

Summary Plan Description  
for the  
Vought Aircraft Industries, Inc.  
Hourly Retirement Plan

July 1, 2009



## Table of Contents

<u>Subject</u>	<u>Page</u>
<b>Introduction.....</b>	<b>1</b>
Participation Freeze .....	1
Benefit Freeze.....	1
<b>The Role of the Vought Retirement Plan in Planning for Your Retirement.....</b>	<b>2</b>
<b>Highlights of the Plan .....</b>	<b>2</b>
<b>How the Retirement Plan Works.....</b>	<b>3</b>
Eligibility and Participation Date .....	3
The Retirement Benefit Formula .....	3
UAW Benefit Multiplier.....	4
IBEW Benefit Multiplier .....	4
Service .....	4
Vesting Service.....	4
Credited Service .....	5
Sixteen Years of Seniority.....	6
When You Can Lose Credit for Service: Break-in-Service Rules.....	6
How You Can Lose Credited Service.....	7
<b>Putting It All Together: Calculating Your Retirement Benefit Payable at Age 65 .....</b>	<b>7</b>
<b>When You Can Retire: Normal Retirement.....</b>	<b>7</b>
<b>Working Past Age 70½ .....</b>	<b>8</b>
<b>Retiring before Age 65: Early Retirement.....</b>	<b>8</b>
Unreduced Early Retirement Benefit.....	8
Supplemental Early Retirement Benefit .....	8
Reduced Early Retirement Benefit .....	9
Disability Benefit.....	10
Deferred Vested Benefit .....	10
<b>Lump Sum Payment to Existing Retirees.....</b>	<b>11</b>
<b>Deciding How to Receive Your Retirement Benefit.....</b>	<b>12</b>
<b>Payment Options.....</b>	<b>12</b>
Automatic Forms of Payment.....	12
If You Are Unmarried: Single Life Annuity Option .....	12
If You Have Been Married for at Least One Year: Optional Survivor Benefit.....	13
If You Have Been Married for Less than One Year at Termination, or If You Are Married and only Eligible for a Deferred Vested Benefit: 50% Joint and Survivor Benefit .....	13
Lump Sum Payment: For Certain Small Benefit Amounts .....	13
Optional Payment Forms .....	14
66%% Survivor Benefit .....	14
Ten-Year Certain Benefit .....	14
How to Calculate Payment Options.....	15
Examples: How Each Payment Option Affects an Early Retirement Benefit Amount and a Supplemental Early Retirement Benefit Amount .....	16

<b>Additional \$2,000 Death Benefit If You Die after Retirement.....</b>	<b>17</b>
<b>If You Die before Retirement Benefits Begin .....</b>	<b>18</b>
Transition Survivor Benefit .....	18
Bridge Survivor Benefit.....	19
Automatic 55% Survivor Benefit .....	19
Preretirement Survivor Benefit.....	20
<b>If You Are Rehired after You Retire .....</b>	<b>20</b>
<b>If You Get Divorced: Splitting Your Benefit through a QDRO.....</b>	<b>20</b>
<b>How to Apply for Retirement Benefits.....</b>	<b>21</b>
Receiving an Estimate of your Plan Benefit.....	21
Overpayments .....	22
<b>General Information about the Vought Retirement Plan .....</b>	<b>23</b>
Funding .....	23
When You Pay Taxes .....	23
Assignment of Benefits.....	24
Loss of Benefits .....	24
Maximum Benefit for Tax Purposes.....	24
Future of the Plan; Company’s Right to Amend and Terminate the Plan .....	24
Certain Benefits Insured by the Pension Benefit Guaranty Corporation .....	25
<b>Claim Review and Appeals .....</b>	<b>25</b>
Filing a Formal Claim for Benefits.....	26
Appealing a Claim Denial .....	26
<b>Your Rights under ERISA.....</b>	<b>29</b>

## **Introduction**

This is the summary plan description (“SPD”) for the Vought Aircraft Industries, Inc. Hourly Retirement Plan (the “Plan” or the “Retirement Plan”). This summary describes the general terms and conditions under which you earn retirement benefits from the Plan. This SPD includes changes through June 1, 2009, and will be updated from time to time. For questions related to prior periods, consult the Plan documents in effect at the relevant time.

The Plan is a continuation of the Northrop Grumman Commercial Aircraft Division Hourly Retirement Plan. The Plan became sponsored by Vought Aircraft Industries, Inc. (the “Company”) on July 24, 2000. The Plan was first effective January 1, 1963.

When using this booklet, please remember that this is only a summary and does not contain all the details of the Plan. The actual terms of the Plan are contained in the Plan document, a copy of which is available from the Vought Benefits Center for the cost of copying. If you need to know more details about the rules discussed in this booklet, you should refer to the Plan document. In the event of a conflict between this booklet and the terms of the Plan, the terms of the Plan will control.

In recent years, there have been two types of freezes under the Plan.

### ***Participation Freeze***

This freeze limits your ability to become a Plan participant. You are not eligible to participate in the Plan if:

- You are represented by the UAW and your initial hire date was after October 1, 2007;
- You became represented by the UAW on or after October 1, 2007, and you were not a Plan participant as of October 1, 2007 and you had less than 16 Years of Seniority as of December 31, 2007;
- You are represented by the IBEW and your initial hire date was after April 1, 2008; or
- You became represented by the IBEW on or after April 1, 2008, and you were not a Plan participant as of April 1, 2008 and you had less than 16 Years of Seniority as of December 31, 2007.

### ***Benefit Freeze***

This freeze applies to certain employees who are already participants in the Plan. If the freeze applies to you, you stopped accruing Years of Credited Service under the Plan as of the date your benefits were frozen. This means that you have not been credited with Years of Credited Service after the freeze date, and your benefit does not reflect any increases in the Benefit Multiplier after the freeze date.

If you are represented by the UAW and you had less than 16 Years of Seniority as of December 31, 2007, your freeze date is December 31, 2007. If you are represented by the IBEW and you had less than 16 Years of Seniority as of December 31, 2007, your freeze date is December 31, 2008.

## **The Role of the Vought Retirement Plan in Planning for Your Retirement**

The Plan can be an important source of income for you during your retirement. In general, the longer you participate in the Plan, the larger your benefit will be at retirement, subject to the freezes described previously. But this benefit alone will probably not be enough to provide you with a financially comfortable retirement. Retirement benefits from this Plan should be considered together with other sources of income in planning for your financial future.

In planning for retirement, you will want to take into account a variety of sources of income to meet your financial goals in retirement. These income sources should include:

- Your personal savings and investments,
- Your 401(k) and IRA accounts,
- Social Security,
- Pension benefits that you might earn at another company, and
- Benefits that you earn under the Plan.

The Company contributes to the Plan and Social Security on your behalf and may make additional contributions to your 401(k) account; however, you should not rely on Company-provided benefits alone to cover all of your financial needs in retirement.

### **Highlights of the Plan**

Here is a brief look at some of the main features of the Plan:

- Once you are eligible, you automatically become a participant. You do not need to enroll. However, new hires generally are not eligible for the Plan because of the participation freeze described earlier.
- The Company makes all required contributions to the Plan. You are not required, or permitted, to contribute to the Plan.
- You become vested in your benefit after you have five Years of Vesting Service or when you reach age 65 while employed, whichever comes first. “Vested” means you are entitled to receive a benefit from the Plan, even if you leave before retirement age.
- The amount of your pension benefit is generally based upon your Years of Credited Service and the Benefit Multiplier in effect at the time you terminate employment. However, if your benefits have been frozen because of the benefit freeze described previously, your Years of Credited Service and any Benefit Multiplier increases following the freeze date are not taken into account when calculating your benefit.
- You may retire and begin receiving a benefit at age 65. Once you are vested, you may retire as early as age 55 (although your benefit may be reduced).
- You may also be eligible for a Supplemental Early Retirement Benefit.
- You may be eligible for a Disability Benefit.

- Depending on the payment option you elect, the Plan can provide a monthly benefit to your beneficiary upon your death. Once you are vested, the Plan generally provides a benefit to your spouse if you die before you retire.

## **How the Retirement Plan Works**

### ***Eligibility and Participation Date***

You are a Covered Employee if you are employed by the Company and are represented by the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, Local Union No. 848 (“UAW”) or the International Brotherhood of Electrical Workers AFL-CIO, IBEW, Local Union No. 20 (“IBEW”) in your dealings with the Company.

You are **not** a Covered Employee under this Plan if:

- You are represented by the UAW and were hired after October 1, 2007;
- You are represented by the IBEW and were hired after April 1, 2008;
- You are a nonresident alien;
- You are an individual designated as an independent contractor or one who performs services through an outside agency (for example, a job shopper, contract employee or leased employee), even if a government agency or court later determines that you performed those services as an employee;
- You became represented by the UAW on or after October 1, 2007, and you were not a Plan participant as of October 1, 2007 and you had less than 16 Years of Seniority as of December 31, 2007; or
- You became represented by the IBEW on or after April 1, 2008, and you were not a Plan participant as of April 1, 2008 and you had less than 16 Years of Seniority as of December 31, 2007.

As a Covered Employee, you become a participant in the Plan once you are age 21 and have earned one Vesting Year of Service. The date you meet both of these requirements is your Participation Date as long as you are still a Covered Employee at that time. You do not need to enroll, and you are not required or permitted to make any contributions.

### ***The Retirement Benefit Formula***

The monthly retirement benefit that you can expect to receive if you retire from the Company at age 65 is calculated using the following formula (this is referred to as the Normal Retirement Formula):

$$\begin{aligned} & \text{Benefit Multiplier in Effect at the Time You Terminate Employment (or the date your benefit} \\ & \quad \text{was frozen, if earlier)} \\ & \quad \times \text{Your Years of Credited Service} \end{aligned}$$

This is the benefit you would receive under the Single Life Annuity payment option.

This booklet explains how you determine things like your “Years of Credited Service” and how the payment options, like the Single Life Annuity, work. It also explains how many years you must work to be eligible to receive any benefit at all, and if you can start to receive benefits before age 65.

The Benefit Multiplier in the retirement benefit formula is shown in the following charts:

**UAW Benefit Multiplier**

When You Terminate Employment	Benefit Multiplier
On or after 10/1/04 but before 9/30/06	\$53
On or after 9/30/06 but before 1/1/08	\$55
On or after 1/1/08	\$60*

*\*If you retire on or after January 1, 2008 and have less than 16 Years of Seniority as of December 31, 2007, this Benefit Multiplier does not apply to you. Contact the Vought Benefits Center for more information.*

For periods prior to October 1, 2004, consult the Plan documents in effect at the relevant time.

**IBEW Benefit Multiplier**

When You Terminate Employment	Benefit Multiplier
On or after 1/1/05 but before 1/1/07	\$53
On or after 1/1/07 but before 4/1/08	\$55
On or after 4/1/08	\$60

For periods prior to January 1, 2005, consult the Plan documents in effect at the relevant time.

**Service**

Different types of “Service” are used to determine different aspects of your retirement benefit.

**Vesting Service**

Vesting Service determines whether you are eligible to receive any benefit from the Plan. You must be vested in order to receive any retirement benefit from the Plan. You need five Vesting Years of Service, without a Break in Service, to become vested. Once you become vested, you are always vested.

Here are more details about how you earn Vesting Years of Service:

- You become 100% vested in your retirement benefit after you complete five Vesting Years of Service without a Break in Service. There is no partial vesting under this Plan.
- You earn one Vesting Year of Service for each calendar year in which you are credited with at least 1,000 “Hours of Service.” If you are credited with less than 1,000 Hours of Service, you earn a fractional Vesting Year of Service (the number of Hours of Service credited to

you divided by 1,800). You cannot earn more than one Vesting Year of Service in any calendar year.

- An “Hour of Service” is each hour for which you are paid while working for Vought and its affiliates. This includes sick leave (up to 52 weeks), continuous layoffs (up to 13 weeks), vacation time and jury duty. You also may receive some credit for certain qualified leaves of absence, such as leave under the Family and Medical Leave Act, Company-approved leave for union business, certain leaves due to occupational injury or disease, military leave or service with the Peace Corps or VISTA.
- If you are not a Covered Employee under this Plan, but you work for the Company or an affiliate, then you earn Vesting Years of Service under this Plan.
- If you are actively employed when you reach age 65, you become vested, even if you don’t have five Vesting Years of Service.

Remember, once you become vested, you are *always* vested. Even if you leave the Company before you are eligible to begin receiving a benefit, you are still entitled to a retirement benefit from the Plan when you reach Normal Retirement Age (age 65) or a reduced benefit beginning at age 55.

### **Credited Service**

Credited Service determines the amount of the benefit you receive from the Plan. Retirement benefits under the Plan are calculated using a formula that takes into account the Benefit Multiplier in effect at the time you terminate employment (or the date your benefit was frozen, if earlier) and your Years of Credited Service.

You earn Credited Service as follows:

- You earn a Year of Credited Service when you are a Covered Employee and you are credited with at least 1,800 Hours of Service in a calendar year. If you are credited with less than 1,800 Hours of Service, you earn a fractional Year of Credited Service (the number of Hours of Service credited to you divided by 1,800). You cannot earn more than one Year of Credited Service in any calendar year.
- An “Hour of Service” is each hour for which you are paid while working for Vought and its affiliates. This includes sick leave (up to 52 weeks), continuous layoffs (up to 13 weeks), vacation time and jury duty. You also may receive some credit for certain qualified leaves of absence, such as leave under the Family and Medical Leave Act, Company-approved leave for union business, certain leaves due to occupational injury or disease, military leave or service with the Peace Corps or VISTA.
- If you were previously employed by Chance Vought Corporation or Temco Electronics & Missiles Company, you might be entitled to additional Years of Credited Service due to benefit accrual service earned under a prior defined benefit plan covering hourly employees. Contact the Vought Benefits Center for more information.
- If you are represented by the UAW and had less than 16 Years of Seniority as of December 31, 2007, Hours of Service after December 31, 2007 will not be included in determining your Years of Credited Service.

- If you are represented by the IBEW and had less than 16 Years of Seniority as of December 31, 2007, Hours of Service after December 31, 2008 will not be included in determining your Years of Credited Service.

Remember also that if you are employed by Vought, but you are not covered by a collective bargaining agreement, or you work for a Company element that does not participate in this Plan, you do not earn Credited Service for that period of employment, even though that service is generally counted as Vesting Service.

In no event will you accrue more than one Year of Credited Service under this Plan in one calendar year. Additionally, the sum of your Credited Service accrued under this Plan and the Credited Service accrued under any other plan sponsored by Vought or its affiliated companies cannot exceed one year in one calendar year.

### **Sixteen Years of Seniority**

If you are represented by the UAW, you have 16 Years of Seniority, if as of December 31, 2007, your seniority date, as established pursuant to the provisions of the collective bargaining agreement, is on or before December 31, 1991.

If you are represented by the IBEW, you have 16 Years of Seniority, if as of December 31, 2007, your seniority date, as established pursuant to the provisions of the collective bargaining agreement, is on or before December 31, 1991.

### **When You Can Lose Credit for Service: Break-in-Service Rules**

When you become vested, you have earned an irrevocable right to receive a benefit from the Plan. Once vested, you are always vested, even if you leave the Company for a long period of time, or do not return at all before your retirement. However, if you leave the Company before you are vested, the following Break-in-Service rules apply to determine whether your prior service counts when you return.

Here are the Break-in-Service rules:

- You have a Break-in-Service Year if you are not yet vested and you work less than 501 hours in a year.
- If you have five consecutive years that qualify as Break-in-Service Years, you lose the Vesting Service and Credited Service that you previously earned.
- If you take an approved leave of absence due to pregnancy, or the birth or adoption of a child, you may not have a Break-in-Service Year. Contact the Vought Benefits Center for more information.

#### **Example 1**

Let's assume you earned three Vesting Years of Service from 2002 to 2004, and then you left the Company. You then return to work in 2011. Because you were not vested when you left, and then you earned fewer than 501 Hours of Service for five consecutive years, none of your prior service counts for any purpose under the Plan when you are rehired in 2011.

#### **Example 2**

In contrast, if you worked full-time from 2002 through 2004, then worked 360 hours in each of the next four years, and then returned to full-time work in 2009, your three Vesting Years of

Service earned from 2002 through 2004 would remain to your credit, since you had fewer than five Break-in-Service Years. In addition, your partial Vesting Years of Service earned from 2005 through 2008 would be included in determining your Vesting Years of Service. Specifically, you would have earned 0.8 Vesting Years of Service (4 x 0.2) during the four years from 2005 to 2008, because each year you worked 360 hours gave you 0.2 Vesting Years of Service (360/1,800 = 0.2).

### **How You Can Lose Credited Service**

You can lose Credited Service if you receive a lump sum distribution or other type of payout of your retirement benefit. In fact, you're not really "losing" this Credited Service, because you would have received benefits to account for that service. However, if you come back to work, you would have your Vesting Years of Service restored based on your prior employment, but your prior Credited Service would not be counted.

Of course, you would also lose Credited Service if you have five consecutive Break-in-Service Years prior to vesting.

## **Putting It All Together: Calculating Your Retirement Benefit Payable at Age 65**

Remember the formula from the beginning of this booklet for calculating your monthly retirement benefit:

$$\begin{aligned} &\text{Benefit Multiplier in Effect at the Time You Terminate Employment (or the date your benefit} \\ &\quad \text{was frozen, if earlier)} \\ &\quad \times \text{Your Years of Credited Service} \end{aligned}$$

Now apply this to an example of an employee with 30 Years of Credited Service who retires in 2009. Her monthly retirement benefit payable at age 65 (called the Normal Retirement Benefit) would be calculated like this:

$$\$60 \times 30 = \$1,800/\text{month}$$

This represents a monthly retirement benefit payable as a Single Life Annuity. A Single Life Annuity pays you a benefit beginning with the month you retire, and ending at your death, no matter how long you live after retirement. If you want to have payments made in a different form, including payments to a beneficiary after your death, your monthly benefit will generally be smaller than this amount.

As explained in the section entitled "Payment Options," you have several other payment options in addition to the Single Life Annuity. In addition, if you are married, federal law requires you to elect a form of payment that pays a survivor benefit to your spouse, unless he or she gives written, notarized consent to waive that form of payment.

## **When You Can Retire: Normal Retirement**

Your Normal Retirement Date under the Plan is your 65th birthday. You can receive an unreduced benefit at any time on or after your Normal Retirement Date. This is your Normal Retirement Benefit. You may continue working for the Company beyond age 65 and continue earning benefits under the Plan, if you remain a Covered Employee. In this case, your retirement benefits will not start to be paid to you until you actually retire.

If you continue working for the Company after you reach age 65, you forfeit the monthly payments you would have received from age 65 to the actual date you commence receiving a benefit. At the time you do retire, you receive a benefit based on the Benefit Multiplier in effect at the time of your retirement and your Years of Credited Service earned until that time, but you do not receive an actuarial increase to account for the benefits that you would have been paid had you retired at age 65. Of course, if your benefit was frozen as described earlier, your benefit will be based on the Benefit Multiplier in effect and your Years of Credited Service as of the date your benefit was frozen.

## **Working Past Age 70½**

If you reach age 70½ after December 31, 2003, you are not required to commence your benefits from the Plan prior to terminating employment. You have the choice of commencing benefits while you are still working, or waiting until you retire. If you elect to wait until retirement, your benefits may be actuarially increased to account for the benefits that you would have been paid had you commenced payments on the April 1 of the year following your attainment of age 70½.

If you began receiving a benefit from the Plan after you reached age 70½ and remained an employee of the Company, your benefit has been determined in the following manner. In accordance with IRS rules, the Company reviews your benefit amount each year. Each year, you get the greater of: (1) the monthly amount you have been receiving during the prior year, or (2) the recalculated monthly amount based on your additional year of service, offset by what you have already received.

## **Retiring before Age 65: Early Retirement**

### ***Unreduced Early Retirement Benefit***

You may retire from active service and receive an unreduced benefit if you are at least age 62 (or you reach age 62 during a Recall Period applicable to you).

Your unreduced benefit is determined using the Normal Retirement Formula.

### ***Supplemental Early Retirement Benefit***

You may retire from active service and receive a Supplemental Early Retirement Benefit if:

- You terminate employment after age 55 but before you reach the date you are eligible to receive 80% of your Social Security benefit (or you reach age 55 during a Recall Period applicable to you), and your age plus Vesting Years of Service equals 85 (or your age plus Vesting Years of Service after January 1, 1976 plus years of seniority as reflected in the Company's records as of January 1, 1976 equal 85); or
- You terminate employment after age 60 but before you reach the date you are eligible to receive 80% of your Social Security benefit (or you reach age 60 during a Recall Period applicable to you), and you have completed 20 Vesting Years of Service (or your years of seniority as reflected in the Company's records as of January 1, 1976 plus Years of Vesting Service after January 1, 1976, equal 20 or more).

The amount of the Supplemental Early Retirement Benefit is an unreduced benefit determined using the Normal Retirement Formula, plus an extra \$550 each month. This additional \$550 each month ends on the earliest to occur of the date you are entitled to receive (subject to application)

80% of your Social Security benefit, the date you are eligible (due to disability) for unreduced Social Security benefits, or the date of your death.

If you are represented by the UAW and had less than 16 Years of Seniority as of December 31, 2007, the \$550 monthly supplement will be multiplied by the ratio of your Years of Credited Service as of December 31, 2007 to the Years of Credited Service you would have had as of the date you first became eligible for a Supplemental Early Retirement Benefit if you had continued to accrue Credited Service assuming you work full time in covered employment from December 31, 2008 until that date. For example, if you have 10 years of Credited Service as of December 31, 2008 and would have accrued 30 years of Credited Service except for the suspension of accrual at termination, then your Supplemental Early Retirement Benefit would be  $(10 \div 30) \times \$550$  or \$183.33.

If you are represented by the IBEW and had less than 16 Years of Seniority as of December 31, 2007, the \$550 monthly supplement will be multiplied by the ratio of your Years of Credited Service as of December 31, 2008 to the Years of Credited Service you would have had as of the date you first became eligible for a Supplemental Early Retirement Benefit if you had continued to accrue Credited Service assuming you work full time in covered employment from December 31, 2008 until that date. For example, if you have 10 years of Credited Service as of December 31, 2008 and would have accrued 30 years of Credited Service except for the suspension of accrual at termination, then your Supplemental Early Retirement Benefit would be  $(10 \div 30) \times \$550$  or \$183.33.

In addition, your \$550 monthly supplement will be offset by the amount of any supplement payable to you as a participant in the Aerostructures Heritage Pension Plan for Hourly-Rated Employees.

### ***Reduced Early Retirement Benefit***

If you wish, you can retire early at any time after reaching age 55 if you have at least 10 Vesting Years of Service. Your benefit is determined starting with the Normal Retirement Formula. It is then reduced 7% for each year of the first five years and 5% for each year of the next two years by which payments start prior to your 62<sup>nd</sup> birthday (with partial reductions for partial years).

The example below shows how to determine your income if you retire early with reduced benefits.

#### **Example**

Ellen retires on November 1, 2008, at age 60 with 18 Years of Credited Service. Ellen's monthly retirement income will be figured like this:

18 Years of Credited Service	18
\$60 Benefit Multiplier	<u>x 60</u>
<b>Monthly benefit beginning at age 62</b>	<b>\$1,080</b>
Reduction for retirement at age 60:	
Minus 7% per year x two years x \$1,080	
<b>Monthly benefit beginning at age 60</b>	<u>- 151.20</u>
	<b>\$928.80</b>

## ***Disability Benefit***

If you become disabled after June 30, 2008, you must have had at least 16 Years of Seniority as of December 31, 2007 to be eligible for the Disability Benefit described below.

If you become disabled (as defined below) and the following conditions are met, you can receive a Disability Benefit:

- You have at least 10 Years of Credited Service;
- You are not yet age 65;
- You have been eligible to receive short-term disability for 52 weeks; and
- You are determined to be disabled based upon competent medical evidence satisfactory to the Retirement Committee.

You are disabled for purposes of the Plan if your physical or mental condition prevents you from ever doing any work for pay, unless the work is part of your rehabilitation therapy.

Alternatively, you are disabled for purposes of the Plan if you are unable to fulfill the responsibilities and duties associated with the position you held with the Company immediately prior to incurring the disability if your age plus your Vesting Years of Service total at least 75 at the time your Disability Benefit starts. A doctor appointed by the Retirement Committee may examine you to make the determination of whether you are disabled.

The amount of your Disability Benefit depends on your Years of Credited Service and whether or not you are entitled to disability income from the Social Security Administration. If you are disabled but are not entitled to Social Security disability income, your monthly Disability Benefit will be twice your Normal Retirement Benefit. If you are entitled to Social Security disability income, your monthly Disability Benefit will be equal to your Normal Retirement Benefit. You are presumed to be eligible for Social Security disability income unless you supply satisfactory evidence that you have done all you could to apply for Social Security benefits, and through no fault of your own, you have been denied twice.

Your Disability Benefit will be reduced by any workers' compensation you receive, except for benefits paid for the loss of a bodily member or medical expenses.

Your Disability Benefit payments end when you die, engage in work (unless the employment is for the primary purpose of rehabilitation or is not incompatible with a finding of total and permanent disability), are no longer disabled, refuse to undergo a medical examination requested by the Retirement Committee, or turn 65. If you start receiving Disability Benefit payments after age 60, you are entitled to receive Disability Benefit payments for five years (assuming you remain disabled during that time), so your payments might not end at age 65.

After your Disability Benefit ends, you may be entitled to another Plan benefit for which you qualify, calculated based on your Years of Credited Service and the Benefit Multiplier in effect prior to the commencement of your Disability Benefit.

No Disability Benefit will be paid if your disability is caused by felonious activity, intentionally self-inflicted injury, military service during the 10 years before your disability begins, or an injury or disease sustained after your termination of employment.

## ***Deferred Vested Benefit***

If your employment with the Company ends before you are eligible to begin receiving your benefit, but after you are vested in the Plan, you are entitled to a benefit payable at a later date. This is called a Deferred Vested Benefit.

You can receive your Deferred Vested Benefit at age 65, based on your Years of Credited Service and the Benefit Multiplier in effect on your last day of work for the Company (or the date your benefit was frozen, if earlier).

If you wish, you can receive your Deferred Vested Benefit at any time after reaching age 55. Your benefit is calculated starting with the Normal Retirement Formula, using the Benefit Multiplier in effect on your last day of work with the Company (or the date your benefit was frozen, if earlier). The following chart shows the reduction factors that apply to a Deferred Vested Benefit received before age 65.

Deferred Vested Retirement Factors (When You Retire as a Deferred Vested Employee)	
Your Age When Payments Begin	Percentage of Your Normal Retirement Benefit that You Receive*
55	40%
56	45%
57	50%
58	55%
59	60%
60	65%
61	72%
62	79%
63	86%
64	93%
65	100%

*\* The Plan applies partial reductions for partial years; if you decide to take your benefits at age 64½ you will receive 96.5% of your Normal Retirement Benefit.*

For example, if you work for the Company for 10 years and quit at age 40, and during that time you accrued a Normal Retirement Benefit of \$1,000/month, you could start to receive that benefit as early as age 55. At that age, your Deferred Vested Benefit (payable as a Single Life Annuity) would be \$400/month (\$1,000 x 40%).

You may defer payment of your benefit until the April 1 following the calendar year in which you reach age 70½.

### **Lump Sum Payment to Existing Retirees (Retiree Bonus)**

If you retire while a member of the UAW or IBEW and are eligible for retirement benefits (other than Deferred Vested Benefits), you are eligible for a Lump Sum Payment. In addition, your

surviving spouse may be eligible for a Lump Sum Payment after your death. Please contact the Vought Benefit Center for additional information.

For employees represented by the UAW, the Lump Sum Payment is \$500 and is paid on September 1, 2008, September 1, 2009 and September 1, 2010.

For employees represented by the IBEW, the Lump Sum Payment is \$500 and is paid on September 1, 2008 and September 1, 2009.

## **Deciding How to Receive Your Retirement Benefit**

You can choose how your retirement benefit is paid to you. You must file an election form when you apply for benefits in order to receive a benefit. This election must be filed no more than 90 days before your retirement date.

The retirement payment option you select should take into account whether or not you are married, at what age you retire, the age of your spouse, if you receive income from other sources, and many other factors that will be unique to your circumstances. The decision on how to receive your retirement benefit is an important one and should be made carefully. It requires you to look strategically at your current financial picture and your future financial needs. Take your time and consider all your sources of income. Estimate your expenses and talk to your family. It may also be advisable to consult with your tax advisor or financial planner before making a decision as important as the payment option you elect.

You cannot change your payment option election after your official retirement date. Your official retirement date is the first day of the first month for which a benefit is payable under the Plan.

If you are married, remember that federal law requires your spouse's written, notarized consent if you wish to elect an optional form of payment that does not provide a continuing lifetime benefit to your spouse after your death.

Your retirement benefit is calculated to be paid as a Single Life Annuity. Generally, if you elect another option, the benefit payable to you will be reduced to reflect that payments may be continued after your death.

## **Payment Options**

### ***Automatic Forms of Payment***

Your benefit is automatically paid in one of the following forms of benefit payment – based on your marital status – unless you choose another form. If you are married and you select an optional form of payment that provides less than 50% of your benefit to your spouse for his or her lifetime after your death, you must have your spouse's written and notarized consent to elect that option.

#### **If You Are Unmarried: Single Life Annuity Option**

If you are unmarried when your pension benefit payments begin, your benefit is automatically paid in the form of a Single Life Annuity, unless you elect another option. Under this option, you receive monthly payments for as long as you live. Your benefit is paid on the first day of each month, and payments stop at your death. There are no beneficiary payments made to anyone after your death under this option.

### **If You Have Been Married for at Least One Year: Optional Survivor Benefit**

If you have been married for at least one year when your pension benefit payments (other than payment of a Deferred Vested Benefit) begin, your benefit is automatically paid in the form of an Optional Survivor Benefit, unless you elect another option. Under this option, you receive reduced monthly payments until the earlier of your death or your spouse's death. If you die before your spouse, he or she is entitled to a monthly payment for the remainder of his or her life equal to 55% of the monthly benefit you were receiving before your death. If your spouse dies prior to your death, you will receive a benefit equal to the Single Life Annuity Option for the remainder of your life. After your death and your spouse's death, no further payments are made. Because payments may continue after your death under this payment form, the monthly amount payable to you during your lifetime is less than you would receive under the Single Life Annuity Option.

**IMPORTANT NOTE:** You are considered married to your legally recognized spouse. Your legally recognized spouse includes your common-law spouse if your state recognizes common law marriage and you provide a Declaration of Informal Marriage, available at the County Clerk's office, or a common-law affidavit to the Company. However, a same-sex spouse is not considered a legally recognized spouse for purposes of the Plan, even if your state recognizes same-sex marriages. This is a requirement of federal law governing ERISA plans.

### **If You Have Been Married for Less than One Year at Termination, or If You Are Married and only Eligible for a Deferred Vested Benefit: 50% Joint and Survivor Benefit**

If you have been married for less than one year when your pension benefit payments begin, or if you are married and are only eligible for a Deferred Vested Benefit, your benefit is automatically paid in the form of a 50% Joint and Survivor Benefit, unless you elect another option. Under this option, you receive reduced monthly payments for as long as you live. If you die before your spouse, he or she is entitled to a monthly payment for the remainder of his or her life equal to 50% of the monthly benefit you were receiving before your death. After your death and your spouse's death, no further payments are made. Because payments may continue after your death under this payment form, the monthly amount payable to you during your lifetime is less than you would receive under the Single Life Annuity Option.

### **Lump Sum Payment: For Certain Small Benefit Amounts**

If the Actuarial Equivalent lump sum value of any benefit available under the Plan does not exceed \$1,000 as of the Participant's "annuity starting date", the Plan Administrator shall direct the immediate distribution of such amount in a lump sum payment. You will not have the option of receiving monthly payments.

You may elect to have all or a portion of your Lump Sum Benefit rolled over directly to an IRA or another employer's plan. Direct rollovers to other plans are subject to the acceptance by the trustee of the other employer's plan.

You may make a rollover request by making an election in a form acceptable to the Administrative Committee. If you wish to make a rollover, contact the Vought Benefits Center at 1-866-689-5999.

Federal tax withholding at a rate of 20%, and required state withholding, if applicable, will be deducted from the taxable portion of any Plan distribution that is not rolled directly to an IRA or another employer's qualified plan.

Rollover treatment is available to you, your surviving spouse, alternate payee or other non-spousal beneficiary. In the case of a non-spousal beneficiary, a direct rollover may only be made to an IRA.

### ***Optional Payment Forms***

When you are ready to retire, you may request a pension calculation that shows your estimated monthly benefit under all the available optional payment forms. Estimated monthly benefits are subject to audit and correction if any of the assumptions used in the calculation are incorrect or turn out to be different after the estimate is provided (e.g., you separate from employment sooner than expected).

When you retire, you may choose one of the following optional payment forms instead of the automatic payment form applicable to your situation. In addition, if you are married when your pension benefit payments begin, you may elect the Single Life Annuity Option (as described previously for unmarried participants).

Under some of these optional forms, you may elect a benefit that does not provide a benefit to your spouse after your death or you may name someone other than your spouse as beneficiary. Remember, if you are married, electing one of these options and/or designation of a non-spouse beneficiary requires written notarized consent from your spouse.

If your spouse or beneficiary dies before your payments start, your election (including the automatic forms of payment) will be cancelled and your benefits will be paid in the appropriate automatic form rather than in the form elected. (Of course, you may again elect an optional payment form before your payments start.)

#### **66⅔% Survivor Benefit**

Under this payment option, you receive reduced monthly payments until the earlier of your death or your beneficiary's death. If either of you die, the survivor is entitled to a monthly payment for the remainder of his or her life equal to 66⅔% of the monthly benefit you were receiving before your death or your beneficiary's death. After your death and your beneficiary's death, no further payments are made.

A unique feature of this payment option is that you can change your beneficiary after you are in pay status, provided that the current beneficiary is alive and in good health. Note that, if you change your beneficiary designation, your benefit payments will be recalculated taking into account your age and the age of your new beneficiary.

This payment option is not available to you if you are only eligible for a Deferred Vested Benefit. Also, if your beneficiary is not your spouse, the percentage provided to your beneficiary will be limited if your beneficiary is more than 24 years younger than you are.

#### **Ten-Year Certain Benefit**

If you choose this payment option, you receive a reduced monthly benefit for your life with payments guaranteed for 10 years (120 payments). If you die during this 10-year period, the

remaining payments are made to your beneficiary. If you survive to receive all 120 payments, payments continue for the rest of your life, but no further payments are made after your death.

If your beneficiary dies before you receive all 120 payments, the remaining benefits, if any, will be paid in a lump sum to your estate upon your death. If your beneficiary dies after your death but before all 120 payments have been made, the remaining benefits will be paid to the designated beneficiary of such beneficiary, and of each succeeding beneficiary, if any.

You cannot elect this option if you are age 93 or older, or if you are only eligible for a Deferred Vested Benefit.

### ***How to Calculate Payment Options***

When you are preparing for retirement, you may request a pension calculation based on retiring on a date within one year. This statement will estimate the amount of your benefit under each of the payment options.

The table below contains the factors that are used to determine your reduced monthly benefit that will occur with a 50% Joint and Survivor Benefit, an Optional Survivor Benefit, or a 66⅔% Survivor Benefit. The factor used to determine your reduced monthly benefit that will occur with a Ten-Year Certain Benefit is 0.95.

The factors shown in the table below assume that your spouse or beneficiary is within five years of your age. Increase the factor by 0.005 for each full year that your spouse or beneficiary is more than five years older than you (but not above 1.00). Decrease the factor by 0.005 for each full year that your spouse or beneficiary is more than five years younger than you.

<b>Optional Forms of Payment Reduction Factors</b> (This table assumes that your beneficiary is within five years of your age.)	
Optional Survivor Benefit	0.95
50% Joint and Survivor Benefit	0.90
66⅔% Survivor Benefit	0.90

The factors above will be increased as necessary so that the benefit payable under the option is at least “actuarially equivalent” to the Single Life Annuity option. Actuarially equivalent means that the present values of the benefits expected to be received under the two options are the same.

For example, if you are age 65 with 30 Years of Credited Service, your spouse is age 61, and the Benefit Multiplier in effect at the time of your retirement is \$60, the Single Life Annuity amount that you can receive at that age is \$1,800/month. If you select the Optional Survivor Benefit form, which provides your spouse with a 55% survivor annuity, the “factor” you would use is 0.95. The calculation would look like this:

Your benefit would equal \$1,710/month ( $\$1,800 \times 0.95$ ).

Your spouse’s benefit after you die would equal \$940.50/month ( $\$1,710 \times 55\%$ ).

## Examples: How Each Payment Option Affects an Early Retirement Benefit Amount and a Supplemental Early Retirement Benefit Amount

In the charts that follow, you can see how an Early Retirement Benefit and a Supplemental Early Retirement Benefit amount are adjusted for each payment option. These are only estimated amounts based on sample employees. Your actual retirement benefit is based on your personal information, including your age and your beneficiary's age at your retirement, your Years of Credited Service, and the Benefit Multiplier in effect at the time you terminate employment with the Company (or the date your benefit was frozen, if earlier).

### Example 1

This example is based on these assumptions:

- You retire at age 60 with 18 Years of Credited Service with an Early Retirement Benefit
- Your beneficiary is your spouse, her age is 57, and you have been married for more than one year
- You terminate employment in 2009, when the Benefit Multiplier is \$60
- Your Normal Retirement Benefit at age 65 would be \$1,080/month (\$60 x 18 Years of Credited Service)
- Your Early Retirement Benefit starting at age 60 is \$928.80/month [ $\$1,080 - (\$1,080 \times 7\% \times 2 \text{ years})$ ]

If You Choose the ...	Your Monthly Retirement Benefit Would Be ...	And If You Die, Your Beneficiary Would Receive ...	And If Your Beneficiary Dies, You Would Receive ...
Single Life Annuity	\$928.80	\$0	\$928.80
Ten-Year Certain	\$906.32	*	\$906.32
Optional Survivor Benefit	\$882.36	\$485.30	\$928.80
66-2/3% Survivor Benefit	\$875.02	\$583.35	\$583.35

*\*If you die before the end of the 10-year period, your beneficiary receives \$906.32 per month for the remainder of the 10-year period. If you survive for the 10-year period, your beneficiary receives no benefit.*

### Example 2

This example is based on these assumptions:

- You retire at age 60 with 20 Years of Credited Service with a Supplemental Early Retirement Benefit
- Your beneficiary is your spouse, her age is 57, and you have been married for more than one year
- You are eligible for an 80% Social Security benefit at age 63

- You terminate employment in 2009, when the Benefit Multiplier is \$60
- Your Normal Retirement Benefit at age 65 would be \$1,200/month (\$60 x 20 Years of Credited Service)
- Your Early Retirement Benefit starting at age 60 is \$1,750/month
- Beginning at age 63, your monthly benefit is \$1,200/month, because the additional \$550 per month ceases

If You Choose the...	Your Monthly Retirement Benefit Would Be ...	And If You Die, Your Beneficiary Would Receive ...	And If Your Beneficiary Dies, You Would Receive ...
Single Life Annuity	\$1,750 until age 63; \$1,200 thereafter	\$0	\$1,750 until age 63; \$1,200 thereafter
Ten-Year Certain	\$1,720.96 until age 63; \$1,170.96 thereafter **	*	\$1,720.96 until age 63; \$1,170.96 thereafter
Optional Survivor Benefit	\$1,690 until age 63; \$1,140 thereafter **	\$627	\$1,750 until age 63; \$1,200 thereafter
66 $\frac{2}{3}$ % Survivor Benefit	\$1,680.52 until age 63; \$1,130.52 thereafter **	\$753.68	\$1,303.68 until age 63; \$753.68 thereafter

\* If you die before the end of the 10-year period, your beneficiary receives \$1,170.96 per month for the remainder of the 10-year period. If you survive for the 10-year period, your beneficiary receives no benefit.

\*\*The amount of your monthly benefit includes the extra monthly amount of \$550 which is only payable for your lifetime.

## Additional \$2,000 Death Benefit If You Die after Retirement

A \$2,000 Lump Sum Benefit will be paid to your surviving beneficiary after you die if you:

- Terminate employment after age 55 and are eligible for a Normal Retirement Benefit, an Unreduced Early Retirement Benefit, a Supplemental Early Retirement Benefit, or a Reduced Early Retirement Benefit;
- Are receiving a Disability Benefit; or
- Terminate employment after age 60 and are eligible for a Deferred Vested Benefit.

This Lump Sum Benefit is paid in addition to any other benefits your beneficiaries may be eligible to receive.

**IMPORTANT NOTE:** If you are represented by the UAW, after December 31, 2007, this benefit will not be paid if you had less than 16 Years of Seniority as of December 31, 2007.

If you are represented by the IBEW, after December 31, 2008, this benefit will not be paid if you had less than 16 Years of Seniority as of December 31, 2007.

## **If You Die before Retirement Benefits Begin**

When you die before your retirement benefits begin, there are a number of different Plan benefits that may be applicable.

### ***Transition Survivor Benefit***

Your “eligible survivors” will receive a Transition Survivor Benefit if you die (1) while you are a Covered Employee, (2) within 31 days after your termination or layoff, provided you are eligible for a retirement benefit other than a Deferred Vested Benefit, or (3) while receiving a Disability Benefit. The Transition Survivor Benefit is paid for 24 months, or until the death or disqualification of the last eligible survivor, if earlier.

Your eligible survivors means the people in Class A, in Class B (if there is no one in Class A), or in Class C (if there is no one in either Class A or Class B):

<b>Class</b>	<b>Eligible Survivor</b>
A	Your surviving spouse, provided you have been married for at least one year on the day before your death
B	Your unmarried children under age 21, your unmarried dependent children under age 25, and your children of any age who are totally and permanently disabled.
C	Your parent(s), if you had furnished at least 50% of his or her support for the calendar year before the year of your death

If there is no eligible survivor in any of the Classes on the first day of the month after your death, then no Transition Survivor Benefit will be paid.

The amount of the Transition Survivor Benefit is \$475/month or \$350/month if the survivor is eligible for unreduced Social Security benefits. The monthly amount is divided equally among all eligible survivors. If there are multiple eligible survivors, and some are eligible for unreduced Social Security benefits and some are not, the eligible survivors who are not eligible for unreduced Social Security benefits will receive an amount equal to the applicable Transition Survivor Benefit amount divided by the total number of eligible survivors.

**IMPORTANT NOTE:** If you are represented by the UAW, after December 31, 2007, this benefit will not be paid if you had less than 16 Years of Seniority as of December 31, 2007.

If you are represented by the IBEW, after December 31, 2008, this benefit will not be paid if you had less than 16 Years of Seniority as of December 31, 2007.

### ***Examples***

Assume John is a Covered Employee who dies on December 1, 2007.

- If John was married for at least a year on November 30, 2007, his surviving spouse is his eligible survivor. She receives \$350/month if she is eligible for unreduced Social Security benefits and \$475/month if she is not.
- If John was not married on November 30, 2007, but he has two children, ages 18 and 22, neither of whom is disabled or married, and the 22 year old is still a dependent, then the children are his eligible survivors. The children split the \$475/month Transition Survivor Benefit (\$237.50/month each).

### ***Bridge Survivor Benefit***

This additional benefit is paid to your surviving spouse if he or she was at least 48 but not yet 60 at the time of your death, and if he or she has received all 24 Transition Survivor Benefit payments. The amount of the Bridge Survivor Benefit is \$475/month. Payments end when your surviving spouse (1) remarries, (2) dies or (3) attains age 62, or such lower age at which full Widows or Widowers Insurance Benefits or Old Age Survivor's Insurance Benefits become payable under the Social Security Act.

No Bridge Survivor Benefit will be paid if your surviving spouse could qualify to receive a Mother's Insurance Benefit or a Father's Insurance Benefit under the Social Security Act (whether or not the surviving spouse actually receives these benefits).

**IMPORTANT NOTE:** If you are represented by the UAW, after December 31, 2007, this benefit will not be paid if you had less than 16 Years of Seniority as of December 31, 2007.

If you are represented by the IBEW, after December 31, 2008, this benefit will not be paid if you had less than 16 Years of Seniority as of December 31, 2007.

### ***Automatic 55% Survivor Benefit***

If you have been married for at least one year at the time of your death, an Automatic 55% Survivor Benefit will be paid to your surviving spouse for his or her life if, at the time of your death, you:

- Were at least age 55 and had completed at least 10 Years of Credited Service or were less than age 55 and had completed at least 30 Years of Credited Service; and
- Were a member of the UAW or IBEW at the time of your death; or were receiving a Disability Benefit.

The Automatic 55% Survivor Benefit means your surviving spouse will receive the monthly benefit he or she would have received if you had retired immediately prior to your death and elected the Optional Survivor Benefit. If you are under age 55 at the time of your death, the benefits to your spouse will begin the first of the month following your 55<sup>th</sup> birthday.

For any month in which your surviving spouse is eligible for (1) the Transition Survivor Benefit or the Bridge Survivor Benefit, and (2) this Automatic 55% Survivor Benefit, he or she will receive the greater of (1) or (2), but not both.

## **Preretirement Survivor Benefit**

If you are vested and have been married for at least one year at the time of your death, but your spouse is not eligible for the Automatic 55% Survivor Benefit described previously, your surviving spouse will receive a monthly benefit equal to the survivor annuity under the 50% Joint and Survivor Benefit, as follows:

- If you die after your earliest retirement age, your surviving spouse will receive a monthly benefit equal to the survivor annuity under the 50% Joint and Survivor Benefit payable as if you had retired with an immediate 50% Joint and Survivor Benefit on the day before your death.
- If you die before your earliest retirement age, your surviving spouse will receive a monthly benefit equal to the survivor annuity under the 50% Joint and Survivor Benefit payable as if you had separated from service on your date of death, survived to your earliest retirement age, retired with an immediate 50% Joint and Survivor Benefit at your earliest retirement age, and died on the day after your earliest retirement age.
- “Earliest retirement age” means the earliest date on which, under the Plan, you could elect to receive retirement benefits.

Your surviving spouse may elect to have this Preretirement Survivor Benefit begin when you would have attained your earliest retirement age. Otherwise, payments will begin on the first of the month after you would have turned age 65. After commencement, the Preretirement Survivor Benefit is payable for the life of your surviving spouse.

For any month in which your surviving spouse is eligible for (1) the Transition Survivor Benefit or the Bridge Survivor Benefit, and (2) this Preretirement Survivor Benefit, he or she will receive the greater of (1) or (2), but not both.

## **If You Are Rehired after You Retire**

There is not an automatic suspension of benefits under the Plan if you are re-employed by the Company. You will continue to receive your current benefit, unless you elect otherwise, until your next termination of employment. During your period of re-employment, you may accrue additional benefits under the Plan. Any additional benefits will be based on your Years of Credited Service accrued during your re-employment and the Benefit Multiplier in effect when your reemployment ceases. If your benefit was or would have been frozen as described earlier, you will not earn additional Credited Service during your re-employment after December 31, 2007 (December 31, 2008 if you are represented by the IBEW) and your benefit will be based on the Benefit Multiplier in effect as of December 31, 2007 (December 31, 2008 if you are represented by the IBEW).

If you elect to suspend your retirement benefits during your re-employment, your previous retirement benefit will start again at your subsequent termination (recalculated to take into account the period of suspension) and your new benefit will be calculated as described above.

## **If You Get Divorced: Splitting Your Benefit through a QDRO**

If you get divorced, the retirement benefits that you have earned under the Company’s retirement and savings plans are usually treated as marital or community property, and subject to division

according to a domestic relations order. In order for any domestic relations order to compel payment from this Plan, the order has to be what is called a “qualified domestic relations order,” or QDRO. To be a QDRO, the domestic relations order must generally:

- Be an order from a court, it cannot be simply a signed agreement between you and your spouse or former spouse;
- Require payment to a spouse, former spouse, child or other dependent of yours, these dependents are all called “alternate payees;”
- Include the names and mailing addresses of the participant (the employee), and each alternate payee;
- Specify the name of the plan to which it applies;
- Specify the amount or percentage of benefits to be paid to the alternate payee, or the method of determining that amount; and
- Not require that the Plan pay benefits in a form not otherwise offered.

This is just an outline of some of the rules. If you anticipate getting divorced, you can get more information, including Model QDROs, from the Vought Benefits Center. You can also submit a domestic relations order in draft form, to make sure that it will be approved before you submit it for court approval.

## **How to Apply for Retirement Benefits**

Your benefit payments will not begin until you elect to retire, except as required after you reach age 70½. **Please keep in mind that it is your responsibility to request your retirement benefits from the Company.** Once you decide to retire, call the Vought Benefits Center at 1-866-689-5999 to request a retirement package. To complete the retirement process, you will need to provide the following documents and information, all in legible form:

- The date you terminated employment, retired or plan to retire,
- Your name and home address,
- A copy of the Social Security cards for you and your spouse,
- A copy of your birth certificate or passport,
- A copy of your spouse’s birth certificate or passport,
- A copy of your marriage certificate, and
- Your telephone numbers (work and home).

## ***Receiving an Estimate of your Plan Benefit***

If you know you will be retiring within one year, you may request a benefit calculation estimate from the Vought Benefits Center.

If you are not within one year of retirement but you are vested, you may request an “accrued benefit statement” instead of a full benefit estimate. This statement shows the value of your accrued benefit as a Single Life Annuity. It does not take into account other possible forms of payment, such as a Joint and Survivor Benefit, which allow you to share payments with your spouse or other beneficiary.

Benefit projections are provided only within the current year; your retirement date cannot be projected further into the future for estimating purposes. **Estimated monthly benefits are subject to audit and correction if any of the assumptions used in the calculation are incorrect or turn out to be different after the estimate is provided (e.g., you separate from employment sooner than expected).**

### ***Overpayments***

Once you have commenced benefits, any suspected or known errors in your benefit payment amount should be reported to the Plan Administrator immediately so that any necessary corrections can be promptly made. No participant is entitled to receive a benefit greater than that called for under the terms of the Plan and in accordance with the participant's elections. Generally, if you or your surviving spouse or beneficiary were to receive overpayments from the Plan, regardless of the reason, you would be required to repay the overpaid amount (including interest) to the Plan's trust, either through a lump-sum repayment or a series of reductions from future benefit payments.

## General Information about the Vought Retirement Plan

<b>Name of Plan</b>	Vought Aircraft Industries, Inc. Hourly Retirement Plan
<b>Plan Sponsor</b>	Vought Aircraft Industries, Inc. 201 East John Carpenter Freeway Suite 900 Irving, TX 75062  Mailing Address: Vought Aircraft Industries, Inc. P.O. Box 655907 Mail Stop 49L-01 Dallas, TX 75265
<b>Plan Sponsor EIN</b>	75-2884072
<b>Plan Number</b>	002
<b>Type of Plan</b>	Defined benefit pension plan
<b>Plan Administration</b>	The Plan is administered by the Plan Administrator indicated below
<b>Plan Administrator</b>	Administrative Committee for the Retirement Plans of Vought Aircraft Industries, Inc. P.O. Box 655907 Mail Stop 49L-01 Dallas, TX 75265
<b>Agent for Service of Legal Process</b>	CT Corporation 350 North St. Paul, Suite 2900 Dallas, TX 75201
<b>Plan Trustee</b>	State Street Bank and Trust Company Master Trust Client Services One Enterprise Drive North Quincy, MA 02171
<b>Plan Year End</b>	December 31

### ***Funding***

The Plan is funded through a trust. The Company makes contributions to the Plan as necessary to meet all IRS funding requirements. No employee contributions are required or permitted.

### ***When You Pay Taxes***

When you receive your monthly retirement benefit, generally you are subject to federal income tax and, in some states, state and local income tax on the payments.

If you receive a lump sum payment of your retirement benefit, you may be able to roll over the payment into another qualified plan or an individual retirement account (IRA) and postpone payment of certain federal, state and local income taxes to a later date. If you do not roll over your lump sum into another qualified plan or IRA, your distribution generally is subject to a mandatory 20% withholding for federal income taxes; similar withholding may apply in your state.

Rollover treatment is available to you, your surviving spouse, alternate payee or other non-spousal beneficiary. In the case of a non-spousal beneficiary, a direct rollover may only be made to an IRA.

### ***Assignment of Benefits***

Your benefits belong to you and, except in the case of a QDRO (See “If You Get Divorced” earlier in this document) or IRS levy, may not be sold, assigned, transferred, pledged or garnished. If you (or your beneficiary) are unable to care for your own affairs, the Plan Administrator may pay your benefits directly to your legal representative or guardian or other custodian, or other person determined to be appropriate in the discretion of the Plan Administrator.

### ***Loss of Benefits***

Certain circumstances result in a loss or delay of benefits. Here are some examples of these types of circumstances:

- If you terminate employment with the Company before reaching age 65 or earning five Vesting Years of Service, your benefit from the Plan will be zero.
- If you move and do not notify the Plan, you will not receive information about the Plan or your benefits until you contact the Plan Administrator. If you cannot be located, in some cases you may forfeit your benefit. However, your benefit will be reinstated if you provide your new address to the Plan Administrator.
- If the Plan is terminated before you retire, you will be unable to earn benefits after the date of Plan termination. If there are not sufficient funds to pay all benefits at termination, the Pension Benefit Guaranty Corporation (PBGC) guarantees some or all of the benefits you previously earned.
- If you die before commencing benefit payments under the Plan, any benefit you had earned will be forfeited unless it is payable to a qualifying spouse or other dependent.

### ***Maximum Benefit for Tax Purposes***

Plan benefits are limited by federal tax laws to an annual maximum. In addition, federal tax laws limit the amount of compensation that may be used to calculate your benefits. These limits may be increased in accordance with IRS regulations.

### ***Future of the Plan; Company’s Right to Amend and Terminate the Plan***

The Company intends to continue the Plan indefinitely. However, the Company has the right to amend any and all provisions of the Plan, cease future accruals, or terminate the Plan at any time in whole or in part, in its sole discretion.

Any amendment, suspension or termination of the Plan will be made by resolution of the Company's Board of Directors, or any person to whom it has delegated that authority. When Plan amendments are made that materially affect benefits, a summary of the changes will be communicated to affected Plan participants. If the Plan is terminated, all of your accrued Plan benefits will immediately become vested.

### ***Certain Benefits Insured by the Pension Benefit Guaranty Corporation***

Your pension benefits under this Plan are insured, up to certain limits, by the federal Pension Benefit Guaranty Corporation (PBGC). If the Plan is terminated, you will have a vested right to receive the benefits you have earned under the Plan, to the extent the Plan has assets to pay benefits. If the Plan does not have enough assets to pay all benefits, the PBGC will step in to pay some or all of those remaining benefits. Most people will receive all of the pension benefits they would have received under this Plan, but some people may lose certain benefits.

The PBGC guarantee generally covers:

- Normal and early retirement benefits,
- Disability benefits if you become disabled before the Plan terminates, and
- Certain benefits for your survivors.

The PBGC guarantee generally does not cover:

- Benefits greater than the maximum guaranteed amount established for the year in which the Plan terminates,
- Some or all of benefit increases and new benefits based on Plan provisions that have been in place for less than five years at the time of termination,
- Benefits that are not vested because you have not worked long enough for the Company,
- Benefits for which you have not met all of the requirements at the time the Plan terminates,
- Certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's Normal Retirement Age, and
- 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 the Plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, you may contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call 1-800-400-7242. TTY/TTD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 1-800-400-7242. Additional information about the PBGC's pension insurance program is available through the PBGC's website at [www.pbgc.gov](http://www.pbgc.gov).

## **Claim Review and Appeals**

Sometimes, you may believe that you are entitled to a retirement benefit different from what is included in the calculations provided by the Vought Benefits Center. For example, you may

believe that you should have been credited with more service than Plan records show, or that you are entitled to a Disability Benefit. Whatever the reason, if you disagree with your retirement benefit calculations, very often it can be resolved informally by calling or visiting the Vought Benefits Center and discussing the situation.

### ***Filing a Formal Claim for Benefits***

If, after trying to resolve your concerns informally, you still believe you are entitled to benefits other than those provided to you, you may file a formal claim for benefits with the Plan Administrator. To do so, you must send a written notice to the Plan Administrator at the following address:

Administrative Committee for the  
Retirement Plans of Vought Aircraft Industries, Inc.  
P.O. Box 655907  
Mail Stop 49L-01  
Dallas, TX 75265

Your letter should state the reason you think you are entitled to a benefit different from the Plan's calculation, and should provide any supporting materials.

If your claim for a benefit under this Plan is denied, in whole or in part, you (or your beneficiary) will receive a written explanation of the reason for the denial from the Plan Administrator. You should receive this notice within 90 days after the Committee receives your claim. If up to an extra 90 days are needed to make a decision due to special circumstances, you will be notified in writing.

If your claim for benefits is denied, the written notice will include:

- Specific reasons for the denial;
- References to Plan provisions on which the denial is based;
- A description of any additional materials or information that are necessary;
- Procedures for appealing the decision, including applicable time limits; and
- A statement of your right to bring a civil action under Section 502(a) of ERISA following a denial of your claim on appeal.

You or your authorized representative may review all documents related to any denial of benefits.

### ***Appealing a Claim Denial***

If you disagree with the Plan Administrator's decision regarding your benefits claim, you have 60 days from receipt of written notification of the denial (or partial denial) to request a review on appeal. This request should be made in writing and sent to the Plan Administrator at the following address:

Administrative Committee for the  
Retirement Plans of Vought Aircraft Industries, Inc.  
P.O. Box 655907  
Mail Stop 49L-01  
Dallas, TX 75265

Your appeal request should state all the grounds on which your request for a review is based. You should state any facts, address any issues and make any comments that support your request. Besides having the right to appeal, you or your authorized representative also has the right to examine, at locations and times convenient to the Plan Administrator, or to receive copies of, upon request and free of charge, any documents, records or other information relevant to your claim.

Your appeal to the Administrative Committee will be reviewed, and a decision will ordinarily be made at the next regularly scheduled Administrative Committee meeting. If your appeal is received within 30 days preceding the date of the next scheduled meeting, a decision will be made no later than the date of the second meeting following the Administrative Committee's receipt of the appeal. If special circumstances require a further extension of time, a decision will be made not later than the third meeting following the Administrative Committee's receipt of your appeal. If an extension of time is required, the Committee will provide you with written notice of the extension, describing the special circumstances and the date as of which the decision will be made, prior to the commencement of the extension.

The Committee will notify you of its decision within five days after a decision is made. You will receive written notification of the Committee's final decision, including, for an adverse decision:

- Specific reasons for the decision;
- References to specific Plan provisions on which the decision is based;
- A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records or other information relevant to your claim; and
- A statement of your right to bring a civil action under Section 502(a) of ERISA.

The decision of the Plan Administrator is final and conclusive. If your claim appeal is denied, you may bring legal action in court, provided you abide by certain time limitations. Specifically, you may not bring legal action on a claim for benefits against a party under the Plan after the latest of:

- One year from the time the claim arose, or
- 90 days from the final disposition of the claim by the Administrative Committee.

In addition, the action must be filed before the time any otherwise applicable statute of limitations expires, if sooner than the time periods referenced above.

The Plan Administrator or its delegate will have full and sole discretionary authority to interpret all Plan documents and to make all interpretive and factual determinations as to

whether any individual is entitled to receive any benefit under the terms of this Plan. The Plan Administrator or its delegate will determine, exercising its discretion, appropriate courses of action in light of the reason and purpose for which this Plan is established and maintained. Any construction of the terms of any Plan document and any determination of fact adopted by the Plan Administrator or its delegate will be final and legally binding on all parties.

The resolution, settlement, or adjudication of a claim may result in a compliance procedure that is not expressly permitted under some other section of the Plan document. Such a procedure, agreement or order will be respected to the extent that, as determined in the sole discretion of the Administrative Committee, it does not result in disqualification of the Plan or violate (or cause the Plan to violate) any applicable statute, government regulation or ruling.

With respect to a claim for a Disability Benefit, the following special rules apply:

1. The timeframe for receiving a decision is 45 days rather than 90 days, with a 30-day extension if the Plan Administrator determines that an extension is necessary due to matters outside its control and if the Plan Administrator notifies you in writing within the initial 45-day period. The Plan Administrator may extend this period another 30 days on the same terms. The notice of extension will explain the requirements for a Disability Benefit, the unresolved issues that prevent resolution of your claim, and the additional information needed to resolve those issues. You will have 45 days to provide the specified information.
2. If your claim is denied, the written notice will also include, if applicable, a copy of any internal rule, guideline or protocol that was relied on to make the adverse determination (or a statement that such rule was relied on and a copy will be provided on request).
3. If your claim is denied, the timeframe for seeking review with the Retirement Committee is 180 days instead of 60 days.

If you appeal, your appeal goes to the Retirement Committee. The Retirement Committee's determination of your appeal is final and conclusive. On questions pertaining to disability, if the Retirement Committee is tied, it will select an impartial physician to perform a physical examination and the final decision of the impartial physician shall be final and binding on the Plan.

## Your Rights under ERISA

As a participant in the Vought Aircraft Industries, Inc. Hourly Retirement Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (ERISA). ERISA provides that all Plan participants are entitled to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites, all documents governing the Plan, including the annual report and summary descriptions, as well as documents filed with the U.S. Department of Labor.
- Obtain copies of the Plan document and certain other Plan information, by making a written request to the Plan Administrator. There may be a charge for copies.
- Receive a summary of the Plan's annual financial report. You do not have to request a copy of this summary; it will be automatically sent to you each year.
- Receive 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 provided at least once every three years, but may be requested (in writing) up to once every 12 months. The Plan will provide this statement free of charge.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people responsible for the operation of the Plan. These people, called "fiduciaries," have a duty to operate your Plan prudently and in the interest of you and other Plan participants and beneficiaries.

No one, including the Company 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.

If your claim for a pension benefit is denied, in whole or in part, you will receive a written explanation of the reason for the denial. You also have the right to have your claim reviewed and reconsidered. If your claim on appeal is denied, in whole or in part, you may file suit in a state or federal court.

Under ERISA, there are steps you can take to enforce these rights. For instance, if you make a written request for Plan documents and do not receive them within 30 days, you may file suit in federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

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

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the

nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210.

