# PENSION AGREEMENT

BETWEEN

**ALLEGHENY LUDLUM ,LLC**
A Subsidiary of Allegheny Technologies Incorporated

AND

**United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union**

As Amended EFFECTIVE 3/1/2016

Including negotiated changes
(Except that certain provisions have earlier effective dates as set forth therein)

WITH

SUMMARY PLAN DESCRIPTION

**The Plan:**

The name of the plan under which benefits are provided is the Allegheny Technologies Incorporated Pension Plan, Allegheny Ludlum Pension Plan for Hourly Employees. The employer identification number (EIN) assigned by the Internal Revenue Service is 25-1792394 and the Plan Number is 001. The following affiliated employers also participate in the Plan:

- ATI Allegheny Ludlum, Inc., EIN 46-3477204
- TDY Industries, LLC, EIN 95-2316679
- Jewel Acquisition, LLC, EIN 42-1623809
- Jessop Steel, LLC, EIN 20-2635976

The plan is a defined benefit plan under the Employee Retirement Income Security Act (ERISA).

The plan covers essentially all employees of Allegheny Ludlum, LLC and its subsidiaries who are represented by the United Steel **Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union** (USW) under the Basic Agreement dated March 1, 2016 at the locations listed in Exhibit A.

The plan is financed by Allegheny Ludlum, LLC through actuarially determined contributions to Trust Funds which are held by the Trustee. The minimum amount of contributions made to the Trust Funds is established by law. The cost of administering the plan is charged against the Trust Funds which are held by the Trustee. Records of the plan are kept on a calendar year basis. An annual report giving detailed financial information about the plan will be submitted to the Internal Revenue Service, and a summary of the report will be provided to each participant.

The plan administrator and agent for service of legal process under the plan is Allegheny Technologies Incorporated, Personnel and Compensation Committee, 1000 Six PPG Place, Pittsburgh, PA 15222-5479, or such other persons to whom the board has delegated such authority. Mellon Bank, N.A., Mellon Square, Pittsburgh, PA 15230 is the Trustee under the plan. The plan administrator has the responsibility to manage the plan and act in the interests of plan participants, and must carry out its duties in accordance with the fiduciary standards of ERISA. Benefits are provided pursuant to an agreement between Allegheny Ludlum, LLC whose headquarters are located at 1000 Six PPG Place, Pittsburgh, PA 15222-5479, and the USW, whose headquarters are located at Five Gateway Center, Pittsburgh, PA 15222.

**Employee Rights:**

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

**Receive Information About Your Plan and Benefits**

- Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration.

- Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.
- Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The plan must provide the statement free of charge.

**Prudent Actions by Plan Fiduciaries**

In addition to creating rights for plan participants ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other 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 pension benefit or exercising your rights under ERISA.

**Enforce Your Rights**

If your claim for a pension 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 plan documents or the latest annual report from the plan 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 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. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the plan's money, 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.

**Assistance with Your Questions**

If you have any questions about your 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 Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits 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 Pension and Welfare Benefits Administration.

**The Pension Benefit Guaranty Corporation:**

Your pension benefits under this plan are insured by the Pension Benefit Guaranty Corporation (PBGC), the federal insurance agency. If the plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers: (1) Normal and early retirement benefits; (2) disability benefits if you become disabled before the plan terminates; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) Benefits greater than the maximum guaranteed amount set by law for the year in which the plan terminates; (2) 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; (3) benefits that are not vested because you have not worked long enough for the Company; (4) benefits for which you have not met all of the requirements at the time the plan terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early monthly benefit greater than your monthly benefit at the plan's normal retirement age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money your plan has 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 the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). 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. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at http://www.pbgc.gov.

Note: You have rights beyond the rights provided by ERISA as outlined above which arise from the Pension Agreement contained in this booklet.

**Qualified Domestic Relations Orders (QDROs)**

The Company is required by the provisions of the Retirement Equity Act of 1984 to comply with any qualified domestic relations orders (QDROs) issued by a state court in the course of a support or divorce proceeding. Essentially, a QDRO requires the payment of a part or all of a participant's current or future pension benefits to a spouse, former spouse or dependent. QDROs are handled in accordance with a written procedure developed by Allegheny Ludlum, LLC. Copies of this procedure may be obtained by requesting the same from the Company.

## FORWARD

This booklet contains the Pension Agreement between Allegheny Ludlum, LLC and the USW which is effective March 1, 2016. This booklet also contains a description of the principal provisions of that Agreement (referred to in the description as "2016 Pension Agreement"). The 2016 Pension Agreement covers employees in bargaining units listed on (Exhibit A, page 77). A covered employee becomes a "participant" under the terms of the Agreement when he or she attains age 21 and completes one year of continuous service, and upon becoming a participant he or she receives credit for all continuous service with the Company prior to participation.

Benefits of participants who retire before March 1, 2016 will be determined under the terms of the Agreement then in effect, except as specifically set forth in the 2016 Pension Agreement.

This description is designed to explain to a participant the highlights of the 2016 Pension Agreement. THE 2016 PENSION AGREEMENT IS THE ONLY GOVERNING DOCUMENT. This description is not a part of the 2016 Pension Agreement and does not modify it or serve as an agreed interpretation of any provision of the 2016 Pension Agreement. This description was developed with reference to the circumstances applicable to most participants and does not fully cover less usual circumstances.

Pensions, surviving spouse's benefits and certain survivor options are provided under the 2016 Pension Agreement only with respect to participants accruing continuous service on or after March 1, 2016. The pension, surviving spouse's benefit and survivor option provisions applicable to retirements or deaths prior to these dates are governed by earlier pension agreements, the latest of which was the Pension Agreement dated July 1, 2011.

**CONTENTS**

**Section**

## DESCRIPTION OF PRINCIPAL PROVISIONS OF THE 2016 PENSION AGREEMENT

## SUMMARY OF BENEFIT TYPES

There are various types of retirement. The age and continuous service requirements to qualify for the various types of retirement are specified below.

Defined Contribution

Employees hired (or rehired after a break in continuous service of five years or more) on or after March 1, 2016 and who complete their probationary period will be eligible for a Defined Contribution retirement account consisting of a PRA/401(k), in lieu of a Defined Benefit Pension, Retiree Health Benefits, and the existing PRA. Terms of the Defined Contribution Plan are provided in a separate document.

Employees hired before March 1, 2016 will continue to be eligible for the following types of retirement after meeting the eligibility requirements and subject to rules of participation:

**Normal**

Age 65 or over – at least 5 but less than 30 years of continuous service.

**62/15**

Age 62 to 65 – at least 15 but less than 30 years of continuous service.

**30-Year**

Any age – at least 30 years of continuous service.

**60/15**

Age 60 to 62 – at least 15 but less than 30 years of continuous service.

**Permanent Incapacity**

Before age 65 – at least 15 years of continuous service – permanent and total incapacity.

**70/80**

Age 55 to 62 – at least 15 years of continuous service with age plus continuous service equaling at least 70, or before age 55 with age plus continuous service equaling at least 80 – special circumstances such as permanent shutdown or prolonged layoff or disability.

**Rule-of-65**

Before age 55 – at least 20 years of continuous service as of last day worked with age plus continuous service equaling at least 65 but less than 80 – special circumstances such as permanent shutdown or prolonged layoff or disability and not offered suitable long-term employment with the Company.

**Deferred Vested**

Any age – at least 5 years of continuous service – continuous service broken for any reason and not eligible for other pension. Each type of retirement is described in more detail under "Eligibility and Amount of Pension" beginning on page 23.

**Surviving Spouse's Benefit**

Under most circumstances a benefit is payable to the surviving spouse of a participant with at least 15 years of continuous service who dies on or after March 1, 2016. This benefit is described in more detail beginning on page 25 .

**Automatic Five-Year Term Certain**

The survivor of a participant who retires on or after March 1, 2016 on other than a deferred vested pension and who dies prior to the fifth anniversary of the participant's retirement may receive a pension benefit for the remainder of the five-year period after the participant's retirement.

**Survivor Options**

IN ADDITION TO THE SURVIVING SPOUSE'S BENEFIT, as described above, a participant may provide for a spouse or a co-pensioner to receive in the event of the participant's death, a lifetime monthly payment.

This benefit may be obtained by the participant under one or more of the available survivor options, which are as follows:

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♣ · Pre-Retirement Survivor Annuity Coverage

♣ · Automatic 50% Spouse Option

♣ Co-Pensioner Options with Pop-Up 50% and 100%

♣ · Co-Pensioner Options (50% or, 75% or, 100%)

A general description of the Survivor Options and the Automatic Five-Year Term Certain is set forth on pages 26 through 29.

## CALCULATION OF PENSION BENEFITS

Pension amounts and the periods for which they are payable are determined as follows:

**Special Payment**

The Special Payment is the payment for the first three full calendar months following the month in which retirement occurs, but it does not apply in the case of a permanent incapacity retirement or a deferred vested pension. It is a lump sum equal to 13 weeks of vacation pay (14 weeks of vacation pay in the case of employees eligible for more than four weeks of regular vacation in the year of retirement),* reduced by any regular vacation pay received for the year of retirement or for an earlier year if the participant is not entitled to vacation in the year of retirement. Under the Basic Agreement a participant entitled to vacation which he or she has not taken by the time of retirement does not receive that vacation or vacation pay if he or she is eligible for the Special Payment, but no deduction will be made from the Special Payment for such vacation. Any pensioner who is reemployed shall not, upon subsequent retirement, be eligible for a Special Payment if he or she received a Special Payment upon initial retirement.

For each month to which the Special Payment does not apply, the pension is the Regular Pension.

For former employees of J&L Specialty Steel, refer to Section 3.2(f) of the Agreement for calculation of this benefit.

NOTE: Please refer to paragraph 3.2(a) of the Pension Agreement for explanation of eligibility for a 14 week Special Payment for participants who retire after March 1, 2016.

**Regular Pension**

The Regular Pension is a monthly payment equal to the higher of the percent pension* or the minimum pension determined as follows, but may be adjusted in accordance with certain other additions and deductions, some of which are described on pages 17 through 18 .

*For the purposes of determining the Special Payment, vacation pay shall be adjusted to exclude the Cost-of-Living Adjustment included in the base hourly or salary rates other than the first Cost-of-Living Adjustment included in the base hourly or salary rates subsequent to April 30, 1974, but calculated as if any decreases effective March 1, 1983 in the standard hourly wage scales of rates for both incentive and non-incentive jobs, the hourly additives for incentive jobs and the standard bi-weekly scale of rates for salaried jobs had not occurred, except that such vacation pay adjustment shall not apply to vacation pay for any weeks of regular vacation to which the participant was or would have been entitled in the year of retirement or for an earlier year if the participant is not entitled to vacation in the year of retirement. Adjusted vacation pay shall be determined by including a COLA adjustment add-on of $2.36 per hour for a participant who retires after February 12, 1990. Adjusted vacation pay shall include a COLA adjustment of $4.72 per hour for participants who retire on or after July 1, 1996.

* Percent formula eliminated for employees hired on or after July 1, 2011.

For further explanation of the Jewel pension calculation, see Appendix B.

**The Percent Pension**

An amount equal to the participant's average monthly earnings (see page 17) multiplied by:

(1) For a participant with more than 30 years of continuous service, 34.65% plus a percentage determined by multiplying 1.26% by years of continuous service in excess of 30 years (and fractions thereof calculated to the nearest month); and

(2) For a participant with 30 or less years of continuous service, 1.155% multiplied by years (and fractions thereof calculated to the nearest month) of continuous service;
(See table on pages 13-14 for the calculation of the applicable percentage for all years of service up to 50.)

Percent formula eliminated for employees hired on or after July 1, 2011.

**The Minimum Pension –** For Participants Hired On or Before June 1, 2004

For participants who are employed at the Brackenridge, Bagdad, Leechburg, Vandergrift, Wallingford, Washington, New Bedford, Houston, Latrobe, Waterbury, Lockport, Midland and Louisville Plants and for Local 1138-1 participants who retire, an amount calculated in accordance with the following table :

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|---|---|---|---|---|
| . | . | | . | . |
| . | . | | . | . |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| Retire on or after ……………July 1, 2011 | | | | |
|---|---|---|---|---|
| If years of Continuous Service are | Pension Payment | | For Each Year | A Monthly Amount |

| Over | But Not Over | *Is* | | Over | Equal to |
|---|---|---|---|---|---|
| 5 | 30 | $ 325.00 | | 5 | $ 65.00 |
| 30 | N/A | $1,950.00 | | 30 | $100.00 |
| Example: 35 YOS<br>=$2,450.00 a month | | (30 x $65.00)<br>$1,950.00 | + | | (5 x $100.00)<br>$500.00 |

For Local 1196-1 participants who retire, an amount calculated in accordance with the following table :

| - | | | | |
|---|---|---|---|---|
| . | . | | . | . |
| . | . | | . | . |
| | | | | |
| | | | | |
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| Retire on or after .................July 1, 2011: | | | | | |
|---|---|---|---|---|---|
| If years of Continuous Service are | | Pension Payment | | For Each Year | A Monthly Amount |
| Over | But Not Over | *Is* | | Over | Equal to |
| 5 | 30 | $ 325.00 | | 5 | $65.00 |
| 30 | N/A | $1,950.00 | | 30 | $75.00 |
| Example: 35 YOS<br>=$2,325.00 a month | | (30 x $65.00)<br>$1,950.00 | + | | (5 x $75.00)<br>$375.00 |

**The Minimum Pension –** For 1196-1 and other Participants Hired After June 1, 2004

For 1196-1 participants and all Production and Maintenance and Local 1138-1 participants who retire, an amount calculated in accordance with the following table :

| - | | | | |
|---|---|---|---|---|
| . | . | | . | . |
| . | . | | . | . |
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| | | | | |

| Retire on or after ………………July 1, 2011: | | | | | |
|---|---|---|---|---|---|
| If years of Continuous Service are | | Pension Payment | | For Each Year | A Monthly Amount |
| Over | But Not Over | Is | | Over | Equal to |
| 5 | 30 | $ 325.00 | | 5 | $65.00 |
| 30 | N/A | $1,950.00 | | 30 | $75.00 |
| Example: 35 YOS =$2,325.00 a month | | (30 x 65.00) $1,950.00 | + | | (5 x 75.00) $375.00 |

**TABLE OF MINIMUM MONTHLY PENSION**
**AMOUNTS AND THE APPLICABLE PERCENTAGE USED TO DETERMINE THE MONTHLY PENSION AMOUNT UNDER THE PERCENT FORMULA***

For all Production and Maintenance participants and Local 1138-1 participants who retire on or after July 1, 2011 and who were hired on or before June 1, 2004:

| Total Years of Service * | Monthly Pension Under Minimum Formula Effective July 1, 2011 Table A | Applicable Percentage Under Percent Formula |
|---|---|---|
| 5 | $325.00 | 5.775 |
| 6 | $390.00 | 6.930 |
| 7 | $455.00 | 8.085 |
| 8 | $520.00 | 9.240 |
| 9 | $585.00 | 10.395 |
| 10 | $650.00 | 11.550 |
| 11 | $715.00 | 12.705 |
| 12 | $780.00 | 13.860 |
| 13 | $845.00 | 15.015 |
| 14 | $910.00 | 16.170 |
| 15 | $975.00 | 17.325 |
| 16 | $1,040.00 | 18.480 |
| 17 | $1,105.00 | 19.635 |
| 18 | $1,170.00 | 20.790 |
| 19 | $1,235.00 | 21.945 |
| 20 | $1,300.00 | 23.100 |
| 21 | $1,365.00 | 24.255 |
| 22 | $1,430.00 | 25.410 |
| 23 | $1,495.00 | 26.565 |
| 24 | $1,560.00 | 27.720 |
| 25 | $1,625.00 | 28.875 |
| 26 | $1,690.00 | 30.030 |

| | | |
|---|---|---|
| 27 | $1,755.00 | 31.185 |
| 28 | $1,820.00 | 32.340 |
| 29 | $1,885.00 | 33.495 |
| 30 | $1,950.00 | 34.650 |
| 31 | $2,050.00 | 35.910 |
| 32 | $2,150.00 | 37.170 |
| 33 | $2,250.00 | 38.430 |
| 34 | $2,350.00 | 39.690 |
| 35 | $2,450.00 | 40.950 |
| 36 | $2,550.00 | 42.210 |
| 37 | $2,650.00 | 43.470 |
| 38 | $2,750.00 | 44.730 |
| 39 | $2,850.00 | 45.990 |
| 40 | $2,950.00 | 47.250 |
| 41 | $3,050.00 | 48.510 |
| 42 | $3,150.00 | 49.770 |
| 43 | $3,250.00 | 51.030 |
| 44 | $3,350.00 | 52.290 |
| 45 | $3,450.00 | 53.550 |
| 46 | $3,550.00 | 54.810 |
| 47 | $3,650.00 | 56.070 |
| 48 | $3,750.00 | 57.330 |
| 49 | $3,850.00 | 58.590 |
| 50 | $3,950.00 | 59.850 |

*Service is adjusted for fractions of year calculated to the nearest month.
* Percent formula  eliminated for employees hired on or after July 1, 2011.

The Company computes the percent pension amount and the minimum pension amount in every case and the higher of the two is payable.  On request by the participant, the Company will explain the calculations made.

**30-Year Minimum Lifetime Pension**

For participants who are subject to the Basic Agreement and are Production and Maintenance workers (which includes Local 1138-1):

Effective for retirements on or after July 1, 2011 for participants who retire on 30-year retirement, a minimum lifetime pension shall be provided (if elected by the participant at the time of retirement) equal to:

| Age at Retirement | Monthly Amount |
|---|---|
| · · · · · · For participants at least | |

| | |
|---|---|
| age 55 but less than age 59 | $1,500 |
| For participants at least age 59 but less than age 62 | $1,700 |
| For a participant at least age 62 but less than 65 | $2,050 |
| For a participant at least age 65 | $2,300 |

For further explanation of the Jewel Minimum Lifetime Benefit, see Appendix B.

Effective June 1, 2004, if an 1196-1 Participant would have a greater benefit under Section 3.22 of Part 1 of the Pension Plan for Salaried Employees of Allegheny Ludlum than under this formula, their benefit will be determined as follows:

| Age at Retirement | Monthly Amount |
|---|---|
| For participants at least age 50 but less than age 55 | $1,950 |
| For participants at least age 55 but less than age 59 | $2,150 |
| For a participant at least age 59 but less than 65 | $2,500 |
| For a participant age 65 or greater | $2,750 |

**Benefit Offset**

The Regular Pension benefit for Houston employees includes prior service with Bethlehem Steel or Lukens Steel. For Houston employees the Regular Pension benefit will be reduced for the full amount of any defined benefit earned with those companies.

The Regular Pension benefit for employees of Lockport, Waterbury and 1196-1 includes all service with the Company prior to the 2016 agreement. The Regular Pension benefit will be offset by an equivalent annuity value derived from the market value of any prior defined contribution account balance at the time of retirement. For employees at Lockport and Waterbury, the equivalent annuity offset will be based on the market value of the 6.5% and $0.09 add-on accounts.

**Increased Pension 70/80 and Permanent Incapacity Retirements**

Pensions payable for 70/80 or permanent incapacity retirements will be increased by $400 per month. The increase is payable only until the participant attains age 62 or becomes eligible for Social Security disability benefits, however, the increase will continue beyond age 62 for participants born in 1938 or later, until the participant is eligible for Public Pension equal to 80% of the full Public Pension amount. Since the increase is not payable for any month for which the participant receives Social Security disability benefits, the participant should notify the Company promptly if he or she is awarded such a benefit. A retroactive adjustment will be made if it is determined that a participant has improperly received the increase in pension during a period for which he or she also received Social Security disability benefits, and the participant's Regular Pension will be suspended until the full amount of the overpayment has been recovered. Thus, failure to report to the Company an award for Social Security disability benefits on a timely basis will result in a larger pension overpayment and a longer suspension of Regular Pension. The increase in Pension is payable to the participant only and is not used to determine the amount payable to either a surviving spouse or a co-pensioner, if a survivor option has been elected.

**Increased Pension – Rule-of-65 Retirement**

The $400 increase per month in pension is payable until age 62 for Rule-of-65 retirements, but not for any month for which the participant receives Social Security disability benefits, however, the increase will continue beyond age 62 for participants born in 1938 or later, until the participant is eligible for Public Pension equal to 80% of the full Public Pension amount. The same provisions applicable to the increase in pension for 70/80 or permanent incapacity retirements also apply to Rule-of-65 retirements, with the addition of the following:

- The $400 increase is subject to reduction by $1 for every $2 which the participant earns over $17,000 (for any subsequent calendar year after 2001, the indexed amount which age 65-69 retirees can earn without adversely affecting their benefits under the Social Security Act.) The $17,000, or the applicable indexed amount, will be prorated for the year of retirement and for the year of commencement of Social Security benefits);
- In order to determine the amount of earnings the participant will be required to sign authorizations for the Social Security Administration and the Railroad Retirement Board to release earnings information to the Company each year and will also be required to submit W-2 forms and a statement of earnings to the Company for each year after retirement on a form provided by the Company;
- Failure to submit the required information may result in suspension of the increase in pension and Regular Pension.

Any overpayments which result from a participant's ineligibility to receive all or any portion of the increase will be recovered by suspension of the increase in pension and Regular Pension. Any underpayments will be paid promptly to the participant.

**Increased Pension – 30-Year Retirement**

Any participant who retires on a 30-year retirement and who has not elected to receive the 30-year minimum lifetime pension shall be eligible for an increase in his or her regular pension equal to the greater of (i) an amount required to bring his or her regular monthly pension to $1,800 or, (ii) $400.

The increase in pension shall be payable until the participant attains age 62, but not for any month for which the participant receives Social Security disability benefits, however, the increase will continue beyond age 62 for participants born in 1938 or later, until the participant is eligible for Public Pension equal to 80% of the full Public Pension amount.

For the Transition Benefit for former employees of J&L Specialty Steel refer to pages 49 and 50 of the Agreement for calculation of this benefit.

**Average Monthly Earnings**

For retirements beginning on or after January 1, 2009, the average monthly earnings for pension purposes are determined by totaling the participant's earnings* for each of the last 10 consecutive 12 calendar month periods (calculation years) before retirement. There shall then be selected from such 10 calculation years the three consecutive calculation years which yield the highest earnings (calculation period). Earnings during the calculation period are then divided by 36 to determine average monthly earnings, except that the 36 may be reduced, as described below, to exclude certain months during the calculation period in which the participant did not receive pay because of layoff or disability.

(1) In the case of permanent incapacity retirement only, if the calculation period is the last three calculation years before retirement, first subtract from 36 the number of months without pay because of disability in the last six months before retirement.

(2) In all cases, the 36 is reduced or – further reduced for other months without pay during the calculation period if (1) applies-by the greater of the number of months without pay:

(a) in excess of three, during each absence,
or
(b) in excess of six.

Months deducted under (1) are not counted as months of absence under (2).

Earnings for pension purposes shall not be reduced by the amount of any decreases in the standard hourly wage scale of rates for both incentive and non-incentive jobs, the hourly additives for incentive jobs and the standard bi-weekly scale of rates for salaried jobs, if any, that were effective March 1, 1983.

**Possible Deductions**

Under some circumstances the amount of pension otherwise payable is subject to reduction because of other benefit payments such as Public Pension, Other Pension, Severance allowance and Disability Payments.

A participant may estimate retirement income by referring to the examples beginning on page 30.

*Cost-of-Living Agreements shall not be used in the calculation of average monthly earnings for pension purposes, except that such earnings shall include the first Cost-of-Living Adjustment which was rolled into the base hourly or salary rates subsequent to April 30, 1974. A COLA adjustment add-on of $4.93 per hour shall be included for Washington Flat Roll and Houston participants.

## BASIC PENSION REQUIREMENTS

**Retirement Date**

In order for a participant to qualify for a pension under the 2016 Pension Agreement, he or she must retire on or after March 1, 2016 under the conditions of eligibility established by the 2016 Pension Agreement. The date of retirement for a participant who applies for pension prior to a break in continuous service is specified but it must be on or after:

- the date he or she requests retirement,
- the date he or she first becomes eligible to retire on pension, or
- the last day for which he or she earns pay, whichever is latest, but not later than the last day of continuous service.

A participant who applies for pension after a break in continuous service is considered to have retired on the last day of continuous services – thus a participant cannot accrue any additional eligibility with respect to either age or continuous service after a break in continuous service (except in the case of reemployment under certain circumstances).

**Continuous Service**

The length of continuous service is an essential factor in determining eligibility for and the amount of pension. The rules for determining continuous service for pension purposes are contained in the 2016 Pension Agreement, and they may or may not produce the same length of continuous service as the rules used to determine continuous service for seniority and other purposes. For example, continuous service for pension purposes breaks at the end of two years' absence because of layoff or disability, whereas continuous service for seniority purposes may remain unbroken for up to five years of such absence.

Briefly summarized, the continuous service provisions in the 2016 Pension Agreement give credit for all years of service calculated to the nearest month (except as noted in the paragraph below) in the employment of Allegheny Ludlum, LLC, from the date of initial employment to the date of retirement unless such service was broken and after reemployment the break was not removed. In such cases, the rehired employee receives credit only for service from his or her last hiring date. The provisions as to breaks in continuous service have changed from time to time and whatever provisions were in effect at a given time determine whether or not a break then occurred. The 2016 Pension Agreement provides that continuous service breaks when an employee quits, is discharged or accepts severance pay, or when he has been absent because of layoff, disability or for other reasons for more than two years.

A break in continuous service resulting from discharge is removed if the employee is reemployed within six months. A break in continuous service resulting from absence on layoff or disability is removed if the employee returns to employment while he or she still has continuous service for seniority purposes, but in such case no continuous service for pension purposes is credited for the period of absence beyond two years.

If an employee covered under the Basic Agreement accepts a transfer to salaried non-represented employment with the Company and returns to employment covered by the Basic Agreement after 7/17/97, continuous service for benefit calculation purposes under this agreement shall be broken. Only service accrued as a bargaining unit employee shall be continuous service for benefit calculation purposes under this agreement. Service accrued as a salaried non-represented employee shall be calculated under the Salaried Pension Plan. However, total combined service as a Bargaining Unit employee and a salaried non-represented employee shall be used for benefit eligibility purposes.

In addition, a break in continuous service which occurs after January 1, 1976 for any reason is removed if an employee, not eligible for an immediate or deferred vested pension, is subsequently reemployed for a period of one or more years and the period of time between the break and reemployment is less than the period of continuous service at the time of the break but in no case is continuous service for pension purposes credited for the period between the break and reemployment. If an employee who breaks continuous service on or after January 1, 1976 as a result of a quit or discharge prior to attainment of eligibility for a deferred vested pension is reemployed within one year of the quit or discharge and subsequently incurs another break in continuous service, he or she shall receive credit for continuous service accrued prior to his or her original break, the period of absence between the break and reemployment and continuous service during reemployment in order to determine eligibility for a normal retirement or an unreduced deferred vested pension payable at age 65. An employee who incurred a break in continuous service on or after January 1, 1985 prior to attainment of eligibility for a deferred vested pension, and who is subsequently reemployed for a period of one or more years will receive credit for the continuous service accrued prior to the break in continuous service, if the period between the break and reemployment is less than five years or the employee's pre-break service is longer.

A special rule may provide greater continuous service credit than above in cases of absence because of occupational disability.

There are rules particular to former employees of J&L Specialty Steel who became employees of Jewel at Midland and Louisville and these rules appear in Appendix B of the Agreement as published in this booklet.

An employee who is reemployed after he or she has started to receive a pension or after he or she has attained eligibility for a deferred pension shall, upon reemployment, receive credit for the continuous service applicable to his prior retirement. This prior continuous service plus any continuous service accrued during reemployment shall be used for the purpose of determining eligibility and the amount of benefits upon subsequent retirement.

However, an employee who is reemployed after March 1, 2016 and more than three years after retirement or more than three years after a break in continuous service with eligibility for deferred vested pension, and who after reemployment again retires or incurs a break in continuous service before completing at least five years of continuous service shall, with respect to continuous service accrued prior to the most recent retirement or break in continuous service, have his or her pension determined under the terms of the pension agreement in effect at the time of the most recent prior retirement or break in continuous service. In other words, the portion of such employee's benefit attributable to prior service will be determined pursuant to the provisions of the pension agreement in effect at the time of such retirement or break in continuous service, and the portion of such employee's benefit attributable to service after reemployment will be determined pursuant to the provisions of the current agreement.

## ELIGIBILITY AND AMOUNT OF PENSION

Defined Contribution Retirement Plan for Employees hired on or before March 1, 2016

Employees hired on or after March 1, 2016 and who complete their probationary period will be eligible for a Defined Contribution retirement account consisting of a PRA/401(k), in lieu of a Defined Benefit Pension, Retiree Health Benefits, and the existing PRA. Employees hired on or after March 1, 2016 will also be ineligible for Company provided retiree life insurance benefits. The Company shall contribute $2.65 for every hour worked by the employee and hours paid including: holidays not worked, vacation hours, hours paid by Union for Union business and worker's compensation benefits at the rate of 8 hours per day. The Company will contribute an additional $.50 for every hour worked by employees to their personal PRA/401(k) to assist the employee with future costs of retiree health benefits. Employees who have completed one year of service will continue to receive the $2.65 contribution while on layoff for a period of time equal to their continuous service or two years, whichever is less. Layoff contributions will be made annually.

Employees hired before March 1, 2016 will continue to be eligible for the following types of retirement after meeting the eligibility requirements:

**Normal Retirement**

**A participant who has reached age 65 and has at least 5 but less than 30 years of continuous service** may retire and receive a Regular Pension.

**62/15 Retirement**

**A participant who is between the ages of 62 and 65 and has at least 15 but less than 30 years of continuous service** may retire and receive a Special Payment and a Regular Pension.

**30-Year Retirement**

**A participant who has at least 30 years of continuous service** may retire and receive a Special Payment and a Regular Pension.

**60/15 Retirement**

**A participant who is between the ages of 60 and 62 and has at least 15 but less than 30 years of continuous service** may retire and receive a Special Payment and a Regular Pension. The Special Payment will be made following retirement. The participant may elect to have his or her Regular Pension start in the fourth month after he or she reaches age 62, or he or she may elect to have a lower Regular Pension start with the fourth month after retirement. In the latter case, he or she will receive a reduced Regular Pension calculated by applying the appropriate percentage shown in the following table to the Regular Pension which would otherwise begin after he or she reaches age 62.

| **Age at Start of Pension** | **Percentage** |
|---|---|
| 60 | 83.82% |
| 60-1/12 | 84.46% |
| 60-2/12 | 85.09% |
| 60-3/12 | 85.73% |
| 60-4/12 | 86.36% |
| 60-5/12 | 87.00% |
| 60-6/12 | 87.64% |
| 60-7/12 | 88.27% |
| 60-8/12 | 88.91% |

| | |
|---|---|
| 60-9/12 | 89.54% |
| 60-10/12 | 90.18% |
| 60-11/12 | 90.81% |
| 61 | 91.45% |
| 61-1/12 | 92.16% |
| 61-2/12 | 92.87% |
| 61-3/12 | 93.59% |
| 61-4/12 | 94.30% |
| 61-5/12 | 95.01% |
| 61-6/12 | 95.72% |
| 61-7/12 | 96.44% |
| 61-8/12 | 97.15% |
| 61-9/12 | 97.86% |
| 61-10/12 | 98.57% |
| 61-11/12 | 99.29% |
| 62 | 100.00% |

The above percentages shall be applied on the basis of the participant's age to the nearest month.

**Permanent Incapacity Retirement**

**A participant who has at least 15 years of continuous service and who has become permanently and totally incapacitated and has been so incapacitated for at least 5 consecutive months** may retire before age 65 and receive a Regular Pension, so long as he or she remains totally incapacitated. A Special Payment is not made.

When a participant attains age 62 or becomes eligible for Social Security disability benefits, the increased pension described above will not be payable, however, the increase will continue beyond age 62 for participants born in 1938 or later, until the participant is eligible for Public Pension equal to 80% of the full Public Pension amount.

The Company assumes that a participant retired for permanent incapacity is eligible for Social Security disability benefits unless he or she informs the Company that he or she has applied for and been denied such disability benefits.

**70/80 Retirement**

**Under certain circumstances, a participant who has at least 15 years of continuous service may retire before he or she has reached age 62**, and receive a Special Payment and a Regular Pension if:

- He or she has reached age 55 and the total of his or her age and continuous service equals at least 70 (Rule-of-70); or
- The total of his or her age and continuous service equals at least 80 (Rule-of-80).

The circumstances under which a participant may retire under the Rule-of-70 or the Rule-of-80 are:

- When his or her continuous service has broken because of a layoff or disability, or because of a permanent shutdown; or
- During a layoff elected at the time of such a shutdown, or during the first 90 days on a job with the Company taken while on such layoff.

**Rule-of-65 Retirement**

**Under certain circumstances, a participant who has at least 20 years of continuous service as of his or her last day worked may retire before he or she has reached age 55** and receive a Special Payment and a Regular Pension if the total of his or her age and continuous service equals at least 65 but less than 80. The circumstances under which a participant may retire under the Rule of 65 are:

- When his or her continuous service has broken because of a layoff or a disability, or because of a permanent shutdown; or
- During a layoff elected at the time of such a shutdown, or during the first 90 days on a job with the Company taken while on such layoff; and
- He has not been offered suitable long-term employment with the Company.

The participant may also be eligible for an increased pension as described on page .
A job offered by the Company will normally be considered "suitable long-term employment" if:

- The employee is physically able to perform the job; and
- The employee has or can acquire through training the ability and skills needed to perform the job; and
- It is not a temporary job; and
- It is at the employee's home plant or, if such a job is not available at the employee's home plant, at another employment location, in accordance with Appendix A of the 2007 Pension Agreement,

A more comprehensive definition of suitable long-term employment may be found in Section 1 of Appendix A on page 84 of this booklet.

**Offer and Acceptance of Suitable Long-Term Employment (SLTE)**

- Normally, an employee may refuse an offer of SLTE without becoming ineligible for a Rule-of-65 retirement if such offer is made during his or her grace period. The grace period is a period of weeks following the employee's last day worked that is equal to the number of SUB credit units in excess of 52 credited under the Supplemental Unemployment Benefit Plan as of his or her last day worked.
- **An employee who refuses an offer of SLTE after the expiration of his or her grace period will be ineligible for Rule-of-65 retirement. In addition, an employee who refuses an offer of SLTE during the last 30 days of such grace period will be ineligible for Rule-of-65 retirement if the offer of SLTE is at an**

**employment location other than his or her home plant and he or she would not be required to start work on such job until after the expiration of his grace period.**

- An employee will be given a written explanation of his or her rights and obligations in connection with any offer of SLTE at the time he or she receives such offer.
- An employee who accepts SLTE may have rights to additional earnings protection, supplemental relocation bonus, additional SUB credit units, repayment of visitation expenses, and Rule-of-65 retirement under certain conditions.

**Deferred Vested Pension**

**A participant (not eligible to retire on pension under any other provisions of the 2016 Pension Agreement) who has at least 5 years of continuous service and whose continuous service breaks for any reason will be eligible for a Deferred Vested Pension.** The Company will give written notice of eligibility to apply for a deferred vested pension. A participant eligible for a deferred vested pension who has a break in continuous service after attaining age 40 and completing at least 15 years of continuous service shall be eligible for a deferred vested pension commencing with the month following the month in which he or she attains age 62, or, if he or she desires, a deferred vested amount which would be payable at age 62 by applying the pension starting between age 60 and 62, reduced from the percentages shown in the table on pages 21-22 for a reduced 60/15 pension.

A participant who has a break in continuous service either prior to attaining age 40, or after attaining age 40 and before completing at least 15 years of continuous service shall be eligible for a deferred vested pension commencing with the month following the month in which he or she attains age 65. If a participant has completed at least 5 years of continuous service and so desires, a deferred vested pension starting between age 60 and 65, reduced from the amount which would be payable at age 65 by applying the percentages shown in Exhibit B (3) of the Agreement. If a participant has not completed 5 years of continuous service, no benefit would be payable.

Application for a deferred vested pension can be made not earlier than 90 days before the month the participant wants the pension to start, within the period described above.

A Special Payment is not made in the case of a deferred vested pension, and the Regular Pension is determined on the basis of continuous service and earnings prior to the break in continuous service.

## ADMINISTRATIVE PROVISIONS

**Application for Pension**

An application for pension must be made in writing on a form provided by the Company's current Pension Administrator. The application may be made at any time prior or subsequent to retirement, except as indicated above in the case of a deferred vested pension.

If an employee is eligible for retirement under one of the regular types of pensions (including Total & Permanent Disability) described in this pension agreement and has an immediate need to retire, the process is for the employee or union representative to contact an employee benefits representative of the Company to expedite the process.

**Commencement and Termination of Pension**

A Regular Pension starts with the month following the three months for which any Special Payment is made. If no Special Payment is payable, the Regular Pension starts with the first month following retirement. In the case of a participant who attains age 70-1/2 on or after January 1, 1998 but before January 1,1999, pension payments must begin to be paid by April 1 of the year following the year when the participant attains age 70-1/2 regardless of whether or not the participant has retired. For an active participant who attains age 70-1/2 after January 1, 1999, the pension payments will begin on the date of retirement with the benefit actuarially increased for service after age 70-1/2. The last installment of Regular Pension is payable for the month in which death of the participant occurs. However, in the case of a participant who retired on other than a deferred vested pension, and died prior to the fifth anniversary of his or her retirement, pension payments subject to certain reductions would continue for the remainder of the five-year period. In addition, a reduced pension may be payable after the participant's death to a spouse or co-pensioner under a survivor option election, and/or a surviving spouse's benefit may be payable under the surviving spouse's benefit provisions. Special rules are applicable to the commencement of any deferred pension (see 60/15 retirement, page 23 ,and deferred vested pension, page 24).

Notwithstanding anything to the contrary, no pension is payable for any month with respect to which a participant claims and is eligible for sickness and accident benefits provided under a program of the Company.

**Lump Sum Payment**

The Company, in lieu of regular monthly payments, will make a lump sum payment which shall be the equivalent actuarial value of the Regular Pension payable, if the equivalent actuarial value is not more than $1,000.

**Effect of Reemployment on Pension**

Any pensioner retired under this or a prior Agreement between the parties who is reemployed shall, upon reemployment, have his or her pension suspended if the participant works more than 8 days a month.

**Qualified Domestic Relations Order**

The Company is required by the provisions of the Retirement Equity Act of 1984 to comply with any qualified domestic relations order as such term is defined in the Act. In the event that such an order requires payment of a part or all of the participant's current or future pension benefit, the value of such amounts shall be offset against any benefit which is now, or subsequently becomes payable to the participant.

## SURVIVING SPOUSE'S BENEFIT

### Eligibility

The surviving spouse of a participant who has completed at least 15 years of continuous service and who dies on or after March 1, 2016 is eligible for a monthly benefit if death occurs:

- Before retirement, or
- After retirement and the participant had retired on or after March 1, 2016 on other than a deferred vested pension and the surviving spouse was married to the participant at the date of retirement, and
- The surviving spouse is a widow or widower within the provisions of the Social Security Act.

NOTE: A divorced spouse under the Social Security Act is not the same as a widow or widower under such Act. Accordingly, an individual who is a divorced spouse is not a widow or widower under such Act and is not eligible for a surviving spouse's benefit.

### Amount of Benefit

A surviving spouse's benefit is payable for the life of an eligible surviving spouse in the following amount:

- For each month until the surviving spouse reaches age 60, 50% of the participant's pension or, if higher, a minimum benefit of $200.00 per month;
- For each month after the surviving spouse reaches age 60, 50% of the participant's pension less 50% of the amount of widow's (or widower's) Social Security benefit or, if higher, a minimum benefit of $150.00 per month.

As used on the previous page, "participant's pension" means:

- In the case of a participant who dies while accruing continuous service, the minimum or percent pension, which would have been payable had he or she retired on the date of death and then been age 62;
- In the case of a participant who dies after retirement, the minimum or percent pension which was payable after application of and any actuarial reduction for early commencement of pension.

### Application for Surviving Spouse's Benefit

An application for a surviving spouse's benefit must be made in writing on a form provided by the Company's current Pension Administrator. The application may be made at any time subsequent to the participant's death.

### Commencement and Termination of Benefits

The first installment is payable for the month following the month in which the participant dies but not for any month for which a Special Payment was payable to the participant. The last installment is payable for the month in which the surviving spouse dies.

### Special Surviving Spouse Benefits

Surviving spouse cash payments will be made annually from 2016 to 2019 to then eligible surviving spouses. Pre-July 31, 1974 surviving spouses will receive $1,500 cash payments; Post July 31, 1974 surviving spouses will receive $1,100 cash payments.

### Automatic Five-Year Term Certain

(For retirements on and after March 1, 2016)

If a participant dies during the first five years of retirement on other than a deferred vested pension, his or her surviving spouse (or beneficiary or estate if there is no surviving spouse) shall receive, for the remaining portion of such five-year period the amount of the regular pension payable to the participant. Regular pension does not include any supplements or any deductions for disability benefits.

## SURVIVOR OPTIONS

A general description of these benefits is set forth below. If any participant desires additional information concerning such survivor options, he or she should contact the employee benefits representative at the location at which he or she is employed or was last employed or The ATI Benefits Center.

### Pre-Retirement Survivor Annuity Coverage

A married participant,

- who has been married for at least one year,
- who has completed at least 5 years of continuous service
- dies prior to retirement

Pre-Retirement Survivor Annuity Coverage provides a benefit for the spouse of a participant who dies while employed by the Company, or who dies after termination of employment with eligibility for a deferred vested pension and prior to commencement of pension payments. The Survivor Annuity Benefit provides a benefit ranging from 40% to 48% of the participant’s pension (or deferred vested pension payable at age 60), depending on the age differential between the participant and the spouse, and the participant’s age at death. THE SURVIVOR ANNUITY BENEFIT IS REDUCED BY THE AMOUNT OF ANY SURVIVING SPOUSE’S BENEFIT PAYABLE TO THE SURVIVING SPOUSE. In the case of participants covered by the Surviving Spouse’s Benefit provisions, the Survivor Annuity Benefit is first payable when the surviving spouse attains 60 years of age. In the case of participants not covered by the Surviving Spouse Benefit provisions, the Survivor Annuity Benefit is first payable commencing with the month following the month in which the participant would have attained 60 years of age or in which the participant’s death occurs, whichever is later. However, in the case of a participant who had less than 5 years of continuous service at the time of death, no benefit would be payable.

Shown below are the percentages to be applied to the participant’s pension (or deferred vested pension payable to age 60) to determine the Survivor Annuity, before reduction for the amount of any Surviving Spouse’s Benefit that is payable.

TABLE OF PERCENTAGES TO EXHIBIT 1

| | Participant Older | Participant Younger |
|---|---|---|
| 0 Years | 44.0% | 44.0% |
| 1 | 43.8 | 44.2 |
| 2 | 43.6 | 44.4 |
| 3 | 43.4 | 44.6 |
| 4 | 43.2 | 44.8 |
| 5 | 43.0 | 45.0 |
| 6 | 42.8 | 45.2 |
| 7 | 42.6 | 45.4 |
| 8 | 42.4 | 45.6 |
| 9 | 42.2 | 45.8 |
| 10 | 42.0 | 46.0 |
| 11 | 41.8 | 46.2 |
| 12 | 41.6 | 46.4 |
| 13 | 41.4 | 46.6 |
| 14 | 41.2 | 46.8 |
| 15 | 41.0 | 47.0 |
| 16 | 40.8 | 47.2 |
| 17 | 40.6 | 47.4 |
| 18 | 40.4 | 47.6 |
| 19 | 40.2 | 47.8 |
| 20 & over | 40.0 | 48.0 |

**Automatic 50% Spouse Option**

If a participant has a spouse at retirement and does not revoke the Automatic 50% Spouse Option, he or she will receive a reduced amount during his or her life and after his or her death his or her spouse will receive during his or her life an amount equal to half of such reduced amount (excluding any increased pension if applicable) in addition to any surviving spouse's benefit to which he or she may be entitled. If the participant revokes the Automatic 50% Spouse Option, he or she may elect a Co-Pensioner Option described below.

Notwithstanding anything to the contrary, a participant may revoke the Automatic 50% Spouse Option only with the written consent of the spouse. The revocation will be effective only when the form is filed with the Company.

**Co-Pensioner Options (50% or 75% or 100% )**

If the participant desires to provide benefits to the spouse which are different than those provided under the terms of the Automatic 50% Spouse Option or to provide benefits to a person other than the spouse, he or she may do so by making timely election of a 50%, 75% or 100% Co-Pensioner Option and receive a reduced amount after retirement. However, if he or she has a spouse at the time of retirement, such election will not be effective unless he or she revokes the Automatic 50% Spouse Option. Subject to the above, any participant who has elected a Co-Pensioner Option under a prior Agreement will be considered to have elected the equivalent Co-Pensioner Option under this Agreement.

Payments to a co-pensioner under an elected Co-Pensioner Option do not become payable unless death of the participant occurs after retirement. The required reduction in payment to the participant takes effect immediately upon commencement of pension payments. Election of an option may be made at any time prior to retirement.

**Pop-Up Option**

A participant who retires on or after March 1, 2016 may elect either the 50% or 100% Co-Pensioner Option with Pop-up if the spouse is the designated survivor. The participant will receive a benefit payable for life reduced by the appropriate survivor option percentage in Exhibit B. If the participant dies, the spouse will receive either 50% or 100% of the reduced benefit payable for the life of the spouse. If the spouse dies while the participant is alive, the participant will receive the original, unreduced benefit payable for the remainder of his or her life.

**General**

The Company will commence payment of benefits to an individual entitled to lifetime monthly payments under the option provisions without such individual having to make application.

If a participant who is covered by the five-year certain provision does not revoke the Automatic 50% Spouse Option and/or elects a Co-Pensioner Option, any reduction which would otherwise be made to his or her pension because he or she has such additional survivor coverage will not be effective until the fifth anniversary of his or her retirement.

Each participant should consider, as he or she approaches the age at which he or she will be eligible for retirement, whether or not a survivor option is in his or her best interests. The ATI Benefits Center will provide a written explanation of all available spousal options. The participant and/or his spouse may request further explanation of the detailed provisions from the ATI Benefits Center representative.

## CONDITIONS UNDER WHICH BENEFITS WILL NOT BE PAID TO A PARTICIPANT, SURVIVING SPOUSE, OR CO-PENSIONER

**Pension Benefits**

Benefits will not be paid to a participant if he or she does not complete a minimum of 5 years of continuous service or, if having completed such minimum, dies before commencement of pension.

**Surviving Spouse's Benefits**

Surviving spouse's benefits will not be paid to the surviving spouse of participant if the participant does not complete a minimum of 15 years of continuous service or, having completed such minimum, dies and is not survived by an individual eligible for surviving spouse's benefits or such individual does not make application for surviving spouse's benefits. Surviving spouse's benefits will not be paid if the participant incurs a break in service with eligibility only for a deferred vested pension.

**Automatic Five-Year Term Certain**

Payment of benefits under the Automatic Five-Year Term Certain provision will not be made if the participant dies after the fifth anniversary of his or her retirement or if the total of other survivor benefits payable exceeds the amount payable to the participant during his or her lifetime. The Five-Year Term Certain is not applicable to those persons who retire or die prior to July 1, 1996.

**Survivor Option Benefits**

Benefits under the survivor options will not be paid if the participant does not complete a minimum of 5 years of continuous service or, having completed such minimum, dies without a survivor option in effect or, although having an option in effect, is not survived by an eligible beneficiary.

## APPEALS PROCEDURE

Any dispute between the Company and a participant as to a participant's eligibility for pension or the amount of pension is to be resolved by the Company and the Union, or the Company and the Union may submit it to the Union, or the Company and the Union may submit it to arbitration. Any dispute concerning a co-pensioner or surviving spouse is also to be resolved by the Company and the Union, or the Company and the Union may submit it to arbitration.

There is also a procedure in the 2016 Pension Agreement for resolution of any dispute as to whether a participant is permanently incapacitated. Under this procedure, if a doctor selected by the Union and a doctor selected by the Company disagree, a third doctor is selected and his or her determination as to whether the participant is permanently incapacitated is binding.

## EXAMPLES SHOWING A PARTICIPANT HOW TO ESTIMATE PENSION BENEFITS

Note: All examples based upon retirement on or after March 1, 2016.

## AMOUNT OF SPECIAL PAYMENT
### (Pension For First Three Months After Retirement)

The employee in Example #1 took vacation prior to retirement. The employee in Example #2 did not take vacation prior to retirement. It is assumed in both examples that the weekly rate of regular vacation pay and the adjusted vacation pay are identical.

| | Example No. 1 | Example No. 2 | Participant's Estimate |
|---|---|---|---|
| 1. Weekly rate of regular vacation pay | $598.88 | $552.08 | $ _________ |

| | | | |
|---|---|---|---|
| 2. Gross No. of Special Payment Weeks | 13* | 13* | $ _________ |
| 3. Gross Special Payment (item 1 times item 2) | $7,785.44 | $7,177.04 | $ _________ |
| 4. Subtract vacation pay, if received | -2,395.52 | 0 | $ _________ |
| 5. Special Payment is | $5,389.92 | $7,177.04 | $ _________ |

*14 in the case of employee eligible for more than four weeks of regular vacation in the year of retirement.

## AMOUNT OF MONTHLY PAYMENT
## NORMAL RETIREMENT

For all Production and Maintenance Participants and Local 1138-1 Participants who retire on or after March 1, 2016 and who were hired on or before June 1, 2004. For Jewel pension calculation explanation, refer to Appendix B. (Starting with Fourth Month After Retirement)

It is assumed that the participant and spouse are both age 62 in Example #3.

| | Minimum Formula Pension Calculation | Example No. 3 | Participant's Estimate |
|---|---|---|---|
| 1. | Years of continuous service at retirement | 30.50 | __________ |
| 2. | Multiply each year of service | | |
| | (a) during first 30 years of continuous service by $65.00 | $1,950.00 | $ __________ |
| | (b) in excess of 30 years of continuous service by $100.00 | $ 50.00 | $__________ |
| 3. | Minimum Pension – sum of (a) and (b) | $2,000.00 | $__________ |
| 4. | Average monthly earnings during best 3 consecutive calculation years out of last 10 consecutive calculation years prior to retirement | $2,650.00 | |
| 5. | Multiply each year of service | | |
| | (a) during first 30 years of continuous service by 1.155% | 34.65% | $__________ |
| | (b) in excess of 30 | | |

| | | | |
|---|---|---|---|
| | years of continuous service by 1.26% | 0.63% | $__________ |
| 6. | Item 5 (a) plus 5 (b) | 35.28% | $__________ |
| 7. | Percent Pension Item 4 multiplied by Item 6 | $934.92 | $ __________ |
| 8. | 30-Year Minimum Lifetime Pension – if elected | $2,050.00 | $ __________ |
| 9. | Monthly Pension Greater of minimum pension (Item 3) or percent pension (Item 7) or minimum Lifetime Pension (Item 8) | $2,050.00 | $ __________ |

## TOTAL MONTHLY RETIREMENT INCOME IF PARTICIPANT REVOKES AUTOMATIC 50% SPOUSE OPTION

| | | | |
|---|---|---|---|
| A. | Regular Pension – Item 9 | $2,050.00 | $ __________ |
| B. | Participant's estimated Social Security Old-Age Benefit | $956.00* | $ __________ |
| C. | Spouse's estimated Social Security Benefit | $478.00* | $ __________ |
| D. | Total estimated monthly retirement income | $3,484.00 | $ __________ |

* Commencement at age 62

## IF PARTICIPANT DOES NOT REVOKE AUTOMATIC 50% SPOUSE OPTION

| | | **Example** | **Participant's** | **No. 3** |
|---|---|---|---|---|
| | **Estimate** | | | |
| E. | Reduced Regular Pension (multiply Item 9 by applicable percentage obtained from columns | | | |

| | | | |
|---|---|---|---|
| | labeled “50% Option” on Exhibit B, page , based on participant’s and spouse’s attained ages) | $1,804.00 | $ _________ |
| F. | Participant’s estimated Social Security Old-Age Benefit | $956.00* | $ _________ |
| G. | Spouse’s estimated Social Security Benefit | $478.00* | $ _________ |
| H. | Total estimated monthly retirement income | $3,238.00 | $ _________ |

* Commencement at age 62.