

Pension Plan

for Union Employees



WATERBURY FARREL **TEXTRON**

Waterbury Farrel Division of Textron Inc.

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SUMMARY DESCRIPTION OF YOUR PENSION PLAN

This booklet describes the benefits and provisions of the Waterbury Farrel Union Pension Plan. It explains the retirement benefits to which you are entitled and what elections you have with respect to early retirement and survivor benefits as you near retirement age. This Pension Plan covers only hourly-paid, bargaining unit employees of the Waterbury Farrel Division of Textron Inc., West Johnson Avenue, Cheshire, Connecticut 06410.

Eligibility

You are a participant in the Plan if you are employed for 1,000 hours or more per year at Waterbury Farrel, and are represented by the United Steelworkers of America - Local 3381.

Vesting Service

Vesting Service is used to determine your *eligibility* for a retirement benefit. The service credit (years and months) which you have for vesting at January 1, 1976 will be continued, and thereafter you will be credited with one year of Vesting Service for each calendar year in which you accumulate 1,000 or more Service Hours, as defined in Article I, Section 16 of the Plan.

Credited Service

Credited Service is used to determine the *amount* of your retirement benefit. Your credited service is the total of years and months considered for vesting through December 31, 1975, and years and months of your service with Waterbury Farrel from January 1, 1976, or date of hire if later, to date of your termination. Change to a new job within Textron will not

cause you to lose your credited service accumulated at the time of change. For more about the effect of job changes within Textron, see Article III, Section 3 of the Plan.

Normal Retirement Benefit

A normal retirement benefit is payable to you if you terminate on or after attaining age 65 (retirement is compulsory at age 68). Prior to September 1, 1977, the formula for determining your monthly pension benefit is the greater of:

A. 1.1% of your average monthly earnings during the last 10 years of employment X years of credited service up to 30, plus 1.2% of your average monthly earnings X years of credited service over 30, if any,

OR

B. \$8.00 X your years of credited service, but not in excess of 15 years, plus

\$9.00 X your years of credited service for the next 15 years, if any, plus

\$10.00 X your years of credited service in excess of 30 years, if any.

Effective September 1, 1977, paragraph B. above changes to the following:

\$11.00 X your years of credited service, but not in excess of 15 years, plus

\$12.50 X your years of credited service for the next 15 years, if any, plus

\$14.00 X your years of credited service in excess of 30 years, if any.

This change of September 1, 1977 also applies on that date to eligible employees who terminated on or after March 1, 1976.

As an example of the September 1, 1977 calculation: John Brown had worked for Waterbury Farrel for 34 years when he terminated at age 65. During the last 10 years (120 months) his earnings averaged \$825.00 per month. His retirement benefit would be the higher of:

A. 1.1% of \$825.00
 (\$9.075) x 30 yrs. = \$272.25

1.2% of \$825.00
 (\$9.90) x 4 yrs. = 39.60

\$311.85

OR

B. \$11.00 x 15 yrs. = \$165.00

\$12.50 x 15 yrs. = 187.50

\$14.00 x 4 yrs. = 56.00

\$408.50

In this case, John Brown's retirement benefit would be \$408.50 per month. This retirement benefit is, of course, in addition to any retirement benefit from Social Security.

Early Retirement Benefits

You may retire and start receiving pension benefits before you reach age 65, providing you meet the service and age requirements of any one of the following:

A. 60/30 Retirement

If you are at least 60 years old (and not yet 65) and have at least 30 years of vesting service, you may elect early retirement. Your retirement benefit is calculated in the same manner as a normal retirement benefit and you will receive an additional \$105 per month (\$230 effective September 1, 1977) until you attain age 62 or become eligible for Social Security benefits, whichever occurs first.

B. 58/35 Retirement

Effective September 1, 1977, if you are at least 58 years old (and not yet 65) and have at least 35 years of vesting service, you may elect early retirement. Your retirement benefit is calculated in the same manner as a normal retirement benefit and you will receive an additional \$230 per month until you attain age 62 or become eligible for Social Security benefits, whichever occurs first.

C. 60/10 Retirement

If you are at least 60 years old (and not yet 65) and have at least 10 years of vesting service, you may elect early retirement. Your retirement benefit is calculated in the same manner as a normal retirement benefit and then reduced according to your age at the time you elect to have your retirement benefit commence.

As an example, if your pension calculates to be \$300 per month, and you elect to start receiving benefits at age 62, your monthly retirement benefit would be \$234.42 (\$300.00 x 78.14%). The following table lists the applicable percentages at various ages:

<u>Age</u>	<u>Percentage</u>
65	100.00
64	91.84
63	84.60
62	78.14
61	72.36
60	67.18

D. 70/80 Retirement

If you have at least 15 years of vesting service and are at least 55 years old, or if you have at least 15 years of vesting service and your combined age and service equals 80 or more, you may be eligible for retirement benefits under

certain special conditions which are detailed in Article IV, Section 2. (d) of the Plan. We suggest that you contact the Personnel Department if you have any questions relating to this provision.

Deferred Vested Retirement Benefit

If you terminate after completing 10 years of vesting service, you are entitled to a deferred vested retirement benefit. However, payments of the retirement benefit cannot commence until you are at least 60 years old. Your retirement benefit is calculated in the same manner as a normal retirement benefit and then reduced according to your age at the time you elect to have your retirement benefit commence. The applicable percentages are the same as those shown above under *60/10 Retirement*.

Disability Retirement Benefit

If you complete at least 10 years of vesting service and terminate because you are permanently and totally disabled, you are entitled to receive a disability retirement benefit. Such benefit will start after the expiration of the benefit period for weekly accident and sickness benefits under the company paid group insurance plan. Your retirement benefit up to age 65 will be the greater of \$100 per month (\$200 per month effective September 1, 1977) or an amount calculated in the same manner as a normal retirement benefit, in either case plus an additional \$150 per month (\$230 per month effective September 1, 1977) for each month you receive a disability retirement benefit but for which you are not eligible for Social Security disability benefits. After age 65 your disability retirement benefit will be calculated in the same

manner as a normal retirement benefit in accordance with the Pension Plan in effect at the time of your disability retirement.

Methods of Payment

Your pension payments are paid monthly starting the first day of the month following your termination and are payable every month for the rest of your life. However, in those instances cited above (*60/10 Retirement* and *Deferred Vested Retirement*) where an actuarial reduction is made for commencement of benefits before age 65, you may elect to defer the start of your pension to anytime between ages 60 and 65.

All examples cited heretofore in this booklet are classified as a single life annuity. That is to say, the pensioner receives the full amount of the calculated retirement benefit for the rest of his/her life.

There are, however, certain survivor benefits available in your Plan to protect a loved one in case of your death. One is the Joint & Survivor Benefit which applies if you die after your retirement benefits have commenced, and the other is the Surviving Spouse Benefit which applies if you die while employed at Waterbury Farrel. These provisions are discussed next.

Joint & Survivor Benefit - Death After Retirement

A. Automatic Surviving Spouse Benefit

Unless you elect not to receive it, an automatic joint and survivor benefit with your spouse is provided instead of a single life annuity for yourself if you are married when your retirement benefit commences. This automatic joint

and survivor benefit is a *reduced* monthly pension for your lifetime and then, if your spouse survives you, a monthly pension for your spouse's life equal to 50% of your reduced monthly pension, except that no benefit will be paid to a surviving spouse who has not been married to you throughout the year preceding your death. Your reduced monthly pension will be 85% of the monthly payment you would have received under a single life annuity increased by 1/2 of 1%, up to a maximum of 100%, for each year by which your spouse's age exceeds your own, or decreased by the same percentage for each year by which your spouse is younger. Here is an example.

Mr. White is eligible for a monthly normal retirement benefit of \$352.50 after 30 years of Credited Service. Mrs. White is three years younger than Mr. White.

Calculation of Mr. White's Reduced Benefit
 $\$352.50 \times 85\% = \299.63 . The reduction for 3-year difference in age is \$4.49 (1.5% x \$299.63). Therefore, Mr. White's reduced monthly benefit payable for his life is \$295.14 ($\$299.63 - \4.49).

Calculation of Mrs. White's Benefit
(if she survives Mr. White)
 $\$295.14 \times 50\% = \147.57 which is Mrs. White's monthly benefit commencing at Mr. White's death.

B. *Optional Joint and Survivor Benefit*

If your normal retirement benefit is in excess of \$50.00, you may elect an *optional* joint and survivor benefit. It allows you to designate a joint pensioner (who may be your spouse or a person other than your spouse) who will, if he or she survives you, receive either 100% or 50%

of your reduced monthly pension for life as you elect. Your pension will be calculated in the same way as the Automatic Surviving Spouse Benefit except that if you choose the 100% survivor payment to your joint pensioner, your reduced monthly pension will be 75% of the monthly payment you would have received under a single life annuity.

Surviving Spouse Benefit - Death In Service

A. If you have at least 15 years of vesting service and you should die while still working, your spouse would automatically receive an amount equal to 50% of what you would have received calculated in the same manner as a normal retirement benefit. This payment would be made to your spouse for the remainder of his/her lifetime.

B. If you do not have 15 years of vesting service but you have met the requirements for early retirement set forth previously in this booklet under the heading *60/10 Retirement*, you may elect that a survivor benefit be paid to your spouse if you should die while employed by Waterbury Farrel. Your spouse will receive this benefit only if you elect it and if you have been married throughout the year preceding your death. This benefit will provide your spouse with a monthly pension for life equal to 50% of the reduced monthly benefit you would have received under the Automatic Surviving Spouse Benefit (described previously in this booklet) if you had retired and elected immediate payments on the first day of the month before your death. For every year or for any partial year an election in favor of your surviving spouse is in effect before your death or

retirement, your monthly pension will be further reduced by 1%. For example, if you elect the in-service surviving spouse benefit when you are 60 and survive to retire at age 65, your pension will be reduced by 5% (1% per year for 5 years). Here is another example.

Mr. Smith elected the in-service surviving spouse benefit when he reached 60 and later died while still employed at age 63 after completing 12 years of Credited Service. If Mr. Smith had taken early retirement on the first day of the month before his death, his *60/10 Retirement*, after adjustment by the applicable percentage for early retirement, would have been \$111.67. He was survived by Mrs. Smith to whom he had been married for more than one year. Mr. Smith and Mrs. Smith were the same age.

Adjustment for Surviving Spouse Benefit

$\$111.67 \times 85\% = \94.92 per month

Note that no adjustment for age difference is necessary.

Adjustment for In-Service Survivor Benefit Election Cost

$\$94.92 - \$2.85 (\$94.92 \times 3\% @ 1\%$
per yr. for each of 3 years election was in effect) = \$92.07 monthly benefit.

Benefit to Surviving Spouse

$\$92.07 \times 50\% = \46.04 per month

Circumstances Affecting Your Pension

Your pension will not begin as long as you are employed by any Textron company.

Your pension will be suspended if you return to work for any Textron company. Payments will be resumed upon subsequent termination of employment and the amount will be actu-

arially adjusted to reflect your previous payments.

A monthly pension of less than \$25 may be paid quarterly, semi-annually or annually, rather than monthly. Such payments may also be paid in an actuarially equivalent lump sum, but only if the lump sum does not exceed \$1,750.

If you are unable to care for your affairs due to accident or illness, your pension payments may be continued to your spouse, child, parent, brother, sister or other person deemed to be responsible for you.

If you receive an overpayment under the Plan, the amount of overpayment will be subtracted from your future pension until the overpayment has been recovered.

In no event may your monthly pension exceed 1/12 of the lesser of (i) 100% of the average gross annual compensation received from your employer during the three consecutive calendar years which produce the highest average or (ii) the maximum amount permitted under the Employee Retirement Income Security Act of 1974, as from time to time amended, or any other applicable federal law.

Benefit Claims Procedure

A. *How to Apply for Your Retirement Benefits*

To apply for retirement simply involves a visit to the Personnel Department. Here you can ask any questions you may have and receive explanations of your retirement benefits and available options. An application form is necessary to formalize your request. It is suggested that you apply for retirement at least 90 days prior to your anticipated retirement date. This time is necessary to explain and calculate your

options, file the necessary papers, and insure the timely receipt of your first pension payment.

B. How to File a Claim under the Plan

If you or your beneficiary feel that the Plan has made an error concerning your benefits, you have the right to file a claim under the Plan in accordance with the following procedures:

(i) All claims shall be submitted in writing to your Personnel Department, West Johnson Avenue, Cheshire, Connecticut 06410.

(ii) The Company must decide your claim in writing within 90 days of when it is filed. In some special cases more than 90 days may be needed to decide your case. Should additional time be required, you will be notified with an explanation of why more time is required. After giving notice, the Company may take up to another 90 days to make the decision.

(iii) Should the claim be denied, you will be provided with an explanation in detail as to why the claim was denied.

(iv) You may request in writing a review of the denied claim within 60 days of receipt of the denial. As part of the review you will be allowed to see all Plan documents and other papers which affect the claim. In addition, you are allowed to have someone represent you, if you so choose.

(v) The Company will conduct a full and fair hearing of the issue within the next 60 days after the request for review. In special cases more time may be needed. If so, the Company will notify you of the delay and the reason for more time. Then the Company may take up to 60 additional days.

(vi) Within 30 days after the hearing, the Company shall communicate its decision to you in writing. The decision will state the reasons for the decision rendered in a clear and understandable manner with reference to the pertinent Plan provisions affecting its decision.

Administration

Textron Inc., 40 Westminster Street, Providence, Rhode Island 02903, (Telephone Number (401) 421-2800) is the Plan administrator. Legal process may be served upon Textron as the Plan administrator or Chemical Bank as the Plan trustee.

Contributions

The Plan is a defined benefit plan entirely funded by annual Company contributions which are actuarially determined. The contributions are made to a trust of which Chemical Bank, 277 Park Avenue, New York, New York 10017, is the sole trustee. Plan records are on a calendar year basis.

Plan Identification Numbers

Your Plan is identified by the following numbers under Internal Revenue Service rules:

Employer Number	—	05-0315468
Pension Plan Number	—	102

Collective Bargaining Agreement

Waterbury Farrel has agreed to maintain the Plan under the terms and conditions of the collective bargaining agreement between Waterbury Farrel Division of Textron Inc., and United Steelworkers of America, A.F.L.-C.I.O., Local Union No. 3381. A copy of such agree-

ment may be obtained upon written request to the Plan administrator, and is available for examination in the Personnel Department of the Waterbury Farrel Division at West Johnson Avenue, Cheshire, Connecticut.

Plan Termination Insurance

Benefits under your Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.

The PBGC guarantees vested benefits at the level in effect on the date of plan termination. However, if a plan has been in effect less than five years before it terminates, or if benefits have been increased within the five years before plan termination, the whole amount of the plan's vested benefits or the benefit increase may not be guaranteed. In addition, there is a ceiling on the amount of monthly benefit that PBGC guarantees, which is adjusted periodically.

For more information on the PBGC insurance protection and its limitations, ask your Plan administrator or the PBGC. Inquiries to the PBGC should be addressed to the Office of Communications, PBGC, 2020 K Street NW., Washington, D. C. 20006. The PBGC Office of Communications may also be reached by calling (202) 254-4817.

Subject to the collective bargaining agreement, the Company has the right to amend or terminate the Plan. If the Plan is terminated, benefits under the Plan will be paid only to the

extent of assets in the trust or to the extent insured, whichever is greater.

Statement of ERISA Rights

A. As a participant in the Waterbury Farrel Union Pension 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:

(i) Examine, without charge, at the Plan administrator's office and at the Division Personnel Department, all Plan documents, including insurance contracts, collective bargaining agreements and copies of all documents filed by the Plan with the U. S. Department of Labor, such as detailed annual reports and Plan descriptions.

(ii) Obtain copies of all Plan documents and other Plan information upon written request to the Plan administrator. The administrator may make a reasonable charge for the copies.

(iii) 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.

(iv) 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 a year. The Plan must provide the statement free of charge.

B. 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.

C. No one, including your employer, your union, or any other person, may discharge you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

D. If your claim for a pension benefit is denied in whole or in part you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim.

E. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials 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 \$100 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. 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.

F. If you have any questions about your Plan, you should contact the Plan administrator.

G. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Area Office of the U. S. Labor-Management Services Administration, Department of Labor.

WATERBURY FARREL UNION PENSION PLAN

(January 1, 1976 Restatement)

Preamble

This Restatement incorporates amendments required by the Employee Retirement Income Security Act of 1974 and as agreed between the Employer and the Union effective September 1, 1976 and applies to Employees actively employed by the Employer on or after January 1, 1976. Rights and benefits of Employees whose employment terminated before January 1, 1976 shall be determined under the Plan as in effect when their employment terminated except as provided in Section 7 of Article XI. The Plan, formerly entitled Pension Agreement Between Waterbury Farrel Division of Textron Inc. and United Steelworkers of America A.F.L.-C.I.O. Local Union No. 3381, for convenience is hereby renamed Waterbury Farrel Union Pension Plan.

The Plan, originally effective August 1, 1950, and last restated and separately amended both effective August 1, 1973, is hereby amended and restated to read in entirety as follows:

ARTICLE I Definitions

For the purposes of this Plan, unless the context clearly indicates to the contrary, the following words and phrases shall mean:

1. "Plan" — this pension plan as amended from time to time.
2. "Employer" — Waterbury Farrel Division of the Corporation and any predecessor conducting the business of such Division or successor which conducts such business and maintains this Plan.
3. "Corporation" — Textron Inc., a Delaware corporation, or any corporation which succeeds to the business of the Employer and adopts this Plan.
4. "Employee" — an hourly paid person employed by the Employer on the basis of or in fact for 1,000 hours or more for the first 12 months after his employment date or for any calendar year who is for purposes of collective bargaining represented by the Union and, where the context so requires, a former Employee or other person entitled to benefits hereunder.
5. "Fund" — the assets held by the Trustee pursuant to and for the purposes of this Plan.
6. "Trust Agreement" — the agreement or agreements evidencing the Trust.
7. "Trust" — any Trust which holds all or part of the Fund.
8. "Trustee" — the trustee or trustees of the Fund.
9. "Plan Termination" — termination or partial termination of the Plan.
10. "Plan Year" — each entire or partial calendar year the Plan is in effect.
11. "Vesting Service" — an Employee's service used to determine his vesting and eligibility for a Retirement Benefit and computed in accordance with Sections 1 and 3 of Article III.
12. "Credited Service" — an Employee's service with the Employer used to determine the amount of his Retirement Benefit and computed in accordance with Section 2 of Article III.

13. "Actuary" — an actuary retained by the Employer and enrolled by the Joint Board for the Enrollment of Actuaries and also a member of the Society of Actuaries or American Academy of Actuaries.

14. "Retirement Benefit" — any monthly benefit payable under this Plan.

15. "Permanent and Total Disability" — bodily injury or disease which shall have continued for a period of five consecutive months and which prevents an Employee from engaging in any occupation covered under the Basic Agreement and, in the opinion of a qualified physician, will be permanent and continuous during the remainder of the Employee's life excluding, however, (i) incapacity resulting from injury or disease incurred during future service in the Armed Forces of the United States and compensable as such by a Federal disability allowance; (ii) incapacity caused by or continuing because of chronic alcoholism or addiction to narcotics; (iii) incapacity resulting from the Employee engaging in a felonious act; (iv) incapacity resulting from or continuing because of an intentionally self-inflicted injury and (v) incapacity contracted, suffered or incurred while an Employee was engaged in any occupation or employment for another employer.

16. "Service Hours" — all hours (including holiday and vacation times actually taken) for which the Employee directly or indirectly receives wages or is entitled to payment from the Employer including hours with respect to which the Employee receives back pay, irrespective of mitigation of damages or when paid. "Service Hours" shall also include 40 hours for each week the Employee would normally have been scheduled to work (i) during lay-offs for periods not exceeding three years, (ii) during absence resulting from occupational injury or disease incurred in the course of employment with the Employer if the Employee receives temporary workmen's compensation benefits with respect to such absence but not after the Employee has incurred a Permanent and Total Disability, (iii) during absence resulting from nonwork related sickness or accident for periods not exceeding two years and (iv) while the Employee was in the armed forces (including the Merchant Marine Service) of the United States, provided the Employee left employment of the Employer to enter such armed forces, retained reemployment rights under law, complied with the requirements of law as to reemployment and was reemployed by the Employer.

17. "Union" — the United Steelworkers of America A.F.L.-C.I.O., on behalf of Local Union No. 3381.

18. "Related Companies" — the Corporation and all corporations controlling, controlled by or under common control with the Corporation.

19. "Earnings" — the total of all compensation payable to the Employee by the Employer for services rendered during a calendar month, except that prior to September 1, 1976, "Earnings" shall not include the cost-of-living adjustment provided by the Basic Agreement of August 1, 1973, and first payable as of August 1, 1974.

20. "Average Monthly Earnings" — the average of the Employee's Earnings paid by the Employer during the last 120 full calendar months of employment, provided, however, that:

(a) if, during such 120 calendar months, the Employee shall have been absent from work because of disability or layoff for one or more periods of more than 13 full pay periods each, there shall be deducted from the total number of months which shall be used in so computing the Average Monthly Earnings of such Employee the aggregate of the calendar months in excess of 13 pay periods in each such period of absence;

(b) if, during such 120 calendar months, the Employee shall have failed to work in more than 52 full pay periods because of disability or layoff, there shall be deducted from the total number of months which shall be used in so computing the Average Monthly Earnings of such Employee the number of such calendar months in excess of 52 pay periods;

(c) if both of the foregoing rules shall be applicable to any Employee, only the rule which shall yield the higher Average Monthly Earnings for such Employee shall be used; provided, however, in computing the pension of an Employee who becomes eligible to a pension under Section 4 of Article IV (Disability Retirement), before applying the rules set out in (a) and (b) above, there shall be deducted from the total number of calendar months which shall be so used in computing the Average Monthly Earnings of such Employee each full calendar month that he shall have been absent without pay because of Permanent and Total Disability during the last six calendar months of such 120 calendar month period; months deducted under this provision shall not be counted as months of absence in making the computation under either (a) or (b) above;

(d) in computing the pension of an Employee who during such 120 calendar month period shall have served as a member of the Grievance Committee (not to exceed the number specified in the Basic Agreement at any time) or as a President, Vice President, Recording Secretary, Financial Secretary and/or Treasurer of a Local of the Union, or any Employee who shall have been absent from work because of a leave of absence granted upon the request of the Union to any Employee who shall be appointed or elected to any other office in the Union, at the plant or works at which he shall then have been employed and for that reason shall have been absent from work in accordance with the terms of the Basic Agreement during that period, his Average Monthly Earnings for each month in which he shall have thus served up to a maximum of 24 months shall, for the purposes of computing his pension only, be adjusted so as to be fairly representative of his normal earnings had he not been so absent.

21. "Basic Agreement" — the labor agreement between the Employer and the Union as from time to time amended.

ARTICLE II

Participation

All Employees on and after January 1, 1976 shall participate in this Plan.

ARTICLE III

Computation of Service

1. *Vesting Service.* Vesting Service of an Employee shall be the sum of the following:

(a) The Employee's years and fractions of a year of continuous service with the Employer through December 31, 1975 excluding periods disregarded under the break in service rules of the Plan as then in effect unless such periods shall be included as a result of subsequent negotiations; plus

(b) Notwithstanding interruptions in employment, all calendar years from and after January 1, 1976 in which the Employee accumulates 1,000 or more Service Hours.

2. *Credited Service.* An Employee's Credited Service shall be the sum of the following:

(a) The Employee's Vesting Service through December 31, 1975 as computed under Section 1(a) of this Article III; plus

(b) Notwithstanding interruptions in employment, years and months (calculated to the nearest month) after January 1, 1976 of an Employee's service with the Employer from the later of January 1, 1976 or the Employee's date of hire until the Employee's severance from service.

3. *Transfers.* Transfers of employment within or between any Related Company or Companies shall be treated as follows:

(a) *Transfers from this Plan.* An Employee who transfers to employment not covered by this Plan with any Related Company shall not lose his Credited Service or other rights under this Plan, if, when his employment with all Related Companies terminates, he would have been entitled to a Retirement Benefit if he had continued as an Employee under this Plan; provided, however, that his Retirement Benefit shall be based on this Plan as in effect at the date of his last transfer from employment covered by this Plan and on his Credited Service under this Plan less any period of such Credited Service for which the Employee is paid or tendered an equivalent or greater benefit under any other pension plan of any Related Company.

(b) *Transfer to this Plan.* An Employee who transfers to employment covered by this Plan from employment with any Related Company not so covered, may treat his employment with Related Companies as if it were employment with the Employer for the purpose of calculating the Employee's Vesting Service; provided, however, his Retirement Benefit shall be based only on his Credited Service under this Plan, less any period of such Credited Service for which the Employee is paid or tendered an equivalent or greater benefit under any other pension plan of any Related Company.

ARTICLE IV

Eligibility for Retirement Benefits

1. *Normal Retirement.* An Employee whose employment with the Employer terminates when or after he shall have attained age 65 shall be paid a normal Retirement Benefit. An Employee shall retire when he attains age 68.

2. *Early Retirement.*

(a) *60/30 Retirement.* An Employee whose employment with the Employer terminates when or after he shall have completed 30 years of Vesting Service and attained age 60 but not 65, shall be entitled to an early Retirement Benefit.

(b) *58/35 Retirement.* On or after September 1, 1977, an Employee whose employment with the Employer terminates when or after he shall have completed 35 years of Vesting Service and attained age 58 but not 65, shall be entitled to an early Retirement Benefit.

(c) *60/10 Retirement.* An Employee whose employment with the Employer terminates when or after he shall have completed 10 years of Vesting Service and attained age 60 but not 65, shall be entitled to an early Retirement Benefit.

(d) *70/80 Retirement.* An Employee who shall have completed 15 years of Vesting Service and (i) attained age 55 and whose combined age and years of Vesting Service shall equal 70 or more, or (ii) whose combined age and years of Vesting Service shall equal 80 or more, and

(1) whose employment is terminated by reason of a permanent shutdown of a plant, department, or sub-division thereof or by reason of a layoff or physical disability, or

(2) whose employment is not terminated and who is absent from work by reason of a physical disability or a layoff and whose return to active employment is declared unlikely by the Employer, or

(3) whose employment is not terminated and who, while on layoff status, accepts a job with the Employer and, prior to the expiration of 30 consecutive calendar days from the first day worked on such job, elects to retire, or

(4) whose employment is not terminated and who while on layoff status, as a result of a shutdown of a plant, department or subdivision thereof, elects to retire, or

(5) who considers that it would be in his interest to retire and the Employer considers that such retirement would likewise be in its interest and it approves an application for retirement under mutually satisfactory conditions,

shall be entitled upon termination of employment with the Employer to an early Retirement Benefit.

3. *Deferred Vested Retirement.* An Employee whose employment with the Employer terminates on or after January 1, 1976 when or after he shall have completed 10 years of Vesting Service shall be entitled to a deferred vested Retirement Benefit which shall become payable only if and after he satisfies the requirements for early retirement under Section 2(c) of this Article IV.

4. *Disability Retirement.* An Employee whose employment with the Employer terminates as a result of a Permanent and Total Disability incurred when or after he shall have completed 10 years of Vesting Service shall be paid a disability Retirement Benefit.

ARTICLE V

Retirement Benefits

1. *Normal Retirement Benefit.* The Retirement Benefit of an Employee entitled to a normal Retirement Benefit shall be (i) for all Employees terminated between January 1, 1976 and February 29, 1976 and (ii) for Retirement Benefit payments prior to September 1, 1977, for all Employees terminated on or after March 1, 1976, (a) or (b) below, whichever is greater:

(a) an amount equal to the Employee's Average Monthly Earnings multiplied by:

(i) for an Employee with more than 30 years of Credited Service, 33% (1.1% for 30 years) plus a percent determined by multiplying 1.2% by the Employee's Credited Service in excess of 30 years, or

(ii) for an Employee with 30 or less years of Credited Service, 1.1% multiplied by the Employee's Credited Service; or

(b) an amount equal to the sum of:

(i) \$8.00 multiplied by the Employee's Credited Service, but not in excess of 15 years, plus

- (ii) \$9.00 multiplied by the Employee's Credited Service for the next 15 years, if any, plus
- (iii) \$10.00 multiplied by the Employee's Credited Service in excess of 30 years, if any.
- (c) Effective September 1, 1977, for an Employee terminating, or terminated, on or after March 1, 1976, paragraph (b) of this Section 1 shall be an amount equal to the sum of:
 - (i) \$11.00 multiplied by the Employee's Credited Service, but not in excess of 15 years, plus
 - (ii) \$12.50 multiplied by the Employee's Credited Service for the next 15 years, if any, plus
 - (iii) \$14.00 multiplied by the Employee's Credited Service in excess of 30 years, if any.

2. *Early Retirement Benefit.*

(a) *60/30 Retirement.* The Retirement Benefit of an Employee entitled to a 60/30 Retirement Benefit shall be calculated in accordance with Section 1 of this Article V and shall be increased by a supplement of \$105 per month until the Employee attains age 62 or becomes eligible to receive Social Security benefits, whichever occurs first. Effective September 1, 1977, the supplement of \$105 per month shall be increased to \$230 per month for an Employee terminating, or terminated, on or after March 1, 1976.

(b) *58/35 Retirement.* The Retirement Benefit of an Employee entitled to a 58/35 Retirement Benefit shall be calculated in accordance with Section 1 of this Article V and shall be increased by a supplement of \$230 per month until the Employee attains age 62 or becomes eligible to receive Social Security benefits, whichever occurs first.

(c) *60/10 Retirement.* The Retirement Benefit of an Employee entitled to a 60/10 Retirement Benefit shall be calculated in accordance with Section 1 of this Article V, adjusted to the following percentage (interpolated for less than a full year) applicable to the age of the Employee when his Retirement Benefit is to commence:

<u>Age</u>	<u>Percentage</u>
65	100.00
64	91.84
63	84.60
62	78.14
61	72.36
60	67.18

(d) *70/80 Retirement.* The Retirement Benefit of an Employee entitled to a 70/80 Retirement Benefit shall be calculated in accordance with Section 1 of this Article V and shall be increased by a supplement of \$105 per month until the Employee attains age 65 or becomes eligible to receive unreduced Social Security Benefits, whichever occurs first. Effective September 1, 1977, the supplement of \$105 per month shall be increased to \$230 per month for an Employee terminating, or terminated, on or after March 1, 1976.

3. *Deferred Vested Retirement Benefit.* The Retirement Benefit of an Employee whose employment with the Employer terminates on or after January 1, 1976 and who is entitled to a de-

ferred vested Retirement Benefit shall be calculated in accordance with Section 1 of this Article V, adjusted to the following percentage (interpolated for less than a full year) applicable to the age of the Employee when his Retirement Benefit is to commence:

<u>Age</u>	<u>Percentage</u>
65	100.00
64	91.84
63	84.60
62	78.14
61	72.36
60	67.18

An Employee who terminated prior to January 1, 1976 shall receive a deferred vested Retirement Benefit, if any, determined in accordance with the Plan as in effect on the date his employment with the Employer terminated adjusted in accordance with the next preceding sentence.

4. *Disability Retirement Benefit.* (a) The Retirement Benefit of an Employee entitled to a disability Retirement Benefit shall be, prior to attainment of age 65, the greater of (i) or (ii), in either case plus (iii);

(i) \$100 per month, or

(ii) an amount calculated in accordance with Section 1 of this Article V but based only on Credited Service and Average Earnings to the date of retirement for Permanent and Total Disability; plus

(iii) \$150 per month for each month the Employee receives a disability Retirement Benefit but for which he is not eligible for Social Security disability benefits.

(b) Effective September 1, 1977, the amount of \$100 per month in Section 4(a) (i) of this Article V shall be increased to \$200 per month, and the amount of \$150 per month in Section 4(a) (iii) of this Article V shall be increased to \$230 per month.

(c) After attainment of age 65, the Retirement Benefit of an Employee entitled to a disability Retirement Benefit shall be determined in accordance with Article VI, Section 2.

5. *Maximum Annual Pension.* In no event shall an Employee's Retirement Benefit exceed one-twelfth of the lesser of (i) 100% of the Employee's average gross compensation from the Employer as reported to the Internal Revenue Service during the three consecutive calendar years which produce the highest such average or (ii) \$75,000. If the Employee shall have completed less than 10 years of Credited Service at his termination of employment, his Retirement Benefit shall not exceed the limitation described in the preceding sentence multiplied by a fraction the numerator of which shall be his period of Credited Service and the denominator of which shall be 10. If valid regulations increase the \$75,000 maximum annual pension provided by Section 415 of the Internal Revenue Code of 1954, then the increased amount shall be used in lieu of the \$75,000 provided in the first sentence of this Section 5.

6. *Prior Pensioners.* Effective as of September 1, 1978, every former Employee who terminated employment with the Employer prior to March 1, 1976, and who, on March 1, 1976, was (i) receiving or (ii) entitled to start receiving a Retirement Benefit, shall have such Retirement Benefit increased \$5 per month.

7. *General.* (a) Retirement Benefits computed under this Article V assume monthly payments to only the Employee for life. Any optional form of payment will result in a reduced Retirement Benefit for the Employee as provided in Article VII.

(b) Except as herein specifically provided, all Retirement Benefits shall be based on the Plan as in effect when the Employee terminates his employment with the Employer.

(c) At no time shall an Employee be entitled to Retirement Benefits under more than one Section of this Article V. Notwithstanding anything to the contrary in this Plan, no Retirement Benefit shall be payable hereunder to any person while he is employed by the Employer or a Related Company.

(d) If any overpayment of benefits is made under this Plan, the amount of the overpayment may be set-off against Retirement Benefits payable to or on account of the person who received the overpayment until the overpayment has been recovered.

8. *Effect of Accident and Sickness Benefits.* An Employee under age 65 shall not be eligible for a Retirement Benefit for any month during which he receives accident and sickness benefits under any group insurance plan to which the Employer contributes.

ARTICLE VI

Commencement and Duration of Single Life Retirement Benefits

1. *Normal, Early and Deferred Vested Retirement Benefits.* (a) A normal Retirement Benefit shall commence on the first day of the month following the Employee's termination of employment with the Employer and all Related Companies. An Employee may elect to begin to receive his early Retirement Benefit on the first day of any month following his termination of employment with the Employer and all Related Companies. An Employee may elect to begin to receive his deferred vested Retirement Benefit on the first day of any month after he satisfies the requirements for early retirement set forth in Section 2(c) of Article IV. Notwithstanding the foregoing, an early or deferred vested Retirement Benefit shall commence not later than the first day of the month after the Employee attains age 65. A normal, early or deferred vested Retirement Benefit payable on a single life basis shall, after it commences, be paid on the first day of each month during the life of the Employee.

(b) If an Employee who is entitled to a Retirement Benefit dies before commencement of the Retirement Benefit, there shall be no liability with respect to such Employee under the Plan except as otherwise provided in Article VII.

(c) Notwithstanding any other provision of this Plan, any Retirement Benefit shall be suspended if the Employee entitled thereto returns to active employment with the Employer or a Related Company and, upon termination of such employment, such Retirement Benefit:

(i) if payments had commenced, shall be reinstated with appropriate actuarial adjustment, and increased to reflect his additional period of Credited Service, if any, times the applicable benefit rate or rates in effect at the end of such period provided that the combined Retirement Benefit shall be subject to actuarial reduction in the case of an early retirement and, provided further, that if the previous Retirement Benefit was for a disability then the Employee shall, if he becomes eligible under Section 1, 2 or 3 of Article IV, be paid a Retirement Benefit in lieu

of any other hereunder based on his Credited Service at the time of his prior disability retirement plus his additional period of Credited Service, if any, times the applicable benefit rate or rates in effect at the end of such additional period, subject to actuarial reduction in the case of an early retirement; or

(ii) if payments had not commenced, shall be based on his Credited Service through his prior termination plus his additional period of Credited Service, if any, times the applicable benefit rate or rates in effect at the end of such additional period, subject to actuarial reduction in the case of an early retirement.

2. *Disability Retirement Benefit.* A disability Retirement Benefit shall be payable to an eligible Employee, who has applied therefor in accordance with the rules established by the Employer, commencing on the first day of the month following the date he becomes eligible for such benefit and shall be payable monthly thereafter during the life of such retired Employee, until he shall have reached age 65 at which time he shall be entitled to a normal Retirement Benefit determined in accordance with Section 1 of Article V as in effect at the time of his disability retirement, but based upon his Credited Service at the time of his disability retirement; provided, however, that a disability Retirement Benefit shall not commence in any event until after the expiration of the benefit period under any group insurance plan or alternate benefit provision required by law, to which the Employer contributed, under which such disabled Employee is entitled to temporary disability benefits and shall terminate:

(a) if the disabled Employee engages in any gainful employment or occupation, except for specific purposes of rehabilitation approved by the Employer; or

(b) if the disabled Employee no longer continues to be Permanently and Totally Disabled; or

(c) if the disabled Employee refuses to undergo medical examinations. The permanency of a Permanent and Total Disability may be verified by medical examination prior to age 65 at any reasonable time.

Notwithstanding any other provision of the Plan, an Employee whose disability Retirement Benefit shall have terminated and who shall return to employment with the Employer or a Related Company and who subsequently shall become eligible for a disability Retirement Benefit shall be entitled to a disability Retirement Benefit under this Plan based on his Credited Service at the time of his initial disability retirement plus his Credited Service, if any, accrued after his return to employment times the applicable benefit rate or rates in effect at the time of his latest termination of employment with the Employer.

ARTICLE VII Payment Options

1. *Employee's Retirement Benefit.* Except as specifically provided to the contrary in this Article VII, an Employee's Retirement Benefit shall be computed under Article V and paid to the Employee as a single life annuity in equal monthly installments during his lifetime in accordance with Article VI. If an Employee is married so that Section 3(a) of this Article VII is applicable he may, nevertheless, elect to have his Retirement Benefit paid (i) to himself alone for life or (ii) as an

optional survivor benefit as provided in Section 3(b) of this Article VII, rather than as an automatic surviving spouse benefit under Section 3(a). Any such election shall be made in accordance with Section 3(c) of this Article VII.

2. *Surviving Spouse Pension.* (a) *Death while Employed after Completing 15 Years of Vesting Service:* If prior to termination of employment an Employee who shall have completed 15 years of Vesting Service dies and is survived by a spouse, there will be paid to the surviving spouse until the spouse's death, 50% of the Retirement Benefit which the Employee would have received under Section 1 of Article V had he retired immediately prior to his death based upon his Credited Service through the date of his death with no adjustment for early retirement or age difference between the Employee and spouse.

(b) *Death while Employed before Completing 15 Years of Vesting Service, or while Eligible for but not Receiving Early or Normal Retirement Benefit.* An Employee who meets the requirements for an early Retirement Benefit, subject to the conditions herein provided, but who does not meet the requirements of Section 2(a) of this Article VII, may in accordance with Section 3(c) of this Article VII elect (and if he meets the requirements, except for termination of employment for a normal Retirement Benefit, shall be deemed to have elected) that a Retirement Benefit be paid to his surviving spouse if the Employee should die while employed by the Employer. An Employee who has retired after becoming eligible for an early or a normal Retirement Benefit, whose Retirement Benefit has not commenced, subject to the conditions hereinafter provided and unless he elects to the contrary in accordance with Section 3(c) of this Article VII, shall be deemed to have elected that a Retirement Benefit be paid to his surviving spouse if the retired Employee should die before the commencement of his Retirement Benefit. In the event of such election or deemed election, the surviving spouse shall receive beginning on the first day of the first month following the Employee's death and continuing on the first day of each month thereafter until the spouse's death, a Retirement Benefit equal to 50% of the reduced Retirement Benefit the Employee would have received computed in accordance with Section 3(d) of this Article VII if he had elected to have his Retirement Benefit commence on the first day of the month preceding his death; provided that no Retirement Benefit shall be paid to a surviving spouse under this Section 2(b) who shall not have been married to the deceased Employee throughout the year preceding the Employee's death. The Retirement Benefit of an Employee who elects in favor of his surviving spouse under this Section 2(b) or who is deemed to have so elected, shall be further reduced by 1% for each full twelve months that elapse or, if less than twelve months elapse, for any lesser period which elapses, while an election under this Section 2(b) remains in effect until the first to occur of the Employee's death, pension commencement or eligibility (except for termination of employment) for a normal Retirement Benefit. An election or a deemed election under this Section 2(b) shall automatically be of no further force and effect after the Employee's Retirement Benefit shall commence or his spouse shall die or be granted a divorce from him and the divorce becomes final.

3. *Joint and Survivor Benefit. Death after Commencement of Retirement Benefit:* (a) *the Automatic Surviving Spouse Benefit.* An Employee or former Employee who is married when his Retirement Benefit commences shall, unless he elects to the contrary in accordance with Section 3(c) of this Article VII, receive a joint and survivor Retirement Benefit with the spouse to whom the Employee is married when his Retirement Benefit commences, computed in accordance with Section 3(d) of this Article VII; provided that no Retirement Benefit shall be paid to a surviving spouse

under this Section 3(a) who shall not have been married to the deceased Employee throughout the year preceding the Employee's death. A reduced Retirement Benefit under this Section 3(a) shall commence on the date it would have commenced under Article VI had the Employee elected a single life annuity and shall be payable thereafter on the first day of each month during the life of the Employee, and after his death to his surviving spouse for life at 50% of his reduced Retirement Benefit.

(b) *The Optional Survivor Benefit.* In lieu of any other Retirement Benefit under this Plan, an Employee whose Retirement Benefit pursuant to Article V would exceed \$50 may elect in accordance with Section 3(c) of this Article VII and subject to the following provisions, to receive a joint and survivor pension that provides for payment of a reduced Retirement Benefit computed under Section 3(d) of this Article VII to the retired Employee for life and after his death for payment of either 50% or 100% of such reduced Retirement Benefit, as the Employee shall designate, to his surviving joint pensioner for life. Notwithstanding the foregoing, as at the commencement of any joint and survivor pension under this Section 3(b), the present value of the Retirement Benefit to be paid to a joint pensioner other than the Employee's spouse shall not exceed the present value of the Retirement Benefit to be paid to the Employee. A reduced Retirement Benefit under this Section 3(b) shall commence on the date it would have commenced under Article VI had the Employee not elected a joint pension and shall be payable thereafter on the first day of each month during the life of the Employee, and after his death to his surviving joint pensioner for life at the applicable percentage (50% or 100% as elected) of his reduced Retirement Benefit.

(c) *Election of Payment Options.* Elections under Sections 2 or 3 of this Article VII shall be made by the Employee in writing and delivered to the Employer within the applicable election period. The applicable election period shall begin when the Employee is first furnished notice of the availability of his election (which shall be done as promptly as practicable after he becomes a participant in this Plan) and shall end (i) in the case of an election under Section 2(b) of this Article VII, when the Employee's employment with the Employer terminates and (ii) in the case of an election under Section 3, when the Employee's Retirement Benefit commences, but in no case before the elapse of 90 days after the furnishing of such notice. The Employer shall furnish to each Employee within seven days after the beginning of the applicable election period a written notification of the availability (ai) of the election and (a ii) of a written explanation of the terms and conditions of the joint and survivor benefits and of the financial effect of an election under this Section 3(c) upon the Employee's Retirement Benefit in terms of dollars per payment. Within seven days after a request by the Employee, the Employer shall furnish such written explanation to the requesting Employee. An election may be revoked and a new election may be made at any time during the applicable election period. At the time an Employee elects a joint and survivor pension or at any later date, the Employer may require evidence of the date of birth of his joint pensioner. An Employee's election of a joint and survivor benefit under this Section 3 shall be null and void if he or his joint pensioner dies before his Retirement Benefit commences. If an Employee's joint pensioner dies after his reduced Retirement Benefit has commenced, the retired Employee's election and reduced Retirement Benefit shall remain in effect.

(d) *Computation of Reduced Retirement Benefit.* A reduced Retirement Benefit payable to an Employee or former Employee under Sections 3(a) or 3(b) of this Article VII, when the survivor benefit is 50% of the Employee's reduced Retirement Benefit, shall be 85% of his Re-

retirement Benefit payable under Article V less any reduction under Section 2(b) of this Article VII and shall be (i) increased by 1/2 of 1%, up to a maximum of 100%, for each complete year by which the age of the joint pensioner exceeds the age of the Employee or (ii) decreased by 1/2 of 1% for each complete year by which the age of the joint pensioner is less than the age of the Employee; provided, however, if the Employee elects under Section 3(b) of this Article VII to have his joint pensioner receive a Retirement Benefit equal to 100% of his reduced Retirement Benefit, 75% shall be used instead of 85% in computing the Employee's reduced Retirement Benefit.

ARTICLE VIII The Trust

1. *The Trust.* The Corporation shall establish or adopt a Trust with a Trustee or Trustees selected or approved by the Employer to manage and operate the Fund, to receive, hold, invest and reinvest contributions made by the Employer, together with interest and other income, and to pay the benefits provided by the Plan. The Corporation shall determine the form and terms of the Trust Agreement, may modify the Trust Agreement from time to time in a manner not inconsistent with the purposes of the Plan, may remove any Trustee and may select any successor Trustee. The Trustee shall be solely responsible for the investment and reinvestment of the Fund and shall have sole discretion as to the securities in which the Fund shall be invested and reinvested.

2. *Contributions.* The Employer shall establish a funding policy and method which satisfies the requirements of Part 3 of Title I of the Employee Retirement Income Security Act of 1974 and shall for each Plan Year make such contributions to the Trust from time to time as may be required to maintain the Plan on a sound actuarial basis. The expenses of the administration of the Plan and the Trust shall be paid by the Employer except upon termination of the Plan when such expenses shall be charged to the Trust.

3. *Application of Fund.* No liability for the payment of benefits under the Plan shall be imposed upon the Employer, the Corporation (except as may be specifically provided to the contrary under applicable law) or upon the officers, directors or stockholders of either. No part of the Fund shall in any event be used for, or diverted to, purposes other than those provided in the Plan and the Trust Agreement.

4. *Change of Funding Medium.* The Employer reserves the right to change at any time the means through which benefits under the Plan shall be provided and may thereupon make suitable provisions for the use of assets of the Fund to provide for the payment of such benefits. No such change shall constitute termination of the Plan or result in the diversion to the Employer of any amounts previously contributed in accordance with the Plan.

ARTICLE IX Administration of Plan

1. *General.* For the purposes of the Employee Retirement Income Security Act of 1974 the Corporation shall be the plan administrator and, acting through the Employer, shall be solely responsible for the general administration of the Plan and for carrying out the provisions thereof, and shall have all such powers as may be necessary to do so. The Employer may from time to time

establish rules for the administration of the Plan and the transaction of the Plan's business. The Employer shall interpret the Plan and shall determine in a non-discriminatory manner, all questions arising in the administration of the Plan. Subject to Sections 2 and 3 of this Article IX, any such determination shall be final, conclusive and binding on each Employee and all persons claiming by, through or under him.

2. *Claims Procedure.* Claims under the Plan shall be filed with the Employer on its prescribed forms. If a claim is denied wholly or in part, it shall be denied within a reasonable time after its filing in a writing delivered to the claimant with the reasons for the denial, citations to pertinent provisions of the Plan and, where appropriate, an explanation of the Plan's claim review procedure. If the claimant wishes further consideration of his claim, he or his authorized representative shall submit to the Employer within 90 days after his claim has been denied a written request for a hearing. Such claimant or his authorized representative may then review pertinent documents and submit issues and comments in writing. The Employer shall schedule an opportunity for a full and fair hearing of the issue within the next 60 days. Within 30 days after the hearing the Employer shall communicate its decision to the claimant in writing stating the reasons for its decision and referring to pertinent Plan provisions. If the decision is adverse to the claimant, the claimant may then resort to the appeals procedure provided in Section 3 of this Article IX, if applicable.

3. *Appeals Procedure.* (a) If any difference shall arise between the Employer and an Employee who shall have applied for a Retirement Benefit as to:

- (i) the number of years of Vesting or Credited Service of such Employee;
- (ii) the age of such Employee;
- (iii) the Average Monthly Earnings used in determining the Retirement Benefit;
- (iv) the propriety of or correctness of calculation of any deductions from a Retirement Benefit under the provisions of this Plan;
- (v) whether an Employee, who shall have been determined to be Permanently and Totally Disabled and who shall have at least 10 years of Vesting Service but shall not have attained the age of 65 years, shall have become so Permanently and Totally Disabled through some unavoidable cause; or
- (vi) the age of a spouse or joint pensioner; and

the decision under Section 2 of this Article IX is adverse to the claimant and agreement cannot be reached between the Employer and a representative of the Union, such difference shall be referred to an impartial umpire to be selected by the Employer and the Union. No individual Employee shall have the right to refer any such difference to an impartial umpire. The impartial umpire shall have authority only to decide the question pursuant to the provisions of this Plan applicable to the question but he shall not have authority in any way to alter, add to or subtract from any of such provisions. The decision of the impartial umpire on any such question shall be binding on the Employer, the Union and the Employee.

(b) The fees and expenses of the impartial umpire shall be shared equally by the Employer and the Union.

(c) In the event the parties fail to agree on the selection of the impartial umpire the American Arbitration Association may be requested, by either party, to assign an impartial umpire to decide such question.

(d) If any difference shall arise between the Employer and any Employee as to whether such Employee is or continues to be Permanently and Totally Disabled, such difference shall be resolved as follows in lieu of the claims procedure provided in Section 2 of this Article IX:

The Employee shall be examined by a physician appointed for the purpose by the Employer and by a physician appointed for the purpose by a duly authorized representative of the Union. If they shall disagree concerning whether the Employee is permanently incapacitated, that question shall be submitted to a third physician selected by such two physicians. The medical opinion of the third physician after examination of the Employee and consultation with the other two physicians, shall decide such question. The fees and expenses of the third physician shall be shared equally by the Employer and the Union.

ARTICLE X Amendments and Termination

1. *Amendments.* (a) The Plan is intended to be one which meets the requirements of Section 401(a) of the Internal Revenue Code, so that contributions of the Employer to the Trust will be deductible for income tax purposes. Any modification or amendment of the Plan may be made retroactively, if necessary or appropriate to maintain the Plan as a plan, and the Trust as a trust, meeting the requirements of Section 401(a) and Section 501(a), respectively, of the Internal Revenue Code, as now in effect or hereafter amended, or any other applicable provisions of the Federal tax laws, as now in effect or hereafter amended or adopted, and the regulations issued thereunder.

(b) Subject only to the provisions of any applicable collective bargaining agreement, the Employer shall have the exclusive right in its discretion, to amend, modify, suspend or terminate the Plan by action of its Board of Directors; provided, that no such action shall operate to return to the Employer any payment previously made to the Plan or, except to the extent necessary to meet the requirements of the Internal Revenue Service or any governmental authority, to affect adversely the Retirement Benefits theretofore accrued under the Plan. The termination of any collective bargaining agreement shall not terminate the Plan.

2. *Termination.* In the event of Plan Termination, the rights of all persons to Retirement Benefits accrued to the date of Plan Termination, to the extent then funded, shall be non-forfeitable and the assets then remaining in the Fund, subject to provision for expenses of administration or liquidation, shall be allocated in accordance with directions of the Actuary, to the extent that they shall be sufficient, and based on Credited Service at the date of Plan Termination, in the following manner and order of precedence:

(a) First, to provide each Retirement Benefit (i) which was in pay status as of the beginning of the three-year period ending on the date of Plan Termination, or, if a lesser Retirement Benefit was in pay status at any time during such three-year period, such lesser Retirement Benefit, or (ii) which would have been in pay status as of the beginning of such period had the Employee with respect to whom such Retirement Benefit is payable retired prior to such period and had his Retirement Benefit commenced at the beginning of such period; in either event based on the provisions of the Plan as in effect during the five-year period ending on the Plan Termination date under which such Retirement Benefit would be the least.

(b) Second, to provide each other benefit under the Plan to the extent guaranteed by the Pension Benefit Guaranty Corporation by reason of Plan Termination.

(c) Third, to provide all other non-forfeitable benefits under the Plan except benefits which are non-forfeitable solely by reason of Plan Termination.

(d) Fourth, to provide all other benefits accrued under the Plan.

If the assets of the Fund available for allocation under any of clauses (a), (b) and (d) of this Section 2 are insufficient to provide all the benefits described in such clause, the allocation to provide each benefit within such clause shall be reduced to such extent and in such manner as the Actuary shall determine; provided, that such reduction shall be made in a uniform manner on the basis of similar annuity values and without discrimination between persons within such class. If the assets available for allocation under clause (c) are insufficient to satisfy in full all benefits described therein, the assets shall be allocated first, on a pro rata basis, to benefits described therein under the Plan as in effect at the beginning of the five-year period ending on the date of Plan Termination, and subsequently, on a pro rata basis, to benefits described therein under each Plan amendment within such five-year period in chronological order.

Allocations hereunder shall be accomplished as directed by the Employer and the distribution of benefits under such allocation shall be made as directed by the Employer through continuance of the Fund or purchase of one or more insurance annuity contracts; provided, that the Employer upon finding that it is not practicable or desirable under the circumstances to do either of the foregoing with respect to any or all of the groups listed above, may provide for a different distribution of the portion of the Fund allocable to any or all of such groups; provided, further, that no change shall be effected in the order of precedence or basis for allocation above established.

In no event shall the Employer receive any amount from the Fund upon termination of the Plan, except that, and notwithstanding any other provision of the Plan, the Employer shall be paid any amount which remains after the satisfaction of all liabilities of the Plan which arises out of any variation between actual requirements and expected actuarial requirements.

ARTICLE XI

Miscellaneous Provisions

1. *Plan Non-contractual.* The adoption and maintenance of the Plan shall not be deemed to constitute a contract between the Employer and any Employee. Nothing contained in the Plan or the Trust Agreement shall affect the Employer's right to discharge or otherwise discipline Employees.

2. *Employer Responsibility.* All matters pertaining to the financing and funding of the benefits provided by the Plan, except those aspects which are the responsibility of the Trustee under Section 1 of Article VIII, shall be the responsibility of the Employer.

3. *Determination of Actuarial Values.* Any determination of equivalent actuarial values required under the Plan shall be made in accordance with the actuarial assumptions used in the most recent actuarial valuation for the Plan.

4. *Payment of Small Pensions.* In the discretion of the Employer a Retirement Benefit of less than \$25 may be paid quarterly, semi-annually or annually, or it may be paid in a lump sum

which shall be the equivalent actuarial value of such Retirement Benefit providing such lump sum does not exceed \$1,750.

5. *Non-alienation of Benefits.* Except as otherwise provided by law, no benefit payable under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any action by way of anticipating, alienation, selling, transferring, assigning, pledging, encumbering or charging the same shall be void and of no effect; nor shall any such benefit be in any manner liable for or subject to the debts, contracts, liabilities, engagements or torts of the person entitled to such benefit. If any such person becomes bankrupt or attempts to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefit, then the Employer, to the extent permitted by law, shall direct the Trustee to hold or apply the benefit of such person to or for the benefit of such person or his spouse, children or other dependents, or any of them in such a manner and in such proportion as the Employer shall in its sole discretion determine. Notwithstanding anything to the contrary in this Section 5, a person entitled to a Retirement Benefit may authorize in writing withholding from such Retirement Benefit for federal withholding taxes, union dues or group insurance subject to the 10% limit provided by Section 1021 of the Employee Retirement Income Security Act of 1974.

6. *Payment of Benefit to Others.* In the event that it shall be found that any person to whom a benefit is payable hereunder is unable to care for his affairs because of illness or accident, any payment due (unless prior claim therefor shall have been made by a duly qualified guardian or other legal representative) may, in the discretion of the Employer, be paid to the spouse, child, parent, brother or sister, or any other individual, association, or corporation deemed by the Employer to be maintaining or responsible for the maintenance of such person. Any such payment shall be a payment for the account of such person and shall be a complete discharge of any liability therefor under the Plan.

7. *Employees Terminated Before January 1, 1976.* Notwithstanding anything to the contrary in this Restatement, the final sentence of Section 3 of Article V, the third sentence of Section 1(a) of Article VI, Section 2 of Article IX, Section 2 of Article X and Section 8 of this Article XI shall each apply to Employees whose active employment with the Employer terminated prior to January 1, 1976 and in the case of the Sections in Articles IX, X and XI to persons claiming by, through or under such Employees.

8. *Plan Mergers.* This Plan may be merged or consolidated with, or its assets or liabilities transferred in whole or in part to, another plan which meets the requirements of Sections 401(a) and 501(a) of the Internal Revenue Code as from time to time in effect only if each Employee would if either this Plan or the other plan terminated immediately after the merger, consolidation or transfer then receive a benefit which is equal to or greater than the benefit he would have received immediately before the merger, consolidation or transfer if this Plan then terminated or as may otherwise be provided under applicable law or regulations.

IN WITNESS WHEREOF, the Employer has caused this instrument to be duly executed on the 15th day of August, 1977.

WATERBURY FARREL DIVISION
OF TEXTRON INC.

By

Jan E. Tomaychik
President

ADDITIONAL INFORMATION TO EMPLOYEES, REQUIRED BY THE
EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974:

Plan Name: Group Insurance Plan for Hourly Employees of
Waterbury Farrel Division of Textron Inc.

Plan Sponsor: Waterbury Farrel Division of Textron Inc.

Employer Identification Number: 050315468

Plan Number: 972

Type of Plan: Welfare

Plan Administrator: Textron Inc.

40 Westminster Street

Providence, Rhode Island 02903

(401) 421-2800

Agent for Service of Legal Process: Textron Inc.

Eligibility: Eligibility and termination rules are
found in your booklet.

Plan Year: January 1 through December 31

Contributions: Non-Contributory

How to File a Claim: In order to submit a claim for pay-
ment you must complete a claim form
which can be obtained from your
Personnel Department.

Review of Claim Denial:

For Life, Accidental Death and Dismemberment and Dis-
ability Income Coverage, the Insurance Company has the
ultimate decision in claims settlement. If a claim
for benefits is rejected by the Insurance Company,
and you wish to appeal, you should contact your Personnel
Department for information as to proper procedure.

For Medical Coverage, the AETna^{*} has the ultimate de-
cision of claims settlement after consultation with
Textron Inc. If a claim for benefits is rejected by
the AETna, and if you wish to appeal, you should
contact your Personnel Department for information
as to proper procedure.

*The term AETna means AETna Life Insurance Company,
151 Farmington Ave., Hartford, Ct. 06516

Financial Information: The financial information per-
taining to this plan is available
through your Personnel Department.

ADDITIONAL INFORMATION TO EMPLOYEES, REQUIRED BY THE
EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974:

Plan Name: Group Surgical, Medical Plan for Hourly
Employees of Waterbury Farrel Division
of Textron Inc.

Plan Sponsor: Waterbury Farrel Division of Textron Inc.

Employer Identification Number: 050315468

Plan Number: 971

Type of Plan: Welfare

Plan Administrator: Textron Inc.

40 Westminster Street

Providence, Rhode Island 02903

(401) 421-2800

Agent for Service of Legal Process: Textron Inc.

Eligibility: Eligibility and Termination Rules are
found in your booklet.

Plan Year: January 1 through December 31

Contributions: Non-Contributory

How to File a Claim: Present your Connecticut Medical
Service (CMS) card to the pro-
vider of the service when service is
rendered. CMS will pay the pro-
vider for all eligible charges.

Review of Claim Denial: If a claim for benefits is
denied you will receive a
notice explaining the reason
for denial. You may request
a review of such denial by
writing Claims Review Unit,
Subscriber Service Department,
Connecticut Medical Service,
P. O. Box 1706, New Haven, Ct.
06507. Your request must be
made within 60 days of denial.
You must receive a final decision
within 60 days of your request,
except that special circumstances
may warrant an extension of an
additional 60 days only.

Financial Information: The financial information per-
taining to this plan is avail-
able through your Personnel
Department.

ADDITIONAL INFORMATION TO EMPLOYEES, REQUIRED BY THE
EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974:

Plan Name: Group Hospital Plan for Hourly Employees of
Waterbury Farrel Division of Textron Inc.

Plan Sponsor: Waterbury Farrel Division of Textron Inc.
Employer Identification Number: 050315468

Plan Number: 970
Type of Plan: Welfare

Plan Administrator: Textron Inc.
40 Westminster Street
Providence, Rhode Island 02903
(401) 421-2800

Agent for Service of Legal Process: Textron Inc.
Eligibility: Eligibility and Termination Rules are
found in your booklet.

Plan Year: April 1 through March 31

Contributions: Non-Contributory

How to File a Claim: Present your Connecticut Blue Cross
card to the hospital or other pro-
vider of service when service is
rendered. Connecticut Blue Cross
will pay the provider for all
eligible charges.

Review of Claim Denial: If a claim for benefits is de-
nied you will receive a notice
explaining the reason for de-
nial. You may request a review
of such denial by writing Claims
Review Unit, Subscriber Service
Department, Connecticut Blue
Cross, North Haven, Ct. 06473.
Your request must be made within
60 days of denial. You must re-
ceive a final decision within
60 days of your request, except
that special circumstances may
warrant an extension of an
additional 60 days only.

Financial Information: The financial information per-
taining to this plan is avail-
able through your Personnel
Department.

WATERBURY FARREL

TO: Waterbury Farrel Union Employees

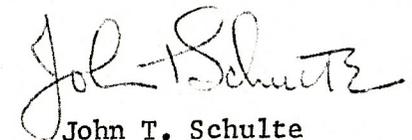
FROM: John T. Schulte

DATE: November 14, 1977

SUBJECT: Summary Plan Description

Attached is additional information for the Group In-
surance Plans for Union employees of Waterbury Farrel
Division of Textron Inc. as required by the Employee
Retirement Income Security Act of 1974. Each should
be placed in the appropriate insurance booklet as
they are an integral part of the description of
benefits.

Also enclosed is the Waterbury Farrel Union Pension
Plan Booklet.



John T. Schulte
Personnel Manager

JTS:cdc
attachments