a “New Hire” as defined in Appendix A)* , you will not continue to earn benefits *(e.g., Credited Service)* for your service on and after your date of re-employment. However, whether or not you are earning benefits, the following provisions will apply:
(i) your Plan Service earned after reemployment and your age as of your subsequent Pension Start Date will be taken into account when determining whether you are eligible for a Service Pension and/or the amount by which your pension benefits will be reduced on account of early commencement (see Question 4) and

(ii) if your Annuity payments were based, in part, on prior employee contributions (as defined in the Pension Plan) an amount will be added to the value of your pension benefits.

(f) Resuming Your Pension. Subject to the Pension Plan’s election procedures (see Question 13) and to your timely notice to the Plan Administrator that you no longer are employed, your Pension Plan benefit payments will resume no later than the first day of the third month after the month in which you ceased to be employed. When you no longer are employed, the Pension Plan’s election rules and options again will apply as if your monthly pension benefits had never before been payable to you.

16. What Happens if I Get a Divorce?

If you get a divorce and the Plan Administrator determines that there is a Qualified Domestic Relations Order (QDRO), all or part of your Pension Plan benefits may be payable directly to your former Spouse, or to another individual (each an “alternate payee”) despite your choice of benefit form. Payments pursuant to a QDRO are subject to all applicable reductions for early commencement. If you are already receiving benefit payments, your survivor annuity options may not be changed by a QDRO. When a QDRO is being sought, the Plan Administrator or its delegate may communicate with you, your Spouse or attorneys for you and your Spouse. You may obtain a written description of the Pension Plan’s QDRO procedures at no charge from the QDRO processor:

Alight Solutions
NTESS Qualified Order Team
P.O. Box 1433
Lincolnshire, IL 60069-1433;

QDRO Specialist Phone Line – (866) 310-8042, FAX Line – (847) 554-1963.

17. What is a Lump Sum Distribution?

Certain benefits under the Pension Plan will be paid in a single lump sum if the present value of these benefits is $5,000 or less and monthly pension benefit payments have not begun. The determination of present value is based on actuarial calculations which take into account your age and assumptions regarding interest rates and life expectancy.

The lump sum distribution will be made as soon as administratively practicable after you have a Termination of Employment or your death. If the present value of your pension benefit is $5,000 or less (but more than $1,000), your benefit will automatically be transferred to an Individual Retirement Account (IRA) at Prudential Bank and Trust, FSB, unless you elect to receive the distribution or directly roll over the benefit to an eligible retirement plan of your choice. If the present value of your benefit is $1,000 or less and you do not elect to roll over the
distribution to an eligible retirement plan of your choice, you automatically will receive a
distribution less any applicable tax withholdings.

Once a lump sum distribution has been made, you and/or your Spouse have no further
entitlement to benefits under the Pension Plan.

18. What is a Rollover?

In order to delay taxation of all or part of a lump sum payment (if any taxation is due),
that payment generally can be directly rolled over to an eligible IRA or another employer’s
qualified retirement plan.

19. Can Plan Assets Be Assigned or Attached by Creditors?

Generally, no part of the Pension Plan’s Trust fund can be used as security for a loan or
attached by creditors of any participant or by creditors of any company. You cannot assign or
transfer amounts payable under the Pension Plan. Amounts payable to you under the Pension
Plan may not be assigned or attached to pay debts or obligations of any nature except to comply
with properly executed federal tax levies and judgments, settlements or directions to third parties
allowed by the Pension Plan and addressed by Internal Revenue Code Section 401(a)(13), or
with court-issued QDROs (see Question 16). Pension Plan administration and investment
expenses can be paid from the Trust fund.

20. What Happens if I am Overpaid by the RIP?

The Pension Plan may withhold the amount of a prior erroneous payment or overpayment
made to any person from one or more subsequent payments to, or with respect to, that person, or
the Pension Plan may pursue other lawful means of recovering an erroneous payment or
overpayment. The right of the Plan Administrator to establish the propriety of distributions from
the Pension Plan and/or obtain recovery or collect repayment from a participant, beneficiary, or
other person of an erroneous payment and/or overpayment amount shall constitute an equitable
remedy enforceable in the form of an equitable lien by agreement and regardless of any equitable
defenses raised by the participant, beneficiary, or other person.

21. What Happens If I Take a Military Leave?

If you take a military leave of absence that qualifies as a leave under the Uniformed
Services Employment and Reemployment Rights Act of 1994 (USERRA), and you timely return
to covered employment, you generally will be credited with benefits and service credit as if you
had remained employed during this period of time. In addition, if you die while performing
qualified military service, your survivors will receive, to the extent required by law, any
additional benefits (other than benefit accruals) that would have been provided under the Pension
Plan if you had resumed employment and then terminated employment on account of death. For
more information about military leave, please contact the Plan Administrator.
22. **Do Collective Bargaining Agreements Provide for Plan Participation?**

Yes. Collective bargaining agreements provide for participation of certain employees in this Pension Plan. You may examine a copy (or obtain a copy) of a collective bargaining agreement that applies to you by contacting the Plan Administrator. See Question 29 for contact information. You may be charged for copies of any documents you request. The name of any union whose members participate in this Pension Plan is available from the Plan Administrator.

23. **Is this Plan Subject to “Top Heavy” Rules?**

The IRS has issued special minimum Vesting and benefit formulas for “top heavy” plans, which are plans under which the value of the benefits earned by certain key employees (generally, officers and owner employees) is more than 60% of the value of benefits earned by all other covered employees. In the unlikely event that the Pension Plan was to become “top heavy,” the following Vesting schedule would apply instead of the 5 years of service normally required to vest.

<table>
<thead>
<tr>
<th>Years of Vesting Service</th>
<th>Vesting Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 2</td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>40</td>
</tr>
<tr>
<td>4</td>
<td>60</td>
</tr>
<tr>
<td>5</td>
<td>100</td>
</tr>
</tbody>
</table>

Also, if the Pension Plan were to become “top heavy” each non-key employee must be provided with at least a minimum benefit accrual awhile the Pension Plan is “top heavy.”

24. **Does the Pension Plan Give Employment Rights?**

No. The Pension Plan does not create a contract of employment and does not change the at-will employment relationship between you and NTESS.

25. **Can the Pension Plan be Amended or Terminated?**

The NTESS Board of Managers (or its designated representative) reserves the right to amend (in writing) any or all provisions of the Pension Plan, and to terminate (in writing) the Pension Plan at any time.

If the Pension Plan is terminated or if NTESS determines that the Pension Plan is partially terminated, you will have a Vested right to your accrued benefit to the extent it is funded. If, at the time of termination, the Trust has additional assets beyond those necessary to fund all Vested benefits and pay all Pension Plan expenses, the excess will be returned to the

Upon termination of the Pension Plan, neither NTESS nor its affiliates will be liable for any benefit payable under the Pension Plan. Your rights of recovery will be solely against the Pension Plan’s Trust.

Your pension benefits under this Pension Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the Pension Plan is terminated without enough assets in the Trust to pay all benefits, the PBGC will step in to pay pension benefits. Under PBGC payment, many participants receive all of the pension benefits they would have received under their terminated plan, but some may have benefits reduced.

The PBGC guarantee generally covers:

(i) normal and early retirement pension benefits;
(ii) disability benefits (if any); and
(iii) certain benefits for your survivors.

The PBGC guarantee generally does not cover:

(i) benefits greater than the maximum guaranteed amount set by law for the year in which a plan terminates;
(ii) some or all of benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the time the plan terminates;
(iii) benefits that are not Vested because you have not worked long enough;
(iv) benefits for which you have not met all of the requirements at the time the plan terminates;
(v) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the terminated plan’s Normal Retirement Age; and

(vi) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if some of benefits are not guaranteed, terminated plan participants still may receive some of the non-guaranteed benefits from the PBGC depending on how much money was in the terminated plan’s trust and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact:

PBGC Technical Assistance Division
1200 K Street N.W., Suite 930
Washington, D.C. 20005-4026
www/pbgc.gov

Phone 202-326-4000 (TTY/TDD users may call the federal relay service toll free at 1-800-877-8339 and ask to be connected to 202-326-4000).
26. **How is the Pension Plan Administered?**

   The Pension Plan is administered by the Plan Administrator (see Question 29, “Other Important Information”). The Plan Administrator has full discretionary authority to administer and interpret the Pension Plan, including discretionary authority to determine eligibility for participation and for benefits under the Pension Plan, to correct errors (to the extent practicable), to construe ambiguous terms, to appoint, remove and replace third party administrative service providers, and to grant or deny initial claims for benefits under the Pension Plan. The Plan Administrator may delegate its discretionary authority and such duties and responsibilities as it deems appropriate to facilitate day-to-day administration of the Pension Plan and, unless the Plan Administrator provides otherwise, such a delegation will carry with it the full discretionary authority to accomplish the delegation. Determinations by the Plan Administrator or the Plan Administrator’s authorized delegate will be final and conclusive upon all persons. Notwithstanding the forgoing, the NTESS Employee Benefits Claim Review Committee (EBCRC) has the exclusive, full and final discretionary authority to hear and determine appeals of claims denied by the Plan Administrator.

27. **How can I Appeal a Decision About My Plan Benefits?**

   If you think an error has been made in determining your pension benefits, then you (or a duly authorized representative) may make a written request for any Pension Plan benefits to which you believe you are entitled. The Pension Plan’s Claims and Appeal Procedure are in Appendix D. A claim can include (i) a claim for recovery of benefits under the terms of the Pension Plan, (ii) enforcement of a claimant’s rights under the terms of the Pension Plan, and/or (iii) clarification of a claimant’s right to future benefits under the terms of the Pension Plan.

28. **What are My ERISA Rights?**

   As a participant in the Pension Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Pension Plan participants shall be entitled to:

   - Examine without charge, at the Plan Administrator’s office, all documents governing the Pension Plan including collective bargaining agreements and a copy of the latest annual report (Form 5500) filed by the Pension Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
   - Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the RIP, including collective bargaining agreements, the latest annual report (Form 5500) and the current SPD. The Plan Administrator may make a reasonable charge for the copies.
   - Receive a summary of the Pension Plan’s annual funded status.
   - Obtain a statement telling you whether you have a right to receive a benefit at Normal Retirement Age and if so, what your benefits would be at Normal Retirement Age if
you stop working or became ineligible to accrue benefits under the Pension Plan now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to get a right to a benefit (Vest). This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Pension Plan must provide the statement free of charge.

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Pension Plan. The people who operate your Pension Plan, called “fiduciaries”, have a duty to do so prudently and in the interest of you and other Pension Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Pension Plan documents or the latest annual report and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court after exhausting the claims procedure described in Appendix D. In addition, if you disagree with the Plan Administrator’s decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court after exhausting the claims procedure described in Appendix D. However, again, you must pursue all administrative and appeals procedures described in Appendix D as a precondition to challenging the denial of a claim in a lawsuit. Such exhaustion of administrative procedures applies equally to claims for (i) recovery of Pension Plan benefits; (ii) enforcement of rights under the terms of the Pension Plan; and (iii) clarification of rights to future benefits under the terms of the Pension Plan.

If it should happen that the Pension Plan fiduciaries misuse the Pension Plan’s Trust, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about your Pension Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your
rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

29. Other Important Information

Plan Sponsor

National Technology & Engineering Solutions of Sandia LLC (NTESS) is the Pension Plan’s Sponsor. Inquiries should be directed to:

NTESS
c/o Retirement Investment Management Department
P.O. Box 5800, MS 1302
Albuquerque, NM 87185-1302
(505) 845-9222

Plan Administrator

The NTESS Employee Benefits Committee is the Plan Administrator. Inquiries should be directed to:

NTESS Employee Benefits Committee
P.O. Box 5800, MS 1021
Albuquerque, NM 87185-1021
(505) 284-4700

Agent for Service of Legal Process

Corporation Service Company (CSC) is the agent for service of legal process for the NTESS Retirement Income Plan and the Employee Benefits Committee. The contact information for CSC is as follows:

Main Office:
251 Little Falls Drive
Wilmington, DE 19808

Local Offices:
123 East Marcy Street, Suite 101
Santa Fe, NM 87501
(505) 989-7500

2710 Gateway Oaks Dr., Suite 150N
Sacramento, CA 95833
(916) 641-5100
Identification Numbers

The Employer Identification Number assigned to NTESS by the IRS is 85-0097942. The Identification Number for the Retirement Income Plan (RIP) is 006.

Plan Type

The NTESS Retirement Income Plan (Pension Plan) is a defined benefit pension plan. Under this type of plan, your benefit is determined using a formula, and contributions are made to the Pension Plan’s Trust to fund required benefit payments.

Funding Arrangement

The cost of providing benefits for Eligible Employees hired after July 1, 1975 is paid entirely by NTESS. If you were hired before July 1, 1975, or transferred pension benefits from certain Affiliated Company plans, the cost of providing your Pension Plan benefits earned before July 1, 1975, or the transferred plan, is paid partially by employee contributions plus interest and the balance is paid by NTESS. Employee contributions to the Pension Plan were discontinued on July 1, 1975.

The minimum required amount (if any) of NTESS’ contributions to the Trust is determined annually by the Pension Plan’s enrolled actuary in accordance with Internal Revenue Code regulations. Monthly pension benefits are paid by Prudential Financial from Trust assets. Trust assets are held under a contract with Prudential Financial (30 Scranton Office Park, Scranton, PA 18507-1789) and under a trust agreement with The Northern Trust Company (50 South LaSalle Street, Chicago, IL 60603).

Plan Year

The Pension Plan’s year is a calendar year, beginning each January 1 and ending December 31.
# APPENDIX A:

## Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accumulation</strong></td>
<td>Contributions made to the Pension Plan for service before July 1, 1975, and mandatory contributions transferred from certain Affiliated Company plans, plus credited interest on those contributions.</td>
</tr>
<tr>
<td><strong>Affiliated Company</strong></td>
<td>NTESS, and pursuant to Internal Revenue Code Section 414, any corporation within the same controlled group of corporations as NTESS, any company under common control with NTESS, any employer that is a member of an affiliated service group with NTESS, and any employer required to be aggregated with NTESS. An entity is recognized as an Affiliated Company of NTESS only during the period of time the entity is an Affiliated Company of NTESS, unless otherwise provided by NTESS’ Board of Managers.</td>
</tr>
<tr>
<td><strong>Annuity</strong></td>
<td>An annuity is a series of payments at fixed intervals which is guaranteed for a fixed period, such as the lifetime of one or more individuals. For purposes of this SPD, annuity does not refer to a financial product sold by a financial institution such as an insurance company.</td>
</tr>
<tr>
<td><strong>Applicable Closure Date</strong></td>
<td>January 1, 2009 for Non-PSP Participants, July 1, 2009 for PSP Participants hired into an OPEIU represented position, and July 1, 2010 for PSP Participants hired into an MTC-represented or into a SPA-represented position. A participant’s Applicable Closure Date is based on the following analysis. Effective January 1, 2009, this Plan was closed to non-represented “New Hires” and to “Rehires” as defined in this Appendix A and Disability Provisions were removed. Effective July 1, 2009, the PSP was closed to “New Hires” and “Rehires” into an OPEIU-represented position and Disability provisions were removed for OPEIU-represented individuals. Effective July 1, 2010, the PSP was closed to “New Hires” and “Rehires” into an MTC-represented position or into a SPA-represented position and Disability provisions were removed for MTC-represented and SPA-represented individuals. This definition of Applicable Closure Date is <em>not</em> intended to enlarge the rights of any individual.</td>
</tr>
<tr>
<td><strong>Approved Leave</strong></td>
<td>Leave formally granted in conformity with NTESS’ rules as adopted from time to time.</td>
</tr>
<tr>
<td><strong>Career Average Benefit</strong></td>
<td>See Question 5(b) for the formula to calculate the Career Average Benefit.</td>
</tr>
<tr>
<td><strong>Career Average Retirement Age Factor</strong></td>
<td>The age factor from the table in Question 5(b) used in the Career Average Benefit formula determined by your age, stated in terms of years and fully completed months since your last birthday, as of your Pension Start Date.</td>
</tr>
</tbody>
</table>
Career Earnings  The sum of eligible pension Earnings paid to you for each fully
completed calendar month after December 31, 2011, based on no more
than 1/12th of your applicable annual base salary or base rate for such
calendar month, while you are an Eligible Employee earning Credited
Service.

Claimant  An individual that asserts a right of a participant or beneficiary to
benefits from the Pension Plan.

Company  National Technology & Engineering Solutions of Sandia LLC

Credited Service  See Question 3(b) for the definition of Credited Service.

Deferred Vested Pension  A participant’s Vested benefit calculated upon Termination of
Employment but not available for a Pension Start Date until Normal
Retirement Age or eligibility for early retirement.  See Question 4.

Earnings  Earnings for Pension Plan calculations include an Eligible Employee’s
base salary or, in the case of an hourly paid Eligible Employee or a PSP
Participant, wages calculated at the applicable base rate for their
standard work schedule (without including any supplements, overtime,
bonuses, awards, taxable income from the Student Debt Contribution
Program, the cash value of non-cash compensation reported to the IRS
or differentials for other special circumstances).  

Earnings include non-base and variable pay awards including
individual performance awards, advancement awards, NTESS awards
for excellence, special recognition awards, spot awards, promotion
awards, appointment awards, employment sign on awards, critical
skills retention bonuses, and retention bonuses, but exclude bonuses,
incentive payments, variable pay, or other non-base amounts paid on or
after May 1, 2017 that are not fully reimbursable to the Company under
a Management and Operating contract with the Department of Energy.
In addition, until April 30, 2017, Earnings included incentive
compensation awards under the Sandia Corporation Management
Incentive Compensation Plan (this plan was discontinued as of May 1,
2017).  These awards were recognized in the year such compensation
was awarded whether or not deferred.

Overtime is considered to be the full rate of pay on hours for which
premium pay is required according to federal law or relevant state law
(e.g., time-and-a-half, double time, etc.).  To the extent required by the
SPA Collective Bargaining Agreement, hours worked by a participant
in a SPA represented position, which are worked as part of the SPA
represented employee’s standard work schedule, will be included as
Earnings at the base rate, but will not include as Earnings any
associated premium payments on those hours (e.g., extra half time or
double time for overtime).  Any hours worked in excess of the SPA
represented Eligible Employee’s standard work schedule will not be
added to Earnings.

For the avoidance of doubt, Earnings are determined before reducing an Eligible Employee’s salary or wages (as the case may be) by the amount of elective deferrals under Code Sections 125, 402(g)(3), or effective for Plan Years beginning on and after January 1, 2001 132(f)(4). Deferrals under Code Section 125 include any amount not available to a Participant in cash in lieu of group health coverage because the Participant is unable to certify that he/she has other health coverage. For the avoidance of doubt, Earnings do not include differential wage payments within the meaning of Code Section 3401(h).

When determining the sum of Earnings recognized by the Pension Plan for each 12-month period, Earnings may not exceed annual pay limits established by the Internal Revenue Code. For example, the eligible pay limit for a 12-month period beginning in 2017 was $270,000. See also Question 7.

**Eligible Employee**  
See Question 2 for a definition of Eligible Employee.

**Final Average Pay Benefit**  
See Question 5(a) for the formula to calculate the Final Average Pay Benefit.

**Final Average Pay Retirement Age Factor**  
The age factor in the table in Question 5(a) used in the Final Average Pay Benefit formula determined by your age, stated in terms of years and fully completed months since your last birthday, as of your Pension Start Date.

**Frozen PSP Benefit**  
See Appendix B (a) for the formula to calculate the Frozen PSP Benefit

**High-3 Final Average Pay**  
The sum of your eligible pension Earnings for the 36 consecutive full calendar months during which you were an Eligible Employee earning Credited Service within the most recent 10 years that produce the highest result (prior to your Pension Start Date or December 31, 2011), and dividing by three.

**Hour of Service**  
Each hour for which you are paid or entitled to payment as an employee of NTESS or another Affiliated Company, including paid absences such as vacation, holiday, illness, disability, layoff, military duty, or jury duty.

**Joint and 100% Surviving Spouse Annuity**  
See Question 13(e) for the definition of Joint and 100% Surviving Spouse Annuity

**Leased Employee**  
Any person (other than a common law employee of an Affiliated Company) who pursuant to an agreement between an Affiliated Company and a leasing organization has performed services for the
Affiliated Companies on a substantially full-time basis for a period of
at least one year, and those services are performed under the primary
direction or control of one or more Affiliated Companies. For
nondiscrimination testing purposes, an individual will not be a Leased
Employee if the individual is covered by a money purchase pension
plan meeting the requirements of Code Section 414(n)(5)(B) and
Leased Employees do not constitute more than 20% of all non-highly
compensated employees of all Affiliated Companies.

Marriage
A relationship recognized as a valid, legal marriage in accordance with
the laws of any state, the District of Columbia, a U.S. territory or a
foreign jurisdiction where the marriage took place. Marriage does not
include a domestic partnership or a civil union. The terms “Spouse,”
“husband and wife,” “husband,” and “wife” include individuals married
to a person of the same sex, if the couple is validly married as
described in the preceding sentence. See, also the definition of Spouse.

NTessa
National Technology & Engineering Solutions of Sandia LLC

New Hire
An individual who, on or after the Applicable Closure Date, first
becomes a common-law employee of NTESS. An individual who
transfers to this Pension Plan will not be treated as a “New Hire,”
provided that assets actually are transferred to this Pension Plan on
behalf of that participant.

Normal Form of Benefit
See Question 13(b) and (c) for descriptions of the Normal Form of
Benefit applicable to specific situations.

Normal Retirement Age
The later of the date you attain age 65 or the 5th anniversary of your
employment date with NTESS or another Affiliated Company.

One-Year Break in Service
Plan Year in which you have not completed at least 500 Hours of
Service with NTESS or another Affiliated Company.

Pension Plan
NTESS Retirement Income Plan

Pension Start Date
The first day of the first period for which an amount is payable as an
annuity or, in the case of a benefit not payable as an annuity, the first
day on which all events have occurred which entitle the participant to
such benefit. The Internal Revenue Code uses the term “Annuity
Starting Date” to refer to a Pension Start Date.

Plan Administrator
See Questions 26 and 29 for a definition of, and information about, the
Plan Administrator.

Plan Service
See Question 3(a) for the definition of Plan Service.

Plan Year
January 1 through December 31

Preretirement Survivor Annuity
See Question 12(a) for the definition of Preretirement Survivor Annuity
**PSP Participant** An individual who became a participant in this Plan as a result of the merger of the Pension Security Plan (PSP) into this Pension Plan. A RIP to PSP Transferee who had *not* completed 365 days of participation in the PSP at the date of merger will *not* be treated as a PSP Participant.

**Regular Employee** An individual employed directly by NTESS for an unspecified time period working a full-time or part-time schedule. Limited-term employees, post-doctoral appointees, recurrent employees and student intern are non-Regular employees.

**Rehire** An individual who, on or after the Applicable Closure Date, again becomes a common law employee of NTESS. Notwithstanding the foregoing, a “Rehire” does *not* include the following:

- **Temporary U.S. Government Employment.** An individual who would otherwise be treated as a “Rehire” due to his or her return from temporary employment with the U.S. Government; provided the individual returns to employment with NTESS at the conclusion of such temporary U.S. Government employment and that, upon his or her return, the individual otherwise satisfies all other requirements to be an Eligible Employee and; provided further, that immediately prior to such temporary U.S. Government employment the individual (i) was an Eligible Employee, (ii) otherwise would have qualified for a NTESS-approved Special Leave of Absence or for an Intergovernmental Personnel Assignment (IPA), and (iii) was required to terminate employment with NTESS as a condition to taking temporary employment with the U.S. Government.

- **Approved Leave or IPA.** An individual who would otherwise be treated as a “Rehire” due to his or her return from Approved Leave or Intergovernmental Personnel Assignment (IPA); provided the individual returns to employment with NTESS at the conclusion of such Approved Leave or IPA, and that, upon his or her return, the individual otherwise satisfies all other requirements to be an Eligible Employee and; provided further, that immediately prior to such Approved Leave or IPA, the individual was an Eligible Employee.

- **Conversion.** A non-Regular Employee who, before the Applicable Closure Date was *not* eligible for participation in the Pension Plan (e.g., a student), who is converted to status as an Eligible Employee on or after the Applicable Closure Date, and within the time frame set forth in the applicable NTESS policy for recognition of prior service.

- **Qualified Military Service.** An individual who would otherwise be treated as a “Rehire” due to his or her return from qualified military service (within the meaning of Code Section 414(u)); provided that he or she returns to employment with NTESS within the time frame
set forth in applicable law and, upon his or her return, the individual otherwise satisfies all other requirements to be an Eligible Employee and; provided further, that immediately prior to his or her qualified military service, the individual was an Eligible Employee.

**RIP**
NTESS Retirement Income Plan

**Service Pension**
Pension benefits upon attainment of the combined minimum age and minimum Plan Service while still employed by NTMESS or another Affiliated Company that are available for a Pension Start Date immediately following Termination of Employment. See Question 4.

**Single Life Annuity**
See Questions 13(d) for the definition of Single Life Annuity.

**Special Election Period**
The period that began September 16, 2016 and ended October 28, 2016 during which a participant or surviving Spouse who was eligible for the Special Lump Sum Payment could elect to receive a lump sum payment or commence his or her pension annuity payments pursuant to the Normal Form of Benefit or optional forms of benefit (see Question 13) regardless of the participant’s age. An election of the Special Lump Sum Payment had to satisfy the conditions relating to waiver of the Normal Form of Benefit.

**Special Leave of Absence**
Special Leave of Absence Consistent with the Company’s Interest (Special Leave of Absence or SLOA) within the meaning of NTMESS company policy (e.g., assignment with the government other than military service, service with another DOE contractor, service with a college or university, or tribal government appointment) is an approved leave during which the individual will be deemed to be working his or her regular schedule; provided, however that at the end of such leave, the individual again becomes an Eligible Employee.

**Special Lump Sum Payment**
A lump sum payment available during the Special Election Period for the Deferred Vested Pension of a participant or surviving Spouse who met the following requirements:

(a) The participant had a Termination of Employment prior to May 1, 2016 and did not die or be rehired during the period beginning May 1, 2016 and ending on December 1, 2016;

(b) The participant or their surviving Spouse had not otherwise commenced receiving pension benefits under the Pension Plan on or prior to the date payment was made;

(c) The participant’s or surviving Spouse’s Special Lump Sum Payment, as calculated according to the Pension Plan provisions, was greater than $5,000;
(d) The participant’s Deferred Vested Pension was not subject to a qualified domestic relations order as defined by Section 414(p) of the Code on the payment date;

(e) The Plan Administrator had not been notified of a pending qualified domestic relations order with respect to the participant’s account by the payment date;

(f) The participant was not eligible for a Service Pension;

(g) The participant was not on an Approved Leave of Absence as of May 1, 2016; and

(h) The participant was not beyond his or her Required Beginning Date.

**Spouse**

The individual recognized as a participant’s lawful spouse in accordance with the laws of any state, the District of Columbia, a U.S. territory or a foreign jurisdiction where the marriage took place. The term Spouse does not include a domestic partner or a party to a civil union. See, also, the definition of Marriage.

**Termination of Employment**

A severance from employment with all Affiliated Companies. An Employee does not have a severance from employment if the Employee’s new employer maintains the Pension Plan with respect to the Employee.

**Trust**

NTESS Retirement Income Plan Trust, which holds the Pension Plan’s assets.

**Vest, Vested, Vesting**

A participant’s nonforfeitable Pension Plan benefit. See Question 3(c).

**Vesting Service**

See Question 3(c) for the definition of Vesting Service.

**Year of Service**

A Plan Year of employment with NTESS or another Affiliated Company in which you are credited with 1,000 Hours of Service.
APPENDIX B:

“Greater of Formula”

If you were a PSP Participant (as defined in Appendix A) and were on roll on January 1, 2013, your benefits earned under the PSP were frozen as of December 31, 2012. Starting on January 1, 2013, you became eligible to earn pension benefits under the RIP’s “Greater of Formula,” as described in (a) and (b) below. *Your benefit under the RIP after January 1, 2013, will never be less than your benefit under the PSP on December 31, 2012.*

The “Greater of Formula” is the greater of the Frozen PSP benefit (a) or the All Service Plan Benefit (b) below:

(a) **Frozen PSP Benefit.** A PSP Participant’s Frozen PSP Benefit is calculated based on the PSP benefit formula but taking into account only the PSP Participant’s assigned pension band, credited service and supplemental payments determined as of December 31, 2012, under the PSP. As discussed in (i) and (ii) below, there may be a reduction to a PSP Participant’s Frozen PSP Benefit due to early commencement based on the PSP Participant’s age and Plan Service. In this regard, please note that PSP Participants on roll on January 1, 2013, or rehired later, can continue to earn Plan Service for purposes of determining the early commencement reductions described in (i) and (ii) below that are applicable to their Frozen PSP Benefit.

Your Frozen PSP Benefit is equal to the sum of your basic monthly pension benefit plus your supplemental monthly pension benefit, if any.

**Basic Monthly Pension Benefit**

Each job title or classification is assigned to a pension band.

A monthly benefit is specified for each pension band. Your basic monthly pension benefit is computed by multiplying the monthly benefit for your assigned pension band by your Credited Service (see Appendix C for a listing of pension band assignments and monthly benefit amounts).

**Supplemental Monthly Pension Benefit**

You may also be entitled to a supplemental monthly pension benefit based on certain supplemental earnings beyond your base pay that you received before January 1, 2013. To compute your supplemental monthly pension benefit, add up all the supplemental payments listed below that you received during the 36 months before January 1, 2013. Divide that total by 3 to get an annual average. Multiply the annual average by .001. Then multiply the result by your Credited Service.

Supplemental payments include:

(a) Shift premiums,
(b) Weekend premiums,
(c) Increases above the job rate,
(d) Extra payments for temporary promotions of less than one year to higher level of supervisory positions,

(e) Special project allowances for assignments begun before December 1, 1983,

(f) Temporary assignment allowances,

(g) Flight allowances, and

(h) Supplementary allowances.

Example:

If you are a Tier 3 employee assigned to pension band 109 and retire with a service pension on December 1, 2012 at age 65 with 30 years of Credited Service, your basic monthly pension benefit is computed as follows:

\[
\begin{align*}
\text{Amount from Appendix C for pension band 109} & \quad \$57.35 \\
\text{Multiplied by Credited Service} & \quad \times \quad 30 \\
\text{Basic monthly pension benefit} & \quad \$1,720.50 \\
\end{align*}
\]

If the total supplemental payments you receive for the 36 months before January 1, 2013 were $4,500, your supplemental pension benefit is computed as follows:

\[
\begin{align*}
\text{Total supplemental payments} & \quad \$4,500.00 \\
\text{Divided by 3 years} & \quad \div \quad 3 \\
\text{Annual average supplemental payments} & \quad \$1,500.00 \\
\text{Multiplied by .001} & \quad \times \quad .001 \\
\text{Multiplied by Credited Service} & \quad \times \quad 30 \\
\text{Supplemental monthly pension benefit} & \quad \$45.00 \\
\text{Total monthly pension benefit} & \quad ($1,720.50 + $45.00) \\
& \quad \$1,765.50
\end{align*}
\]

(i) **Reduction if Eligible for Service Pension.** If, on or after January 1, 2013, you have a Termination of Employment and you are eligible for a Service Pension (see Question 4), your Frozen PSP Benefit will be reduced for early commencement if you are less than 55 years of age or have fewer than 30 years of Plan Service on your Pension Start Date (see Appendix A). The reduction is 0.5% of the Frozen PSP Benefit for every full or partial month that you are under age 55 if you have fewer than 30 years of Plan Service. If you are Service Pension eligible and you have attained age 55 on your Pension Start Date, or you have at least 30 years of Plan Service, there will be no early commencement reduction to your Frozen PSP Benefit.
(ii) **Reduction if Eligible for Deferred Vested Pension.** If you have a Termination of Employment on or after January 1, 2013 and you are not eligible for a Service Pension, but you qualify for a Deferred Vested Pension (e.g., you have at least 5 Years of Service) and you are eligible for and elect to begin receiving your Deferred Vested Pension before attaining age 65, your Frozen PSP Benefit will be reduced for early commencement by the same percentage that would apply under the RIP and the “All Service Plan Benefit” formula discussed below. This is the same reduction that applied in the PSP immediately before January 1, 2013. For example, if you elect to receive your Deferred Vested Pension as a single life annuity, you have 25 years of Plan Service, and you are age 50 on your Pension Start Date (see Appendix A), your Frozen PSP Benefit will be reduced by 68% for early commencement (i.e. commencement before attaining age 65). *See, e.g., Question 4.*

(b) **All Service Plan Benefit.** A PSP Participant’s “All Service Plan Benefit” is calculated based on the RIP benefit formula as though that PSP Participant’s Credited Service and Plan Service with NTESS on and after January 1, 2013, as well as such service prior to January 1, 2013 (to the extent used to calculate the participant’s Frozen PSP Benefit) had been performed under the RIP. As provided under the terms of the RIP, in order to receive an unreduced “All Service Plan Benefit” before attaining age 65, a PSP Participant must qualify for a Service Pension and begin his/her pension after attaining age 62.

**NOTE:** The “greater of” benefit formula described in PART B of Question 6 and in Appendix B applies only to those active participants in the PSP who were on roll as of January 1, 2013, or rehired thereafter, which is the effective date of the merger (as defined in the Introduction to this SPD). This benefit formula change does not apply to participants already terminated or retired prior to January 1, 2013.
EXAMPLE 1

This example illustrates a calculation of a PSP Participant’s benefit where the individual has over 30 years of Credited Service and over 30 years of Plan Service. Note that the All Service Plan Benefit does not include Supplemental Payments in the benefit calculation. The Greater of Formula results in the All Service Plan Benefit being better than the Frozen PSP Benefit.

- A PSP Participant with the following characteristics retires with a Service Pension on January 1, 2014:

  Date of birth: March 20, 1952
  Retirement age: 61 years, 9 months
  Credited Service through 12/31/11: 30.33 years
  Credited Service through 12/31/12: 31.33 years
  Plan Service through 12/31/13: 32.33 years
  Job Classification/Pension Band at 12/31/12: Grade 7/109
  36-month Supplemental Payments through 12/31/12: $4,500
  High-3 Final Average Pay through 12/31/11: $43,000
  Cumulative Career Earnings after 12/31/11 (2 years): $89,000

(a) FROZEN PSP BENEFIT: Calculate the monthly pension using the PSP formula protected as of December 31, 2012

Pension Band Amount at 12/31/12: $58.50
Multiplied by Credited Service through 12/31/12: $1,832.81

Plus
36-month Supplemental Payments through 12/31/12: $4,500.00
Divided by 3 years: $1,500.00
Multiplied by .001: $47.00
Multiplied by Credited Service through 12/31/12: $1,879.81
(b) **ALL SERVICE PLAN BENEFIT:** Calculate the monthly pension using the RIP formula for all years

- High-3 Final Average Pay through 12/31/11 $43,000
- Multiplied by Credited Service through 12/31/11 x 30.33
- Multiplied by Final Average Pay Retirement Age Factor x .0198
- $25,822.96

**Plus**

- Cumulative Career Earnings after 12/31/11 $89,000
- Multiple by Career Average Retirement Age Factor x .0223
- $1,984.70

Annual pension ($25,822.96 + $1,984.70) $27,807.66
Monthly pension $2,317.31

(c) **GREATER OF FORMULA:** Compare monthly pension using the “all Service Plan Benefit” formula with the protected “Frozen PSP Benefit”

- Monthly pension from A) above $1,879.81
- Monthly pension from B) above $2,317.31
- Monthly pension from C) above $2,317.31
EXAMPLE 2

This example illustrates a calculation where the PSP Participant has fewer years of service and is younger than the person in Example 1. Note that the All Service Plan Benefit does not include Supplemental Payments in the calculation. The Greater of Benefit Formula results in the Frozen PSP Benefit being greater than the All Service Plan Benefit. This is due to the more favorable subsidy for the age-related reduction under the PSP Plan benefit.

- A PSP Participant with the following characteristics retires with a Service Pension on January 1, 2014:

  Date of birth          December 31, 1963
  Retirement age         50 years, 0 months
  Credited Service through 12/31/11  24 years
  Credited Service through 12/31/12  25 years
  Plan Service through 12/31/13      26 years
  Job Classification/Pension Band at 12/31/12  Grade 6/107
  36-month Supplemental Payments through 12/31/12 $1,000
  High-3 Final Average Pay through 12/31/11 $38,000
  Cumulative Career Earnings after 12/31/11 (2 years) $78,000

(a) **FROZEN PSP BENEFIT:** Calculate the monthly pension using the PSP formula protected as of December 31, 2012

Pension Band Amount at 12/31/12 $54.80
Multiplied by Credited Service through 12/31/12 x 25 $1,370.00

**Plus**
36-month Supplemental Payments through 12/31/12 $1,000.00
Divided by 3 years \( \div 3 \) $333.33
Multiplied by .001 x .001
Multiplied by Credited Service through 12/31/12 x 25 $8.33

Monthly pension ($1,370.00 + $8.33) $1,378.33
Age-related reduction (60 mos. x 0.5% per mo.) $(413.50)

Monthly pension $964.83
(b) **ALL SERVICE PLAN BENEFIT:** Calculate the monthly pension using the RIP formula for all years

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-3 Final Average Pay through 12/31/11</td>
<td>$38,000</td>
</tr>
<tr>
<td>Multiplied by Credited Service through 12/31/11</td>
<td>x 24</td>
</tr>
<tr>
<td>Multiplied by Final Average Pay Retirement Age Factor</td>
<td>x .0104</td>
</tr>
<tr>
<td></td>
<td>$9,484.80</td>
</tr>
<tr>
<td><strong>Plus</strong></td>
<td></td>
</tr>
<tr>
<td>Cumulative Career Earnings after 12/31/11</td>
<td>$78,000</td>
</tr>
<tr>
<td>Multiple by Career Average Retirement Age Factor</td>
<td>x .0117</td>
</tr>
<tr>
<td></td>
<td>$912.60</td>
</tr>
<tr>
<td>Annual pension ($9,484.80 + $912.60)</td>
<td>$10,397.40</td>
</tr>
<tr>
<td>Monthly pension</td>
<td>$866.45</td>
</tr>
</tbody>
</table>

(c) **GREATER OF FORMULA:** Compare monthly pension using the “All Service Plan Benefit” formula with the protected “Frozen PSP Benefit”

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly pension from A) above</td>
<td>$964.83</td>
</tr>
<tr>
<td>Monthly pension from B) above</td>
<td>$866.45</td>
</tr>
<tr>
<td>Monthly pension payable, greater of A) or B)</td>
<td>$964.83</td>
</tr>
</tbody>
</table>
APPENDIX C:
Pension Band Values as of December 31, 2012

PENSION BAND ASSIGNMENTS AND VALUES BY JOB CLASSIFICATION
FOR EMPLOYEES REPRESENTED BY THE OPEIU

<table>
<thead>
<tr>
<th>Band</th>
<th>Job Classification</th>
<th>Value for Participants Retiring On or After 10/1/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>103</td>
<td>Tier I</td>
<td>$46.46</td>
</tr>
<tr>
<td>105</td>
<td>Tier 2</td>
<td>$50.03</td>
</tr>
<tr>
<td>109</td>
<td>Tier 3/OAA</td>
<td>$57.35</td>
</tr>
<tr>
<td>112</td>
<td>Tier 4</td>
<td>$62.72</td>
</tr>
<tr>
<td>116</td>
<td>Tier 5</td>
<td>$69.96</td>
</tr>
</tbody>
</table>

PENSION BAND ASSIGNMENTS AND VALUES BY JOB CLASSIFICATION
FOR EMPLOYEES REPRESENTED BY THE MTC

<table>
<thead>
<tr>
<th>Band</th>
<th>Job Classification</th>
<th>Value for Participants Retiring On or After 10/1/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>101</td>
<td>Grade 1</td>
<td>$43.67</td>
</tr>
<tr>
<td></td>
<td>Grade 2</td>
<td>$43.67</td>
</tr>
<tr>
<td>103</td>
<td>Grade 3</td>
<td>$47.39</td>
</tr>
<tr>
<td>105</td>
<td>Grade 4</td>
<td>$51.03</td>
</tr>
<tr>
<td>106</td>
<td>Grade 5</td>
<td>$52.92</td>
</tr>
<tr>
<td>107</td>
<td>Grade 6</td>
<td>$54.80</td>
</tr>
<tr>
<td>109</td>
<td>Grade 7</td>
<td>$58.50</td>
</tr>
<tr>
<td>110</td>
<td>Grade 8</td>
<td>$60.30</td>
</tr>
<tr>
<td>115</td>
<td>AMTTP</td>
<td>$69.52</td>
</tr>
<tr>
<td>119</td>
<td>Trades 2</td>
<td>$76.90</td>
</tr>
<tr>
<td>122</td>
<td>Trades 1</td>
<td>$82.43</td>
</tr>
</tbody>
</table>

PENSION BAND ASSIGNMENTS AND VALUES BY JOB CLASSIFICATION
FOR EMPLOYEES REPRESENTED BY THE SPA

<table>
<thead>
<tr>
<th>Band</th>
<th>Job Classification</th>
<th>Value for Participants Retiring On or After 12/1/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>107</td>
<td>SO</td>
<td>$56.15</td>
</tr>
<tr>
<td>113</td>
<td>SPO</td>
<td>$67.48</td>
</tr>
<tr>
<td>116</td>
<td>CAS</td>
<td>$73.12</td>
</tr>
</tbody>
</table>
APPENDIX D:

Claims and Appeal Procedure for the NTESS Retirement Income Plan

A participant or beneficiary who has questions or concerns about his or her Plan benefits is encouraged to communicate with the NTESS HR Total Rewards Department regarding those questions or concerns. If the participant or beneficiary (“Claimant”) is not satisfied with this communication, the Claimant may make a formal claim for benefits in accordance with the procedures outlined below. **A Claimant may not make a formal claim more than three hundred sixty-five (365) days after the date the Claimant has knowledge of all material facts that are the subject of the claim.**

A formal claim must be filed, in writing, with the Employee Benefits Committee, P.O. Box 5800, MS 1021, Albuquerque, NM 87185-1021. Within 90 days following receipt of the claim, the EBC will give the Claimant either a written notice of its decision or, if special circumstances require an extension of time for review, a notice of a 90-day extension of the review period.

If a claim is denied in whole or in part, the Employee Benefits Committee (“EBC”) will give the Claimant written notification that will include:

(a) The specific reason for the denial;
(b) Specific references to pertinent Plan provisions on which the denial is based;
(c) A description of any additional material or information that needs to be submitted with an explanation of why the material or information is necessary;
(d) An offer to provide the Claimant, on request, free of charge, reasonable access to and copies of all documents, records and other information relevant to the claim (including a statement of policy or guidance concerning a Disability claim); and
(e) A description of the RIP’s review procedures and the time limits applicable to the Claimant’s right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

If the Claimant wants to appeal a denied claim, the Claimant must submit an appeal in writing to the Employee Benefits Claims Review Committee (EBCRC) at P.O. Box 5800, MS 1021, Albuquerque, NM 87185-1021. The deadline for submitting any such appeal will be 60 days after the Claimant receives written notification of the denial of the claim, as described above. Within 60 days following receipt of the appeal, the EBCRC will give the Claimant either a written notice of its decision or, if special circumstances require an extension of time for review, a notice of a 60-day extension of the review period. The review of the EBCRC will take into account all comments, documents, records, and other information the Claimant submits, without regard to whether that information was submitted or considered in the initial benefit determination. If the appeal is denied, the notification will:

(a) Explain the specific reasons and specific Plan provisions on which the decision is based;
(b) Include a statement describing any voluntary appeal procedures offered by the RIP and the Claimant’s right to obtain information about these procedures;
(c) Include a statement regarding the Claimant’s right to bring a civil action under ERISA 502(a), and

(d) Offer to provide the Claimant, on request, free of charge, reasonable access to and copies of all documents, records and other information relevant to his or her claim for benefits.

A claim or appeal may be filed by an authorized representative on behalf of a Claimant. The NTESS EBCRC has the exclusive, full and final authority to hear and determine appeals of claims denied by the EBC. The decision of the EBCRC will be the final and conclusive administrative review proceeding under the RIP.

A Claimant is required to pursue all administrative and appeals procedures described above as a precondition to challenging the denial of a claim in a lawsuit. Such exhaustion of administrative procedures applies equally to claims for (i) recovery of Plan benefits; (ii) enforcement of rights under the terms of the RIP; and (iii) clarification of rights to future benefits under the terms of the RIP.

The Claimant may not submit a dispute to a court with respect to a denied claim under this Plan more than three hundred sixty-five (365) days after the date the Plan Administrator renders its final decision upon appeal.

When determining whether to approve or deny a claim, the Plan Administrator is operating pursuant to its full discretionary authority to administer and interpret the RIP and to determine eligibility for participation and for benefits under the terms of the RIP.
APPENDIX E:

Special Provisions for Employees who Made Mandatory Contributions to the Pension Plan

Withdrawal of Accumulation

You may withdraw your Accumulation only if you have a Termination of Employment and are not eligible for a Service Pension. If you are eligible for a Deferred Vested Pension and you withdraw your Accumulation, you may still be entitled to a pension Annuity at age 65. However, your pension Annuity will be reduced by the amount of benefit your Accumulation would have provided according to the rulings of the IRS.

Upon your death (and the death of your surviving Spouse, if applicable) any excess of your Accumulation over the amounts paid as pension or survivor Annuity benefits will be paid to your selected beneficiary or to your estate.

Minimum Death Benefit

Upon your death or the later death of your surviving Spouse, (if applicable), any excess of your Accumulation over the amounts paid to you and your surviving Spouse will be distributed to your selected beneficiary or to your estate. You should name a beneficiary for this potential benefit.

If you had an Accumulation in the RIP at your Pension Start Date, and you did not have an eligible Spouse, or you elected a surviving Spouse Annuity and your Spouse dies before you, your beneficiary (or estate) will receive the greater of:

- Any excess of your Accumulations over the sum of all pension payments made to you; or
- An amount equal to your benefit earned under the contributory Plan formula through January 1, 1976.
APPENDIX F:
Special Provisions for Former Participants in the Lockheed Martin Specialty Components Pension Plan and Certain other Plans with Benefits Transferred to the Pension Plan

<table>
<thead>
<tr>
<th>Pre-1989 Mandatory Contributions</th>
<th>If you participated in the Lockheed Martin Specialty Components Pension Plan before 1989, or in certain other Affiliated Company plans, you were required to make contributions to that plan. Interest is credited on those contributions. You may withdraw your pre-1989 Accumulation only if you have a Termination of Employment and are not eligible for a Service Pension. If you are eligible for a Deferred Vested Pension and you withdraw your Accumulation, you may still be entitled to a pension Annuity at age 65. However, your pension Annuity will be reduced by the amount of benefit your Accumulation would have provided according to the rulings of the IRS.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Pension Account (PPA)</td>
<td>If you participated in the Lockheed Martin Specialty Components Pension Plan after 1988, or in certain other Affiliated Company plans, you may have made contributions to a Personal Pension Account (PPA). Interest is credited on those contributions.</td>
</tr>
<tr>
<td>Voluntary Pension Account (VPA)</td>
<td>If you participated in the Lockheed Martin Specialty Components Pension Plan after 1988, or certain other Affiliated Company Plans, you may have made contributions to a Voluntary Pension Account (VPA). Interest is credited on those contributions.</td>
</tr>
<tr>
<td>PPA and VPA Payment Options</td>
<td>At Termination of Employment, you may elect to:</td>
</tr>
<tr>
<td></td>
<td>• Upon your Pension Start Date, convert your PPA and VPA account balances to monthly payments to be paid in addition to your pension Annuity in accordance with the survivor option elected for your pension Annuity;</td>
</tr>
<tr>
<td></td>
<td>• Withdraw all or a portion (minimum $500) of your PPA and VPA account balances no more than once each calendar year, with the consent of your Spouse if you are married; or</td>
</tr>
<tr>
<td></td>
<td>• Defer receipt of your PPA and VPA accounts, but not beyond April 1st of the year following the calendar year in which you reach age 70½.</td>
</tr>
<tr>
<td></td>
<td>Your election applies to both your PPA and VPA balances jointly.</td>
</tr>
<tr>
<td><strong>Minimum Death Benefit</strong></td>
<td>Upon your death or the later death of your surviving Spouse, (if applicable), any excess of your Accumulation in each of the respective contribution accounts over the amounts paid to you and your surviving Spouse from those contribution accounts will be distributed to your selected beneficiary or to your estate. You should name a beneficiary for this potential benefit.</td>
</tr>
</tbody>
</table>


APPENDIX G:

Early Retirement Factors – Deferred Vested Pensions without Joint and 100% Surviving Spouse Annuity

Factors show the percentage of pension payable based on completed years and months of age at commencement of Deferred Vested Pension.

<table>
<thead>
<tr>
<th>Completed Years of Age</th>
<th>Completed Months of Age</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td>50</td>
<td>.32</td>
</tr>
<tr>
<td>51</td>
<td>.35</td>
</tr>
<tr>
<td>52</td>
<td>.37</td>
</tr>
<tr>
<td>53</td>
<td>.40</td>
</tr>
<tr>
<td>54</td>
<td>.43</td>
</tr>
<tr>
<td>55</td>
<td>.46</td>
</tr>
<tr>
<td>56</td>
<td>.49</td>
</tr>
<tr>
<td>57</td>
<td>.53</td>
</tr>
<tr>
<td>58</td>
<td>.57</td>
</tr>
<tr>
<td>59</td>
<td>.61</td>
</tr>
<tr>
<td>60</td>
<td>.66</td>
</tr>
<tr>
<td>61</td>
<td>.72</td>
</tr>
<tr>
<td>62</td>
<td>.78</td>
</tr>
<tr>
<td>63</td>
<td>.84</td>
</tr>
<tr>
<td>64</td>
<td>.92</td>
</tr>
<tr>
<td>65</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Example:

Deferred Vested Pension at 65 (after any reduction for the Preretirement Survivor Annuity) $500.00 per month
Age at Pension Start Date 55 years, 3 months
Early Retirement Factor 47% (.47)
Reduced Pension Payable at Age 55 years, 3 months ($500 x .47) $235.00 per month
APPENDIX H:

Early Retirement Factors – Deferred Vested Pensions with Joint and 100% Surviving Spouse Annuity

Factors show the percentage of pension payable based on completed years and months of age at commencement of Deferred Vested Pension.

<table>
<thead>
<tr>
<th>Completed Years of Age</th>
<th>Completed Months of Age</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td>50</td>
<td>.28</td>
</tr>
<tr>
<td>51</td>
<td>.30</td>
</tr>
<tr>
<td>52</td>
<td>.32</td>
</tr>
<tr>
<td>53</td>
<td>.34</td>
</tr>
<tr>
<td>54</td>
<td>.37</td>
</tr>
<tr>
<td>55</td>
<td>.39</td>
</tr>
<tr>
<td>56</td>
<td>.42</td>
</tr>
<tr>
<td>57</td>
<td>.46</td>
</tr>
<tr>
<td>58</td>
<td>.49</td>
</tr>
<tr>
<td>59</td>
<td>.53</td>
</tr>
<tr>
<td>60</td>
<td>.57</td>
</tr>
<tr>
<td>61</td>
<td>.62</td>
</tr>
<tr>
<td>62</td>
<td>.67</td>
</tr>
<tr>
<td>63</td>
<td>.73</td>
</tr>
<tr>
<td>64</td>
<td>.79</td>
</tr>
<tr>
<td>65</td>
<td>.86</td>
</tr>
</tbody>
</table>

Example:

Deferred Vested Pension at 65 (after any reduction for the Preretirement Survivor Annuity) $500.00 per month
Age at Pension Start Date 55 years, 3 months
Early Retirement Factor 40% (.40)
Reduced Pension Payable at Age 55 years, 3 months ($500 x .40) $200.00 per month
APPENDIX I:
Early Retirement Factors – Deferred Vested Pensions with Joint and 50% Surviving Spouse Annuity

<table>
<thead>
<tr>
<th>Completed Years of Age</th>
<th>Completed Months of Age</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>50</td>
<td>.30</td>
</tr>
<tr>
<td>51</td>
<td>.32</td>
</tr>
<tr>
<td>52</td>
<td>.35</td>
</tr>
<tr>
<td>54</td>
<td>.40</td>
</tr>
<tr>
<td>55</td>
<td>.43</td>
</tr>
<tr>
<td>56</td>
<td>.46</td>
</tr>
<tr>
<td>57</td>
<td>.49</td>
</tr>
<tr>
<td>58</td>
<td>.53</td>
</tr>
<tr>
<td>59</td>
<td>.57</td>
</tr>
<tr>
<td>60</td>
<td>.62</td>
</tr>
<tr>
<td>61</td>
<td>.67</td>
</tr>
<tr>
<td>62</td>
<td>.72</td>
</tr>
<tr>
<td>63</td>
<td>.79</td>
</tr>
<tr>
<td>64</td>
<td>.85</td>
</tr>
<tr>
<td>65</td>
<td>.93</td>
</tr>
</tbody>
</table>

**Example:**

Deferred Vested Pension at 65 (after any reduction for the Preretirement Survivor Annuity): $500.00 per month

Age at Pension Start Date: 55 years, 3 months

Early Retirement Factor: 44% (.44)

Reduced Pension Payable at Age 55 years, 3 months ($500 x .44): $220.00 per month
APPENDIX J:

Reduction Factors – Service and Disability Pensions with Joint and 50% Contingent Survivor Annuity

Factors show the percentage of pension payable based on the difference between the ages of the participant and the contingent annuitant

<table>
<thead>
<tr>
<th>Participant’s Age Minus Beneficiary’s Age</th>
<th>Reduction Factor</th>
<th></th>
<th>Participant’s Age Minus Beneficiary’s Age</th>
<th>Reduction Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>.950</td>
<td>23</td>
<td>.910</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>.950</td>
<td>24</td>
<td>.908</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>.950</td>
<td>25</td>
<td>.906</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>.950</td>
<td>26</td>
<td>.904</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>.948</td>
<td>27</td>
<td>.902</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>.946</td>
<td>28</td>
<td>.900</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>.944</td>
<td>29</td>
<td>.898</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>.942</td>
<td>30</td>
<td>.896</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>.940</td>
<td>31</td>
<td>.894</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>.938</td>
<td>32</td>
<td>.892</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>.936</td>
<td>33</td>
<td>.890</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>.934</td>
<td>34</td>
<td>.888</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>.932</td>
<td>35</td>
<td>.886</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>.930</td>
<td>36</td>
<td>.884</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>.928</td>
<td>37</td>
<td>.882</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>.926</td>
<td>38</td>
<td>.880</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>.924</td>
<td>39</td>
<td>.878</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>.922</td>
<td>40</td>
<td>.876</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>.920</td>
<td>41</td>
<td>.874</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>.918</td>
<td>42</td>
<td>.872</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>.916</td>
<td>43</td>
<td>.870</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>.914</td>
<td>44</td>
<td>.868</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>.912</td>
<td>45</td>
<td>.866</td>
<td></td>
</tr>
</tbody>
</table>

Values are extrapolated for age differences in excess of 45 years
APPENDIX K:
Reduction Factors – Deferred Vested Pensions with Joint and 50% Contingent Survivor Annuity

Factors show the percentage of pension payable based on the difference between the ages of the participant and the contingent annuitant

<table>
<thead>
<tr>
<th>Participant’s Age Minus Beneficiary’s Age</th>
<th>Reduction Factor</th>
<th>Participant’s Age Minus Beneficiary’s Age</th>
<th>Reduction Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>.930</td>
<td>23</td>
<td>.891</td>
</tr>
<tr>
<td>1</td>
<td>.930</td>
<td>24</td>
<td>.889</td>
</tr>
<tr>
<td>2</td>
<td>.930</td>
<td>25</td>
<td>.887</td>
</tr>
<tr>
<td>3</td>
<td>.930</td>
<td>26</td>
<td>.885</td>
</tr>
<tr>
<td>4</td>
<td>.928</td>
<td>27</td>
<td>.883</td>
</tr>
<tr>
<td>5</td>
<td>.926</td>
<td>28</td>
<td>.881</td>
</tr>
<tr>
<td>6</td>
<td>.924</td>
<td>29</td>
<td>.879</td>
</tr>
<tr>
<td>7</td>
<td>.922</td>
<td>30</td>
<td>.877</td>
</tr>
<tr>
<td>8</td>
<td>.920</td>
<td>31</td>
<td>.875</td>
</tr>
<tr>
<td>9</td>
<td>.918</td>
<td>32</td>
<td>.873</td>
</tr>
<tr>
<td>10</td>
<td>.916</td>
<td>33</td>
<td>.871</td>
</tr>
<tr>
<td>11</td>
<td>.914</td>
<td>34</td>
<td>.869</td>
</tr>
<tr>
<td>12</td>
<td>.912</td>
<td>35</td>
<td>.867</td>
</tr>
<tr>
<td>13</td>
<td>.910</td>
<td>36</td>
<td>.865</td>
</tr>
<tr>
<td>14</td>
<td>.908</td>
<td>37</td>
<td>.863</td>
</tr>
<tr>
<td>15</td>
<td>.907</td>
<td>38</td>
<td>.861</td>
</tr>
<tr>
<td>16</td>
<td>.905</td>
<td>39</td>
<td>.860</td>
</tr>
<tr>
<td>17</td>
<td>.903</td>
<td>40</td>
<td>.858</td>
</tr>
<tr>
<td>18</td>
<td>.901</td>
<td>41</td>
<td>.856</td>
</tr>
<tr>
<td>19</td>
<td>.899</td>
<td>42</td>
<td>.854</td>
</tr>
<tr>
<td>20</td>
<td>.897</td>
<td>43</td>
<td>.852</td>
</tr>
<tr>
<td>21</td>
<td>.895</td>
<td>44</td>
<td>.850</td>
</tr>
<tr>
<td>22</td>
<td>.893</td>
<td>45</td>
<td>.848</td>
</tr>
</tbody>
</table>

Values are extrapolated for age differences in excess of 45 years.