

Summary Plan Description

The Southern Company Pension Plan

Effective January 1, 2018 (updated January 1, 2022)



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This booklet is the Summary Plan Description (“SPD”) effective January 1, 2018, for The Southern Company Pension Plan (the “Pension Plan”). The information that follows is a summary of your benefits available under the Pension Plan offered by Southern Company Services, Inc. (the “Company”). The terms of the Pension Plan document will control in the event of any conflict between the Pension Plan document and this summary. Generally, your benefits are determined under the terms of the Pension Plan in effect at the time you terminate your employment with an Employing Company. **You may call the Southern Company Benefits Center at 1-888-435-7563 if you have questions about your benefits under the Pension Plan.**

This SPD describes Pension Plan benefits offered by the Company to certain employees of Employing Companies who:

- Have an hour of service on or after January 1, 2018;
- Are not covered by the terms of a Collective Bargaining Agreement; or
- Are covered by a Collective Bargaining Agreement where the bargaining unit representative and an Employing Company have mutually agreed to participation in the Pension Plan.

Employing Companies as of January 1, 2019, are:

- Alabama Power Company
- Georgia Power Company
- Mississippi Power Company
- Southern Communications Services, Inc.
- Southern Company Services, Inc.
- Southern Nuclear Operating Company, Inc.
- Southern Company Gas (and affiliated companies)
- Southern Power Company

When this SPD refers to “Southern Company (Classic),” that includes any Employing Company other than Southern Company Gas. When this SPD refers to “Southern Company Gas” or “Gas” that includes the Employing Companies historically related to Southern Company Gas (or AGL Resources Inc.).

Note About the AGL Resources Inc. Retirement Plan

The AGL Resources Inc. Retirement Plan (“AGL Retirement Plan”) was merged into the Pension Plan effective January 1, 2018. Benefits earned under the AGL Retirement Plan prior to January 1, 2018, are protected. This SPD provides a summary of the available features and benefits earned under the Pension Plan for Southern Company Gas employees who were employed on or after January 1, 2018. Former Southern Company Gas employees who terminated employment prior to January 1, 2018, and who were covered under the AGL Retirement Plan should refer to a prior SPD for the AGL Retirement Plan.



Look for Information Applying to You

The first section of this document contains general information applying to all Pension Plan participants. It is followed by Appendices that provide detailed provisions applying to specific employee groups. Your hire date and Employing Company will guide which Appendix applies to you.:

If you...	Read this section...
Were hired at Southern Company (Classic) on or before December 31, 2015. <i>Southern Company (Classic) union employees will retain the Appendix A pension formula if they transfer to a non-union position.</i>	Appendix A
Were a Southern Company (Classic) union employee covered under UCC-1* hired on or after January 1, 2016, or other Southern Company (Classic) employee hired between January 1, 2016 and December 31, 2017. <i>Southern Company (Classic) union employees will retain the Appendix B pension formula if they transfer to a non-union position.</i>	Appendix B
Earned service under the Savannah Electric Plan.	Appendix C
Were a Southern Company Gas employee who was eligible for a pension under the AGL Retirement Plan prior to January 1, 2018. This includes Virginia Natural Gas (VNG) collectively bargained employees. This Appendix does not apply to any Nicor Gas employees.	Appendix D
Were a Nicor Gas employee (either union or non-union) who was eligible for a pension under the AGL Retirement Plan on prior to January 1, 2018.	Appendix E
Were either a Southern Company Gas or Nicor Gas (either union or non-union) employee who was not eligible for a pension under the AGL Retirement Plan as of December 31, 2017; OR were hired on or after January 1, 2018, at an Employing Company (excluding union employees covered under UCC-1*).	Appendix F

*UCC-1 refers to the IBEW locals at Alabama Power Company, Georgia Power Company, Mississippi Power Company and Southern Nuclear Operating Company that are represented collectively through the IBEW UCC-1.



Look for Transfer Information Applying to You

If you have transferred within the Southern Company system, find your applicable situation below.
For all situations not listed, call the Southern Company Benefits Center at **1-888-435-7563** for more information.

ORIGINAL HIRING COMPANY	TRANSFERRED TO			
	Southern Company (Classic) non-union	Southern Company (Classic) union covered under UCC-1	Southern Company GAS employee non-union	Southern Company GAS employee union
Southern Company Gas employee (non-union and union) who was eligible for a pension under the AGL Retirement Plan prior to 1/1/2018	Maintain original benefit formula from original hire date and Operating Company in Appendix D or E	Will receive A + B benefit: A – Original GAS benefit (if applicable) for service prior to the transfer date from Appendix D or E B – Current union benefit according to Appendix B for service after the transfer	N/A	N/A
Southern Company Gas employee (non-union and union) who was not eligible for a pension under the AGL Retirement Plan prior to 1/1/2018	Maintain original benefit formula from original hire date and Operating Company in Appendix F	Will receive A + B benefit: A – Cash balance benefit formulas in Appendix F for service prior to transfer date B – Current union benefit according to Appendix B for service after the transfer	N/A	N/A
Southern Company (Classic) Employee originally hired prior to 1/1/2016 – non-union	N/A	Maintain original benefit formula from original hire date and Operating Company in Appendix A	Maintain original benefit formula from original hire date and Operating Company in Appendix A	Maintain original benefit formula from original hire date and Operating Company in Appendix A
Southern Company (Classic) Employee originally hired between 1/1/2016 and 1/1/2018 – non-union	N/A	Maintain original benefit formula from original hire date and Operating Company in Appendix B	Maintain original benefit formula from original hire date and Operating Company in Appendix B	Maintain original benefit formula from original hire date and Operating Company in Appendix B
Southern Company (Classic) Employee originally hired on or after 1/1/2018 – non-union	N/A	Will receive A + B benefit: A – Cash balance benefit formulas in Appendix F for service prior to transfer date B – Current union benefit according to Appendix B for service after the transfer	Maintain original benefit formula from original hire date and Operating Company in Appendix F	Maintain original benefit formula from original hire date and Operating Company in Appendix F
Southern Company (Classic) Employee union covered under UCC-1	Maintain original formula from original hire date and Operating Company (if hired prior to 1/1/2016, refer to Appendix A; if hired on or after 1/1/2016 refer to Appendix B)	N/A	Maintain original formula from original hire date and Operating Company (if hired prior to 1/1/2016, refer to Appendix A; if hired on or after 1/1/2016 refer to Appendix B)	Maintain original formula from original hire date and Operating Company (if hired prior to 1/1/2016, refer to Appendix A; if hired on or after 1/1/2016 refer to Appendix B)

I. Terms You Should Know

Terms used in this document have specific meanings under the Pension Plan. Here are some important terms you should know.

- **Accredited Service:** This is the service that is used in some Pension Formulas to calculate your benefit under the Pension Plan, and also is used for early retirement provisions. It is determined in different ways, depending on your employee group. See the Appendix applying to you for details.
- **Annuity:** An annuity is a method of paying benefits over the course of your lifetime (Single Life Annuity) or over your lifetime with continuing benefits to a surviving beneficiary (Joint and Survivor Annuity).
- **Beneficiary:** Your beneficiary is the individual you name to receive (or if applicable, the Pension Plan provides will receive) a benefit under the Pension Plan if you die. See *Beneficiary Designations* in the Appendix applying to you for details.
- **Break in Service:** If you have a Break in Service, you may lose service that you have already earned. Except as described in the applicable Appendix, you have a Break in Service if you have 500 or fewer hours of service in an anniversary year.
- **Deferred Retirement Date:** Your Deferred Retirement Date is the first day of the month following retirement after your Normal Retirement Date.
- **Early Retirement Date:** Your Early Retirement Date is the date when you are eligible to start receiving your pension benefit before your Normal Retirement Date. See the Appendix applying to you for details.
- **Eligible Pay:** Eligible Pay is the pay used in the applicable Pension Formula to calculate your benefit under the Pension Plan. See the Appendix applying to you for details.
- **Eligibility:** Eligibility refers to the conditions that must be met to qualify for participation and benefits under the Pension Plan, including employment category and length of service.
- **Eligibility Service:** Eligibility Service determines when you become a participant in the Pension Plan. In general, you earn a year of Eligibility Service upon completion of an anniversary year (starting on your hire date) in which you have earned at least 1,000 hours of service.
- **Final Average Pay:** Final Average Pay is the earnings amount used in some of the Pension Formulas to calculate your benefit under the Pension Plan. It is determined in different ways, depending on your employee group. See the Appendix applying to you for details.
- **Hours of Service (or hours of service):** Under the Pension Plan, you earn years of service based on the hours you work. With a few exceptions, you earn an hour of service for each hour you are paid. See details on Hours of Service in the section on *Service*, below.
- **Joint and Survivor Annuity:** A Joint and Survivor Annuity pays a continuing benefit to your beneficiary if you die first after beginning your Pension Plan benefits. If you are married, this is the normal form of benefit payment. See *Methods of Payment* in the Appendix applying to you for details on the various types of joint and survivor annuities available under the Pension Plan.
- **Level Income Option:** This payment option pays you a larger monthly benefit from retirement to age 65, then a smaller benefit or no benefit after you attain age 65. See the Appendix applying to you for details on availability under the Pension Plan.
- **Lump-Sum Payment:** Depending on the present value of your Pension Plan benefit, you may receive the benefit in the form of a single Lump-Sum Payment. See *Methods of Payment* in the Appendix applying to you and *Payment of Small Benefits* in this section for details on availability under the Pension Plan.

- **Normal Retirement Date:** Your Normal Retirement Date under the Pension Plan is the date you are eligible to receive an unreduced pension benefit. See the Appendix applying to you for details.
- **Pension Benefit Guaranty Corporation (“PBGC”):** The PBGC is a federal insurance agency that insures benefits under the Pension Plan.
- **Pension Formula:** The Pension Formula is the formula used to calculate your Pension Plan benefits, generally based on a combination of your earnings and years of service. See the Appendix applying to you for details.
- **Plan Year:** The Plan Year is the calendar year of January 1 - December 31.
- **Preretirement Death Benefit:** If you die after becoming vested in the Pension Plan, your beneficiary (or beneficiaries) can receive a death benefit under the Pension Plan. See the Appendix applying to you for details.
- **Qualified Domestic Relations Order (“QDRO”):** This is a domestic relations order that creates or recognizes the right of your spouse, former spouse, or other alternate payee to receive a portion or all of your benefits under the Pension Plan, for example if you and your spouse divorce.
- **Single Life Annuity:** A Single Life Annuity pays you a benefit each month from your retirement date until your death. When you die, the payments stop, regardless of how many payments you received. The Single Life Annuity does not provide any benefit to a spouse or beneficiary if you die first.
- **UCC-1:** Denotes the employees of Southern Company (Classic) who are covered by a collectively bargained agreement between their Employing Company and an International Brotherhood of Electrical Workers (IBEW) local union, as represented collectively through the Utility Coordinating Council 1.
- **Vesting Service:** This is your service used to determine whether you are entitled to a benefit when you leave work, as well as for certain other purposes. See the Appendix applying to you for details.

II. Cost

The Employing Companies pay all costs of the Pension Plan. You are not required or allowed to make any contributions.

III. Service

A. Hours of Service

Under the Pension Plan, you earn years of service based on the hours you work. Occasionally, you may earn hours of service when you did not actually work (for example, when you take paid vacation days). With a few exceptions, you earn an hour of service for each hour you are paid.

Hours of service include:

- Regular and overtime hours;
- Vacations;
- Holidays;

- Time off under a paid time off program;
- Paid leaves of absence (including sick days); and
- Some unpaid leaves of absence.

You do not earn hours of service for unused vacation hours for which you are paid when you leave an Employing Company. You may not earn hours of service while you are receiving Workers' Compensation benefits.

You begin earning hours of service for eligibility and vesting purposes on your first day at work.

B. Break in Service

If you have a Break in Service, you may lose service that you have already earned. Except as described in the applicable Appendix, you have a Break in Service if you have 500 or fewer hours of service in an anniversary year. You do not actually have to leave an Employing Company to have a Break in Service.

C. When You Might Lose Your Service

You could lose your years of Vesting and Accredited Service if:

- You are not vested; and
- You have five (5) or more consecutive Breaks in Service.

You also may lose your prior Vesting and Accredited Service if you terminated employment and received a Lump-Sum Payment.

You cannot lose your Vesting or Accredited Service if you are vested when you had your Break in Service. To be vested means that you have a right to a benefit that cannot be taken away because you leave an Employing Company. See the Appendix applying to you for details regarding vesting eligibility requirements.

These Break in Service rules went into effect on January 1, 1985. Call the Southern Company Benefits Center at **1-888-435-7563** for more information about the previous Break in Service rules.

IV. Paying Small Benefits

If you leave an Employing Company before you are eligible to retire, and the present value of your vested benefit is \$5,000 or less, you will receive your benefit as a single Lump-Sum Payment in accordance with the Pension Plan's cash-out requirements. After you leave, the Southern Company Benefits Center will value your benefit and tell you whether your benefit will be paid as a lump sum or in the future as monthly installments.

Cash-Out Requirements

If the present value of your vested benefit is \$5,000 or less, you will automatically receive a Lump-Sum Payment in a manner described below.

- Automatic Rollover to an individual retirement account ("IRA")

Any Lump-Sum Payments from the Pension Plan greater than \$1,000 and less than or equal to \$5,000 must be automatically rolled over to an IRA if you do not make your own distribution election. To initiate the

distribution election, you should look to the Automatic Payment Notice and Rollover Election Statement that you will receive after you terminate employment. Follow the instructions in the notice to initiate a distribution.

If you fail to make a timely distribution election, your vested benefit will be automatically rolled over to an IRA maintained by Merrill Lynch, Pierce, Fenner & Smith, Inc. ("Merrill"). Merrill will invest rolled-over proceeds through the Retirement Asset Savings Program. The investment specifications of this program are designed to preserve principal and provide a reasonable rate of return and liquidity. Generally, expenses necessary to maintain such an IRA are approximately \$35 on an annual basis. The expenses associated with this IRA will not exceed expenses charged by Merrill for comparable individual retirement plans established for rollover distributions generally.

After the automatic rollover is made, you will still have the option to transfer such amount to another individual retirement plan or to request a distribution of your IRA account balance.

- **Automatic Distribution**

If your Lump-Sum Payment is valued at \$1,000 or less, the lump sum will not be subject to the automatic rollover rule described above but instead will be paid directly to you unless you make a rollover distribution election prior to the date indicated in the Automatic Payment Notice and Rollover Election Statement.

See the section titled *Taxes on Your Benefit* (under *Other Information*) for more information about direct rollovers and taxes on lump sums.

If you have any questions about the Pension Plan's cash-out requirements, please contact the Southern Company Benefits Center at **1-888-435-7563**.

V. How to Receive Your Benefit

You should start your retirement process no more than 90 days and not less than 30 days before your retirement date. This is to allow time to process paperwork. To start the retirement process, you have the following options:

1. Call the Southern Company Benefits Center at **1-888-435-7563** for more information about the forms you will need and the timing of your benefit; or
2. Use the online retirement tool by visiting the Southern Company Benefits Center website at <http://digital.alight.com/southernco> [digital.alight.com], or by visiting the Southern Today home page and accessing via mySource. You will need your Southern Company Benefits Center user ID and password to use the online retirement tool. If you don't remember your user ID and password or if you need assistance with the online retirement process, call the Southern Company Benefits Center at **1-888-435-7563**.

VI. When Benefits May Be Reduced

Possible reductions to your earned benefit include:

- Early retirement reductions (if you retire from an Employing Company and receive your benefit before your Normal Retirement Date);
- Actuarial early commencement reductions (if you leave an Employing Company before you are eligible to retire and receive your benefit before your Normal Retirement Date);

- Joint and survivor benefit reductions (depending on which joint and survivor annuity option you choose); or
- Preretirement death benefit protection for your beneficiary (based on when and what option you elect; see the section titled *Preretirement Death Benefit Options* under *Methods of Payment* in the Appendix applying to you for details).

VII. When Benefits Are Not Paid

You may not receive your benefit if you:

- Leave an Employing Company before you are vested, unless you return to work before you lose your prior service;
- Lose your years of Vesting and Accredited Service due to a Break in Service (see the section titled *When You Might Lose Your Service*);
- Die before you are vested (eligible to receive a benefit); or
- Cannot be located by the Pension Plan administrator to pay the benefit.

VIII. Other Information

A. Maximum Pension Benefit

Effective January 1, 2022, your annual pension payable as a Single Life Annuity cannot be larger than the lesser of:

- \$245,000, which may be increased by the Internal Revenue Service to reflect increases in the cost of living; or
- 100% of your average compensation for your highest three (3) consecutive years.

The \$245,000 limit is reduced if you have less than 10 years of service.

Any benefit you accrued as of December 31, 1986, which is more than these limits is still payable to you.

B. Qualified Domestic Relations Orders

A state court (or an authorized state agency) may order that your spouse, former spouse, or other alternate payee is entitled to receive a portion or all your benefits under the Pension Plan. For example, this type of order may be issued in the event you and your spouse divorce. Under federal law, however, your alternate payee may receive some of your Pension Plan benefits only if the Plan Administrator receives what is known as a Qualified Domestic Relations Order (“QDRO”). The Plan Administrator has established procedures for notifying parties and for establishing whether an order is a QDRO. The procedures include a sample QDRO that may be of help to you in drafting an order to meet your situation.

A state court (or state agency) cannot require that any of your benefits be paid to your alternate payee at any time or in any form that is not otherwise authorized under the Pension Plan. The Pension Plan provides, however, that payments can be made under a QDRO to your alternate payee beginning at the earliest date you could have

commenced receiving benefits. These payments can be made even if you have not separated from your Employing Company.

If you would like a copy of the Pension Plan's QDRO procedures and the sample QDRO, call the Southern Company Benefits Center at **1-888-435-7563**.

C. Taxes on Your Benefit

You do not pay income tax on your pension benefit until you begin receiving payments. Your payments are taxed as ordinary income. When you start receiving your benefit, you can choose whether to have federal income taxes withheld from your monthly payment. If you do not indicate a choice, the Plan Administrator will withhold taxes based on Internal Revenue Service regulations.

If you receive a Lump-Sum Payment from the Pension Plan, the lump sum will be subject to 20% federal income tax withholding. You can avoid this withholding and defer taxes by calling the Southern Company Benefits Center at **1-888-435-7563** and instructing them to roll this payment over into an IRA or another qualified retirement plan.

D. Retiree Medical Benefits

Retiree medical benefits may be paid from the Pension Plan. Contributions made to the Pension Plan to fund retiree medical benefits for participants other than key employees (as defined in Section 416(i) of the Internal Revenue Code of 1986, as amended) are held in a separate account and can be used only to provide retiree medical benefits. These assets are combined with Pension Plan assets for investment purposes only. If assets are left over once all retiree medical benefit expenses are paid, excess assets will be returned to the appropriate Employing Company.

You will receive more information about retiree medical benefits when you retire.

E. Pension Benefit Guaranty Corporation

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

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

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

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money the Pension Plan has and depending on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, contact the Plan Administrator; or, contact the PBGC's Customer Contact Center, P.O. Box 151750, Alexandria, VA 22315-1750; or, call **1-800-400-7242** (toll-free number) or **1-202-326-4000** (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at **1-800-877-8339** and ask to be connected to **1-800-400-7242**. Additional information about the PBGC's pension insurance program is available through the PBGC's website at <http://www.pbgc.gov/>.

IX. Your Rights Under ERISA

As a participant in the Pension Plan, you have certain rights and protections under the Employee Retirement Income Security Act of 1974 ("ERISA"). ERISA provides that, as a Pension Plan participant, you will be entitled to:

- Examine all Pension Plan documents, including insurance contracts and Collective Bargaining Agreements, and copies of all documents filed by the Pension Plan with the U.S. Department of Labor, such as annual reports and Pension Plan descriptions. All such documents may be examined in Human Resources without charge.
- Obtain copies of all Pension Plan documents and other Pension Plan information by writing to the Plan Administrator. You may be asked to pay a reasonable amount for the copies.
- Receive a summary of the Pension Plan's annual funding notice. The Plan Administrator is required by law to provide you with a copy of this summary annual report each year.
- Obtain a statement* once a year that shows:
 - Whether you have a right to receive a pension at your normal retirement age under the Pension Plan;
 - If you have a right to a pension, what your benefit would be at normal retirement age if you were to stop working now; and
 - If you do not have a right to a pension, how many more years you must work to earn one.

**The Pension Plan may require a written request for this statement, but it must be provided free of charge.*

In addition to creating rights for Pension Plan participants, ERISA imposes duties upon those who are responsible for the operation of your employee benefit plans. The people who operate your plans, called "fiduciaries," have a duty to do so prudently and solely in the interest of you and other plan participants and beneficiaries. Fiduciaries who violate the provisions of ERISA may be removed and required to make good any losses they have caused the Pension Plan by their breach of their fiduciary duties.

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

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

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Pension Plan and do not receive them within 30 days, you may seek assistance from the U.S. Department of Labor or file suit in federal court. In such case, the court may require the Pension 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 control of the Plan Administrator.

The Pension Plan terms require that all claims concerning the Pension Plan be exhausted under the claims and review procedure. Provided you have fully exhausted the Pension Plan's claims and review procedures, you may file suit in a federal or state court if you have a claim that is denied or ignored in whole or in part. In addition, if you disagree with the Pension Plan's decision on a final appeal or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If a Pension Plan fiduciary misuses Pension Plan money or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or, after exhaustion of the Pension Plan's claims and review procedures, file suit in federal court.

Once you complete the appeals process, if you wish to file suit, the Pension Plan requires that you do so within six (6) months after the decision on your appeal is issued. If you do not file suit within this time, you will not be able to file suit.

In the event of legal action, 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 the court finds your claim is frivolous).

If you have questions about your Pension Plan, you should contact the Plan Administrator. If you have questions about this statement or about your rights under ERISA, or if you need assistance obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Public Disclosure Room, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Suite N-1513, Washington, D.C. 20210. You also may obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration at **1-866-444-3272**.

X. Claims and Review Procedures

All claims concerning the Pension Plan must be submitted in writing to the Plan Administrator. Contact the Southern Company Benefits Center (1-888-435-7563) to request a claim form. No legal action to recover benefits, to enforce or clarify rights under the Pension Plan, alleging breach of fiduciary duty, or alleging a statutory violation of ERISA may be commenced until you have first exhausted the claims and review procedures provided under the Pension Plan, except to the extent exhaustion of such procedures is not required under applicable law.

If your claim for benefits under the Pension Plan is denied, in whole or in part, the Plan Administrator (or its delegate) must give you or your beneficiary, if applicable, written notice of the denial within a reasonable period, but not later than 90 days after the claim is received. If special circumstances require more time to process your claim, you will receive a written explanation of the special circumstances prior to the end of the initial 90-day period and a decision will be made as soon as possible, but not later than 180 days after your claim is received.

The written notice of your claim denial must include:

- Specific reasons why the claim was denied;
- Specific references to applicable provisions of the Pension Plan document or other relevant records or papers on which the denial is based, and information about where you may see them;

- A description of any additional material or information needed to process the claim, and an explanation of why such material or information is necessary; and
- An explanation of the claims review procedure, including the time limits applicable to such procedure, as well as a statement notifying you of your right to file suit in federal or state court if your claim for benefits is denied, in whole or in part, on review.

Upon request, you and/or your beneficiary will be provided without charge, reasonable access to, and copies of, all non-confidential documents that are relevant to any denial of benefits. If you disagree with the Plan Administrator's decision, you have 60 days from the day you receive the original denial to request a review. Your request must be made in writing and sent to the Plan Administrator. The request should state the reasons why you want the claim reviewed and may include evidence or documentation to support your or your beneficiary's position.

The Plan Administrator will reconsider your claim, considering all evidence, documentation, and other information related to your claim and submitted on your behalf, regardless of whether such information was submitted or considered in the initial denial of your claim. The Plan Administrator will decide within 60 days. If special circumstances require more time for this process, you will receive a written explanation of the special circumstances prior to the end of the initial 60-day period and a decision will be sent as soon as possible, but not later than 120 days after the Plan Administrator receives your request.

To the fullest extent permitted by law, no action at law or equity to recover under the Pension Plan may be commenced later than six months from the date of the decision of the Plan Administrator on appeal (or if no decision is furnished, six months from the final date of the period during which the Plan Administrator is required to provide notification of its determination under regulations issued by the Secretary of Labor).

XI. Plan Administrator Discretion

The Plan Administrator (or its delegate) has the exclusive discretionary authority to:

- Interpret the Pension Plan;
- Decide all questions of eligibility for benefits; and
- Determine the amount of these benefits.

The Plan Administrator's decisions are final.

XII. Plan Termination and Amendment

The Pension Plan may be terminated or amended at any time and for any reason. The group responsible for such termination or amendment is Southern Company Services, Inc., through its Board of Directors, or Committee or Officer to which it has delegated authority.

XIII. Plan Information

Plan Name	The Southern Company Pension Plan
Plan Type	Non-contributory defined benefit pension plan
Plan Number	001
Plan Year	Calendar year (January 1 – December 31)
Plan Administrator	Retirement Board for The Southern Company Pension Plan Southern Company Services, Inc. 30 Ivan Allen Jr. Blvd. N.W., BIN SC1002 Atlanta, GA 30308 1-888-678-6787
Plan Sponsor	Southern Company Services, Inc. 30 Ivan Allen Jr. Blvd. N.W., BIN SC1002 Atlanta, GA 30308 1-888-678-6787
Employer Identification Number of Plan Sponsor	63-0274273
Agent for Service of Legal Process	Secretary Southern Company Services, Inc. 30 Ivan Allen Jr. Blvd. N.W. Atlanta, GA 30308 Service of legal process also may be made on the Chairman, Plan Administrator for The Southern Company Pension Plan, at the same address, or the Pension Plan's Trustee.
Type of Administration	The Plan Administrator is responsible for all aspects of the administration of the Pension Plan except management of the assets of the Pension Plan, which is the responsibility of the Trustee and any investment managers appointed by the Company's Pension Fund Investment Review Committee.
Plan Funding	Pensions are paid from the pension fund. All contributions to the pension fund are made by the Employing Companies. The contributions (and any earnings or losses thereon) are held by the Trustee under a trust agreement with the Plan Sponsor. Each year, the Employing Companies' contributions are determined based on computations made by actuaries who determine how much is needed to keep the Pension Plan actuarially sound. From time to time, certain reasonable Pension Plan administration expenses approved in accordance with Pension Plan requirements may be paid from Pension Plan assets.
Trustee	JP Morgan Chase Bank 4 Metrotech Center, 6th Floor New York, NY 11245-0001

Appendix A. Rules for Southern Company (Classic) Employees First Hired on or Before December 31, 2015¹

I. Eligibility

You are eligible to participate under Appendix A if you were employed by any Employing Company (excluding Southern Company Gas and its affiliated companies) and first hired on or before December 31, 2015¹. Under Appendix A, you are eligible to participate if you have one year of Eligibility Service* and you are a:

- Regular full-time employee;
- Regular part-time employee;
- Cooperative education employee; or
- Temporary employee (employed on or after 1/1/2021)*

** See the section titled Service for more information on Eligibility Service.*

You become a participant in the Pension Plan on the first of the month coinciding with or next following the completion of your one year of Eligibility Service, provided you worked at least 1,000 hours during that year.

You are not eligible to participate in the Pension Plan if you are a member of a collective bargaining unit, unless your collective bargaining agent and your Employing Company have mutually agreed to allow your participation.

You are not eligible to participate if you are classified (even if the classification is in error) as a:

- Leased worker**; or
- Independent contractor.

** Temporary employees must meet the eligibility requirements on or before December 21, 2015 to be eligible for this formula. If you are a temporary employee who was participating in the Pension Plan prior to July 1, 1991 (or July 1, 1990, for employees of Georgia Power Company), you remained eligible to participate in the Pension Plan until August 31, 1998. If you were a temporary Savannah Electric and Power Company ("Savannah Electric") employee who was participating in the Savannah Electric Plan as a temporary employee prior to October 13, 1994, you remained eligible to participate in the Pension Plan until August 31, 1998. If you move from a temporary employee status to an eligible regular employee status, the Pension Plan must consider the entire period of temporary employment for purposes of Eligibility Service and Vesting Service.*

*** Generally, if a "leased employee" (as defined in Section 414(n) of the Internal Revenue Code) provides services to an Employing Company and subsequently moves from leased worker status to an eligible employee status, the Pension Plan must consider the entire period during which the individual performed services as a leased worker for purposes of Eligibility Service and Vesting Service.*

¹ If you were first employed at Southern Company (Classic) prior to December 31, 2015, and received a lump-sum distribution, either Appendix B (covered under UCC-1) or Appendix F (non-union) will apply for all future service earned if you are rehired after January 1, 2018. If you were rehired between January 1, 2016, and December 31, 2017, Appendix B will apply for all future service earned.

II. Service

The Pension Plan measures three different types of service*:

1. Eligibility Service;
2. Vesting Service; and
3. Accredited Service.

** If you participated in a merged plan, your service prior to January 1, 1997 (prior to January 1, 1998, for the Savannah Electric Plan) will be credited as provided in that plan. Also see the Article I titled Special Rules for Certain Employees of Savannah Electric for information about service under Appendix C Savannah Electric Plan.*

The following are “merged plans”:

- *Pension Plan for Employees of Alabama Power Company*
- *Pension Plan for Employees of Georgia Power Company*
- *Pension Plan for Employees of Mississippi Power Company*
- *Pension Plan for Employees of Southern Company Services, Inc., as adopted by Southern Communications Services, Inc.*
- *Pension Plan for Employees of Southern Company Services, Inc., as adopted by Southern Development and Investment Group, Inc.*
- *Pension Plan for Employees of Southern Company Services, Inc., as adopted by Southern Electric International, Inc.*
- *Pension Plan for Employees of Southern Nuclear Operating Company, Inc.*

A. Eligibility Service

Your Eligibility Service determines when you become a participant in the Pension Plan.

You earn a year of Eligibility Service upon completion of an “anniversary year” in which you have earned 1,000 hours of service. Your first anniversary year begins on your hire date. Each anniversary year after that begins on the anniversary of your date of hire. If you do not earn 1,000 hours in an anniversary year, you do not receive a year of Eligibility Service.

B. Vesting Service

When you have five (5) years of Vesting Service you are “vested.” This means that you have a right to receive a future benefit under the terms of the Pension Plan. Until you are vested, you may lose your benefit if you leave an Employing Company.

You earn a year of Vesting Service for each anniversary year in which you have 1,000 hours of service.

For example: Sally was hired as a regular full-time employee on September 20, 2009. Here is how her Vesting Service would be determined.

Anniversary Year	Hours Worked	Vesting Service Earned	Total Vesting Service
9/20/2009 – 9/19/2010	2,080	1.0000	1.0000
9/20/2010 – 9/19/2011	2,080	1.0000	2.0000
9/20/2011 – 9/19/2012	999	0.0000	2.0000
9/20/2012 – 9/19/2013	2,080	1.0000	3.0000
9/20/2013 – 9/19/2014	2,080	1.0000	4.0000
9/20/2014 – 9/19/2015	2,080	1.0000	5.0000

Sally became a plan participant on October 1, 2010, because she met the plan eligibility requirements.

C. Accredited Service

Accredited Service is used in the formula that determines your Pension Plan benefit. You begin accruing Accredited Service after you complete one year of Eligibility Service and begin participating in the Pension Plan. There is no limit to the number of years of Accredited Service that you may earn. Accredited Service includes full or partial Plan Years. See the section titled *Calculating Your Benefit* in this Appendix for information about the Pension Formulas.



Before January 1, 1976, the rules for earning Accredited Service were different. For details, contact the Southern Company Benefits Center at 1-888-435-7563.

You Receive Accredited Service	If You Earn		
	Fewer than 1,000 hours	1,000 – 1,679 hours	1,680 hours or more
Before participation	None	None	None
During your first Plan Year of participation (if it is not a full year)	140 hours = 1 month of service	140 hours = 1 month of service	1 year
For each full Plan Year of participation	No service	140 hours = 1 month of service	1 year
For the Plan Year you leave an Employing Company (if it is not a full year)	140 hours = 1 month of service	140 hours = 1 month of service	1 year

For example: An employee was hired on October 1, 2009 and became a participant on October 1, 2010. Here is how Accredited Service would be determined.

Calendar Year	Hours Worked	Accredited Service Earned	Total Accredited Service
2010	520 (from 10/1)	0.2500	0.2500
2011	1,480	0.8333	1.0833
2012	1,681	1.0000	2.0833
2013	2,080	1.0000	3.0833
2014	2,080	1.0000	4.0833
2015	2,080	1.0000	5.0833

D. Credit for Leaves of Absence or Layoffs

You may receive credit for service even if you are not actively at work:

Reason for Absence	You Receive		
	Eligibility Service	Vesting Service	Accredited Service
Leave with pay. (Includes paid family and medical leave.)	✓	✓	✓
Leave without pay. (Does not include military leave.)	None	✓	None
Military leave. (You must return to work within 90 days of discharge.*)	✓	✓	✓
Disability after you are vested. (You must begin receiving Social Security disability benefits or Company-sponsored long-term disability benefits while you are employed.)	N/A	N/A	✓
Layoff due to lack of work.	None	None	None
Unpaid family and medical leave.	None	✓	None
Maternity or paternity leave that does not qualify as a family and medical leave. (You receive only enough service credit to keep you from having a Break in Service.)	None	✓	None

* Refer to your Employing Company's military leave policy for procedures related to military leave.

III. When You Can Retire Under the Pension Plan

Your **Early Retirement Date** is the first day of the month following retirement on or after your 50th birthday (and before your Normal Retirement Date) with 10 years of Accredited Service.

Your **Normal Retirement Date** is the first of the month after the later of (i) your 65th birthday or (ii) your completion of five (5) years of Vesting Service or five (5) years of plan participation, whichever occurs first.

Your **Deferred Retirement Date** is the first day of the month following retirement after your Normal Retirement Date.

IV. When You May Receive Your Benefit

You may begin receiving your full Pension Plan benefit when you retire at or after your Normal Retirement Date. If you choose to receive your benefit earlier, it will be reduced. This is because you may receive it for a longer time.

A. If You Work Past Your Normal Retirement Date

If you continue to work past your Normal Retirement Date, you will not receive a Pension Plan payment for any month you earn at least 40 hours of service. However, you may continue to accrue more service and earn more benefits under the Pension Plan. You must begin receiving your benefit by April 1 of the year following the year you turn 70½ or, if later, the year you retire.

B. If You Retire From an Employing Company

If you retire directly from an Employing Company before your Normal Retirement Date, the accrued benefit you could have received at your Normal Retirement Date is reduced. Generally, the reduction is 0.3% for each month you start your benefit prior to age 65 but after attaining age 50.

When you leave an Employing Company, you may be eligible to delay the start of your benefit. If you do, your early retirement reduction is based on when your benefit begins, not your last day worked.

C. If You Leave an Employing Company Before Becoming Retirement Eligible

If you leave an Employing Company before you are eligible for normal or early retirement, you may still receive a benefit from the Pension Plan. If you have at least five (5) years of Vesting Service, you are entitled to a benefit at your Normal Retirement Date.

If you have at least ten (10) years of Accredited Service, you may begin your benefit any time after age 50. However, because you did not retire directly from active service with an Employing Company, your benefit is “actuarially reduced.” This means your benefit is reduced so that statistically you should not receive any extra benefit because you started your benefit earlier. These reductions are larger than the reductions for early retirees described above.

Standard Pension Formula* Early Retirement Pension Benefit Percentage		
	If You Retire From an Employing Company	If You Leave Before Becoming Retirement Eligible
Age When You Start Your Benefit	Early Retirement Benefit Percent	Early Retirement Benefit Percent
65	100.0%	100.0%
64	96.4%	91.9%
63	92.8%	84.6%
62	89.2%	77.9%
61	85.6%	71.9%
60	82.0%	66.4%
59	78.4%	61.5%
58	74.8%	56.9%
57	71.2%	52.8%
56	67.6%	48.9%
55	64.0%	45.5%
54	60.4%	42.2%
53	56.8%	39.3%
52	53.2%	36.6%
51	49.6%	34.1%
50	46.0%	31.8%

* Chart applies to an employee whose Normal Retirement Date is age 65.

D. If You Return to Work After Retirement

If you begin receiving your Pension Plan benefit and then return to work at any Employing Company under the Pension Plan, your benefit may be stopped. Unless you waive participation in the Pension Plan, you will not receive a payment for any month you earn at least 40 hours of service.*

If your payments are suspended, you will not be paid back for the missed Pension Plan payments during your period of reemployment. You may accrue more service and earn more benefit if you are working for an Employing Company. If you accrue more benefit, your future benefit will be adjusted based on your new retirement age and the value of any previously received pension payments.

*To obtain a Pension Plan waiver form, contact the Southern Company Benefits Center at 1-888-435-7563.

E. Pension Formulas

There are four Pension Formulas used to calculate pension benefits.* The benefit you receive is the greatest of the four. The formulas are as follows:

Formula 1	Formula 2
Your Pension Plan benefit = Your accrued benefit on December 31, 1996 + \$25 x years of Accredited Service earned after December 31, 1996	Your Pension Plan benefit = \$25 x years of Accredited Service
Formula 3	Formula 4
Your Pension Plan benefit = 1.7% x your Final Average Pay x Your years of Accredited Service minus a portion of your estimated Social Security benefit	Your Pension Plan benefit = 1.25% x your Final Average Pay (including annual incentive pay) x Your years of Accredited Service

** During the period from January 1, 1997, through December 31, 2001, generally new hires and employees who had not attained age 35 (by January 1, 1997) participated in a different pension benefit formula, sometimes referred to as the "New Pension Formula." This pension benefit was intended to complement a benefit provided under the Performance Sharing Plan. Effective January 1, 2002, the New Pension Formula was eliminated, and the Performance Sharing Plan was terminated with account balances transferred to the Southern Company Employee Savings Plan. If you were actively employed by a Southern Company (Classic) Employing Company on or after January 1, 2002, your accrued benefit will be determined under one of the above four Pension Formulas. If you were not actively employed by a Southern Company (Classic) Employing Company on or after January 1, 2002, your accrued benefit is determined under one of the four formulas above or the New Pension Formula, whichever was applicable to you when you terminated employment. However, if the New Pension Formula applied to you, your benefit under the Pension Plan will never be less than it was on the date the New Pension Formula was eliminated. If you need additional information about the New Pension Formula, please contact the Southern Company Benefits Center at 1-888-435-7563.*

F. Eligible Pay

The Eligible Pay used in determining Final Average Pay includes the following:

- Your monthly salary, hourly wages, and certain commissions (before taxes, see *Final Average Pay for Certain Commissioned Employees* below);
- Monthly shift and seven-day differentials and nuclear plant premiums for Georgia Power and Southern Nuclear Operating Company, Inc.;
- Before-tax contributions you make to the Employee Savings Plan (including catch-up contributions for those over age 50 permitted under section 414(v) of the Internal Revenue Code) and Flexible Benefits Plan; and
- All contributions you make to the Deferred Compensation Plan.

Incentive pay awards and overtime pay generally are not included. However, for purposes of Formula 4, earnings include any cash payment made from the Performance Pay Program (PPP). These cash incentive payments are counted as pension earnings for the year in which they are paid. When paid in a Plan Year after the Plan Year in which you terminated employment, the incentive payment normally is your only pension earnings for that year and, therefore, is unlikely to produce one of your three highest earnings rate years.

As of January 1, 2022, only annual earnings up to \$305,000 can be used for 2022, \$290,000 for 2021, and \$285,000 for 2020 when calculating Pension Plan benefits. These annual earnings limits may be increased by the Internal Revenue Service to reflect increases in the cost of living.

G. Final Average Pay

Your Final Average Pay is the average of your three (3) highest annual earnings rates within the last ten (10) calendar years upon termination of employment.

This is how to calculate your Final Average Pay for Formula 3:

1. Look at your monthly earnings rates for the last 10 calendar years.
2. Take the highest rate* in effect each year. (You cannot have more than one rate per year.)
3. Pick out the three (3) years with the highest rates.
4. Add the three (3) rates together, and then divide by three (3).

This will give you your Final Average Pay per month for Formula 3.

This is how to calculate your Final Average Pay for Formula 4:

1. Look at your monthly earnings rates for the last 10 calendar years.
2. Take the highest rate* in effect each year. (You cannot have more than one rate per year.) Add 1/12th of any cash payment from an annual group incentive plan paid during the applicable year to determine the “combined pay.”
3. Pick out the three (3) years with the highest combined-pay amounts.
4. Add the three (3) combined-pay amounts together, and then divide by three (3).

This will give you your Final Average Pay per month for Formula 4.

** If you are a regular part-time employee, your highest rate will be based on a 40-hour work week.*

H. Final Average Pay for Certain Commissioned Employees

If you are a commissioned salesperson, your Final Average Pay is calculated differently.* A “monthly earnings rate” must be constructed:

1. Look at your monthly base pay rates (if any) for the last 10 calendar years.
2. For each year, take the higher of (a) the highest base rate in effect during any portion of the year you were a commissioned salesperson plus 1/12th of your commissions** for such year and (b) the highest base rate in effect while not a commissioned salesperson. Formula 4 also would include 1/12th of any cash payment from an annual group incentive plan paid during the applicable year.
3. Pick out the three (3) years with the highest rates from Step 2.
4. Add these three (3) highest rates together, and then divide by three (3).

This will give you your Final Average Pay per month.

** For details, contact the Southern Company Benefits Center at 1-888-435-7563.*

*** Effective July 1, 1998, earnings shall include, for appliance salespersons only, certain nonproductive pay earnings types as designated from time to time by the Board of Directors.*

I. A Pension Benefit Example

This example is for illustrative purposes only to demonstrate how a benefit could be calculated under the Pension Plan. Thus, it is not intended to describe eligibility for a benefit. Your eligibility for a benefit will be determined under the terms of the Pension Plan.

John Doe's Normal Retirement Date was December 1, 2013.

The following information was used to calculate his benefit:

Accrued Benefit as of December 31, 1996	\$250.00
Date of Hire	January 1, 1983*
Date of Participation	January 1, 1984
Years of Accredited Service	
Earned as of December 31, 1996	13.0
Earned after December 31, 1996	17.0
Earned as of retirement	30.0
Could have earned by age 65	30.0
Final Average Pay	
Formula 3	\$6,750.00 per month
Formula 4 (with annual group incentive pay)	\$7,424.00 per month
Estimated Social Security benefit	\$1,700.00 per month

** If date of hire were January 2, 1983, date of participation would be February 1, 1984.*

Pension Formulas

Formula 1	Formula 2
<p>Accrued benefit on December 31, 1996</p> <p>+</p> <p>\$25 x years of Accredited Service earned after December 31, 1996</p> <p>$\\$250.00 + (\\$25 \times 17.0) = \\$675.00$</p>	<p>\$25 x years of Accredited Service</p> <p>$\\$25 \times 30 = \\750.00</p>
Formula 3	Formula 4
<p>Step 1: 1.7% x monthly Final Average Pay $\\$6,750.00 \times 1.7\% = \\114.75</p> <p>Step 2: Multiply result from Step 1 by years of Accredited Service $\\$114.75 \times 30 \text{ years} = \\$3,442.50$</p> <p>Step 3: Subtract \$350 from the estimated Social Security benefit and take half of the result. $(\\$1,700.00 - \\$350.00) \div 2 = \\$675.00$</p> <p>Step 4: Multiply result from Step 3 by: (years of Accredited Service) \div (years of Accredited Service Mr. Doe could have had if he worked until his normal retirement age of 65). $\\$675.00 \times (30 \text{ years} \div 30 \text{ years}) = \\675.00</p> <p><i>* The years of Accredited Service at actual retirement date plus the years of Accredited Service that could have been earned from the date of termination until Normal Retirement Date. Subtract the amount in Step 4 from the amount in Step 2.</i></p> <p>$\\$3,442.50 - \\$675.00 = \\$2,767.50$</p>	<p>Step 1: 1.25% x monthly Final Average Pay (including annual group incentive pay) $\\$7,424.00 \times 1.25\% = \\92.80</p> <p>Step 2: Multiply result from Step 1 by years of Accredited Service $\\$92.80 \times 30 \text{ years} = \\$2,784.00$</p>

Mr. Doe will receive the benefit calculated under Formula 4 because it is the largest of the four possible benefits:

- Formula 1: \$675.00
- Formula 2: \$750.00
- Formula 3: \$2,767.50
- **Formula 4: \$2,784.00**

J. Temporary Social Security Supplemental Benefit

This temporary benefit is intended to meet the requirements of Treasury Regulation §1.411(a)-7(c)(4)(ii).

- Former employees receiving pension benefits for April 2005 who will not have had their 62nd birthday before August 1, 2005, will begin receiving a temporary supplement of an additional \$250 per month.
- This additional amount will be paid from August 2005 through the first of the month following the former employee's 62nd birthday.
- These former employees' survivors who are entitled to ongoing pension benefits will receive the extra benefit amount through the first of the month following the deceased former employee's 62nd birthday. (Survivors already receiving pension benefits as of April 2005 also will be eligible for the extra benefit amount.)

The Temporary Social Security Supplemental Benefit is a fixed-dollar amount (i.e., \$250 per month), which is limited to certain retirees who have commenced benefits as of April 2005 and will not have had their 62nd birthday before August 1, 2005. This enhancement is payable only until attainment of age 62 rather than for life.

V. Beneficiary Designation

If you are married, your spouse will typically be the beneficiary of any preretirement and retirement benefits. Effective January 1, 2017, you also can name someone other than your spouse to be your beneficiary for either or both preretirement and retirement benefits, whether you are married or single.

Participants who terminated prior to January 1, 2017, have different beneficiary rules that apply.

A. Preretirement Death Benefit Beneficiary

If you are married, your spouse will automatically be the beneficiary of any preretirement death benefits, unless he or she agrees to another beneficiary choice by signing a spousal waiver form and having it witnessed by a notary public.

If you are single, or if you are married and your spouse agrees in writing, you may name a non-spouse beneficiary or beneficiaries for your preretirement death benefits. If you have more than one non-spouse beneficiary, the benefit will be split evenly among the beneficiaries. Non-spouse beneficiaries could include one or more of the following:

- An adult;
- A minor child;
- An estate; and/or
- A trust.

Beneficiary designations for preretirement death benefits expire on the earliest of the following dates:

- January 1 of the year in which you turn age 35;
- Termination date if prior to age 35;
- Your retirement;

- Upon rehire;
- Your designation of a new preretirement death benefit beneficiary;
- Your Normal Retirement Date (or, if applicable, Deferred Retirement Date); or
- Your death.

Your preretirement death benefit beneficiary designation also expires if you elect a non-spouse beneficiary and you marry after you make the election. You must make a new election if:

- You turn age 35 after making your initial election;
- You are married and your spouse beneficiary dies;
- You get a divorce and your beneficiary was your former spouse; or
- Your non-spouse beneficiary dies. (If you are married in this instance, your spouse becomes the default preretirement death benefit beneficiary.)

If you have multiple non-spouse beneficiaries and one of them dies, the remaining non-spouse beneficiary (or beneficiaries) will remain valid and a new election is not required.

If you do not designate a beneficiary or beneficiaries for your preretirement death benefits, the benefits will be paid to the first of the following:

- Your spouse on the date of your death;
- Your legally recognized children (equally);
- Your parents (equally);
- Your brothers and sisters (equally); and then to
- Your estate.

You may change your beneficiary designation as often as you like, until you begin receiving pension payments.

B. Beneficiary at Retirement

At retirement, you can designate only one individual person as the beneficiary of your pension payment. Your non-spouse beneficiary must be at least age 21 when you commence benefits and may not be an estate or trust.

If you are married when you retire, you must have your spouse's signed and notarized consent to name a non-spouse beneficiary.

Once payments begin, no changes can be made to your form of benefit payment or to your beneficiary designation.

VI. Methods of Payment

The method of payment for your benefit depends on whether you are single or married and whether you elect to provide survivor benefits to a surviving spouse. Effective January 1, 2017, you also may elect a non-spouse beneficiary.

A. Payment Options

Options With No Survivor Benefits

- **Single Life Annuity:** This option pays you a benefit each month from your retirement date until your death. When you die, your payments stop, regardless of how many payments you received. A Single Life Annuity does not provide any benefit to a spouse or beneficiary when you die.
- **Level Income Option:** This option pays you a larger monthly benefit from retirement to age 65, then a smaller benefit or no benefit after you attain age 65. Your monthly income before and after you begin receiving Social Security is therefore about the same. There is no survivor benefit under this option, and it is only available if you were hired on or before December 31, 2015.

Note: This option assumes you will start receiving Social Security benefits at age 65 regardless of your Social Security full retirement age (i.e., the Plan determines the reduced Social Security benefit at age 65).

Under the Level Income Option, your pension benefit is determined using your actual salary history with any Employing Company. If your actual salary history is not available, your salary history will be estimated. You have the right to supply your actual salary history, which may be obtained by contacting the Social Security Administration, within 180 days following the later of the date your employment with an Employing Company ends or the date you are notified of the amount of your pension benefit. (For more information, contact the Southern Company Benefits Center at **1-888-435-7563**.)

- **Lump-Sum Payment:** If you terminate employment or retire on or after January 1, 2017, and the present value of your retirement benefit is \$100,000 or less, you may choose to receive those benefits as a single lump sum. The Southern Company Benefits Center will value your benefit at the time you terminate employment or retire and tell you if it falls within the \$100,000 limit. No additional payments will be made from the Pension Plan. You are not eligible for a Lump-Sum Payment if you have a pending or resolved Qualified Domestic Relations Order ("QDRO") for the Pension Plan benefit or if you are past the required date for starting your Pension Plan benefit (generally April 1 of the year following the year you turn 70½ or, if later, the year you retire).

Options With Survivor Benefits

- **50% Joint and Survivor Annuity:** You receive an actuarially reduced monthly benefit for your lifetime. After you die, your beneficiary will receive half of what you were receiving for the rest of his or her life. The initial reduction considers that part of your benefit may be paid after your death.
- **75% Joint and Survivor Annuity:** You receive an actuarially reduced monthly benefit for your lifetime. After you die, your beneficiary will receive 75% of what you were receiving for the rest of his or her life. The initial reduction considers that part of your benefit may be paid after your death.
- **100% Joint and Survivor Annuity:** You receive an actuarially reduced monthly benefit for your lifetime. After you die, your beneficiary continues to receive the same benefit for the rest of his or her life. The initial reduction considers that part of your benefit may be paid after your death.
- **50% Pop-Up Option (Joint and Survivor Annuity with restoration):** This option pays an actuarially reduced monthly benefit to you until you die, then your beneficiary receives half of your monthly benefit for the rest of his or her life. If your beneficiary dies first, your monthly pension automatically increases to what you would have received as a Single Life Annuity. The initial reduction considers that part of your benefit may be paid after your death.
- **75% Pop-Up Option (Joint and Survivor Annuity with restoration):** This option pays an actuarially reduced monthly benefit to you until you die, then your beneficiary receives 75% of your monthly benefit for the rest of his or her life. If your beneficiary dies first, your monthly pension automatically increases to what you would have received as a Single Life Annuity. The initial reduction considers that part of your benefit may be paid after your death.
- **100% Pop-Up Option (Joint and Survivor Annuity with restoration):** This option pays an actuarially reduced monthly benefit to you until you die, then your beneficiary continues to receive the same benefit for the rest of his or her life. If your beneficiary dies first, your monthly pension automatically increases to what you would have received as a Single Life Annuity. The initial reduction considers that part of your benefit may be paid after your death.

B. If You Are Single When You Begin Receiving Your Benefit

If you are single when you begin receiving your benefit, you may choose to receive your benefit as a:

- Single Life Annuity;
- Level Income Option, if you begin receiving your benefit before age 65 and were hired on or before December 31, 2015;
- Lump-Sum Payment, if the present value of your benefit is \$100,000 or less; or
- Joint and Survivor Annuity with a non-spouse beneficiary (effective January 1, 2017; available joint and survivor benefit options are the same as for married participants, as described below, with some restrictions).

C. If You Are Married and Leave an Employing Company After Becoming Retirement Eligible

If you are married when you start receiving your benefit, your benefit will be paid as a Joint and Survivor Annuity with your spouse as beneficiary, unless your spouse waives the spousal benefits and agrees in writing to your election of another form of payment or a different non-spouse beneficiary (see *Waiving Spousal Benefits* below).

If you choose an option with a survivor benefit, only the designated spouse or non-spouse beneficiary at the time you received your first check can receive the survivor benefit. The Pension Plan offers three Joint and Survivor Annuity options:

- 50% Joint and Survivor Annuity;
- 75% Joint and Survivor Annuity*; and
- 100% Joint and Survivor Annuity.

** For employees who commence receipt of pension benefits after December 31, 2007.*

If your spouse agrees, you also may choose from six other options. The first three options are like the Joint and Survivor Annuity in that your beneficiary receives a survivor annuity if you die first. But these three options also provide you an increased monthly benefit equivalent to what you would have received as a Single Life Annuity if your beneficiary, rather than you, dies first. (These are referred to as joint and survivor annuities with a restoration or “pop-up” feature.) The three options are as follows:

- 50% Pop-Up Option*;
- 75% Pop-Up Option**; and
- 100% Pop-Up Option*.

** For employees who have an hour of service after December 31, 1995.*

*** For employees who commence receipt of pension benefits after December 31, 2007.*

Finally, if your spouse waives the survivor benefits (i.e., with your spouse’s signed and notarized consent) you also may choose a:

- Single Life Annuity;
- Level Income Option (if you begin receiving your benefit before age 65); or
- Lump-Sum Payment (if the present value of your benefit is \$100,000 or less and you terminate employment or retire from an Employing Company on or after January 1, 2017).

All the various Joint and Survivor Annuity payment options are available to a spouse beneficiary. However, some may not be available to a non-spouse beneficiary, depending on the beneficiary’s age relative to your age.

Waiving Spousal Benefits

To waive spousal benefits, your spouse must sign a form that states:

- Which option you are choosing instead of a qualified Joint and Survivor Annuity; and/or
- That you are selecting a beneficiary other than your spouse; and
- That he or she agrees to your election.

Your spouse's signature must be witnessed by a notary public to be valid. A notary public is authorized by a public authority to witness signatures on legal documents and administer oaths. A notary public signs the document and then validates the signature with a seal.

D. If You Leave an Employing Company Before You Are Eligible to Retire

If you leave an Employing Company before becoming retirement-eligible, your payment options will, in most cases, be the same as described above for single and married participants, depending on your marital status when you are eligible for and elect to begin receiving benefits. Keep in mind that the general rule is that you may not begin your benefit until (i) age 50 or later, if you have 10 years of Accredited Service; or (ii) your Normal Retirement Date, if you do not have 10 years of Accredited Service. Also, the Level Income Option is not available if you leave before you are eligible for early retirement.

You will be offered a one-time opportunity to receive payment before reaching retirement age if you meet the following requirements:

- You terminate employment on or after January 1, 2017,
- Your total benefit is valued under \$100,000,
- No QDRO applies to your benefit, and
- You are not age 70½.

The one-time opportunity will be available to you six (6) months after you terminate employment. If you choose this option, your benefit will be actuarially reduced for early commencement.

E. Preretirement Death Benefit Options

Normally, you choose your form of payment when you retire. However, the Pension Plan also provides protection for your beneficiary(ies) in case you die before you retire.

Active Employees

- If you die after becoming vested in your Pension Plan benefit, your preretirement beneficiary will receive a benefit.
- If you are married, your spouse will receive the **50% Joint and Survivor Annuity**. Your spouse's benefit will begin on the first of the month after the date you would have turned age 50, or at your spouse's option, any later month occurring prior to what would have been your Normal Retirement Date. If the present value of your benefit is \$100,000 or less, your spouse may elect to receive the benefit in the form of a lump sum. You may not waive your preretirement death benefit protection if you are an active employee.
- If you are single, or if you have your spouse's consent in writing, you may name a non-spouse beneficiary (or beneficiaries) for your preretirement death benefits. Benefits to any non-spouse beneficiaries will be paid out as a lump sum divided equally among the beneficiaries, regardless of the amount.

- Prior to January 1, 2017, active employees age 50 or older could choose a **100% Joint and Survivor Annuity** for preretirement spousal death benefits. Under this option, your benefit is reduced if you made the choice before you are age 65. In addition to any other reductions, your benefit is reduced another 0.75% charge for each year the option is in effect between the date you chose this 100% option and age 65.

If you selected the **100% Joint and Survivor Annuity** prior to January 1, 2017, you could change back to the **50% Joint and Survivor Annuity** at any time prior to January 1, 2017. Your benefit will be reduced for preretirement spouse protection only for the time you elected this 100% option.

- During the period from July 2016 through August 31, 2016, eligible employees were given a one-time opportunity to choose the **100% Joint & Survivor Annuity** effective January 1, 2017. If you elected this one-time 100% option, you cannot change your election after January 1, 2017. Only the spouse you were married to on January 1, 2017, is eligible for this 100% option.

The following example is for illustrative purposes only. Assume an active employee who is age 52 today chooses a preretirement death benefit option and dies 10 years later at age 62, leaving a surviving spouse who is age 57. At death, the employee earned base pay of \$70,000 and had worked 30 years. This example compares the benefits payable under each of the preretirement death benefit options.

50% Option Example	
Employee dies before retirement ...	When pension benefit payments begin ...
\$2,025 early retirement benefit (reflects reduction for early commencement)	Mr. Doe's pension benefit is unaffected since there is no charge for the 50% coverage option.
x	
50% survivor percentage, for 50% Joint and Survivor Annuity	
x	
0.900 (adjustment factor for Single Life Annuity to 50% Joint and Survivor Annuity)	
=	
\$911.25 per month paid for the life of the surviving spouse	

100% Option Example

Employee dies before retirement ...

\$2,270 full retirement benefit (no reduction for early commencement)
 x
 100% survivor percentage for 100% Joint and Survivor Annuity
 x
 0.8000 (adjustment factor from Single Life Annuity to 100% Joint and Survivor Annuity)
 x
 0.9025 (charges for 13 years of 100% Option coverage*)
 =
 \$1,638.94 per month paid for the life of the surviving spouse

When pension benefit payments begin ...

Mr. Doe's pension benefit is reduced by 0.75% for each year he had coverage in effect. For example, if Mr. Doe has coverage in effect beginning at age 52 and retires at age 65, the charge will be 9.75% (0.75% x 13 years = 9.75%).

** If employee dies before retirement, charges are incurred for the period until the participant would have turned age 65.*

Deferred Retirees and Terminated Vested Employees

This section applies to employees who have terminated their employment, are vested, and die prior to commencing their Pension Plan benefits.

If you terminated employment prior to January 1, 2017:

- If you are not married and die, there is no preretirement death benefit payable from the Pension Plan.
- If you are married and die prior to age 50, your spouse will be eligible to receive the **50% Joint and Survivor Annuity**.
- If you are married, not retirement eligible at the time of termination, and die after age 50, your spouse is eligible to receive the **50% Joint and Survivor Annuity**. There is a charge for coverage after age 50. The cost of the coverage is a 0.875% reduction in your Pension Plan benefit for each year the protection is in effect between age 50 and age 65. You have the option to waive the preretirement death benefit after age 50. Your spouse must sign a form (and have it notarized) to waive the preretirement death benefit protection. The form must be returned to the Plan Administrator to avoid a reduction to your Pension Plan benefit. If your spouse waives the coverage, there will be no Pension Plan benefits payable if you die prior to starting your retirement.
- During 2016, employees were given a one-time opportunity to choose a **100% Joint and Survivor Annuity** provided you were married and over age 50 as of January 1, 2017. There is a charge for your spouse to be eligible to receive the 100% option. The cost of the coverage is a 1.5% reduction in your Pension Plan benefit for each year the protection is in effect between age 50 and age 65. If you elected this one-time 100% option, you cannot change your election after January 1, 2017. Charges will apply until the earlier of (a) the date you start receiving your Pension Plan benefit, (b) age 65, or (c) the date your marital status changes.

If you terminated employment on or after January 1, 2017:

- If you are not married and die, there is a preretirement death benefit payable from the Pension Plan. This benefit is a **Lump-Sum Payment** equal to the **50% Joint and Survivor Annuity**.
- If you are married and die, there is a preretirement death benefit payable from the Pension Plan. You will have the option to elect either a spouse or a non-spouse beneficiary.
 - If you elect your spouse as the beneficiary, your spouse can elect to receive a monthly benefit under the **50% Joint & Survivor Annuity**. If the present value of your spouse's benefit is \$100,000 or less, your spouse can elect to receive a **Lump-Sum Payment** in lieu of monthly payments.
 - If you elect a non-spouse beneficiary, your beneficiary will receive a **Lump-Sum Payment** equal to the **50% Joint and Survivor Annuity**.
- During 2016, employees were given a one-time opportunity to choose a **100% Joint and Survivor Annuity** provided you were married and over age 50 as of January 1, 2017. There is a charge for your spouse to be eligible for this 100% option. The cost of the coverage is a 0.75% reduction while an active employee and a 1.5% reduction while inactive. This reduction is applied to your Pension Plan benefit for each year the protection is in effect between age 50 and age 65. If you elected the one-time 100% option, you cannot change your election after January 1, 2017. Charges will apply until the earlier of (a) the date you start receiving your Pension Plan benefit and (b) age 65, or (c) the date your marital status changes.

F. If Your Spouse Beneficiary Dies or You Divorce

If your spouse dies or you divorce before your payments begin, you should notify the Southern Company Benefits Center at **1-888-435-7563**. If your ex-spouse has a Qualified Domestic Relations Order ("QDRO"), he or she may be entitled to all or a portion of your pension benefit. See the section titled *Other Information* for more details on QDROs.

G. If Your Non-Spouse Beneficiary Dies

If your non-spouse beneficiary dies before your payments begin, you should notify the Southern Company Benefits Center at **1-888-435-7563**.

VII. If You Come Back to Work for an Employing Company After Receiving a Lump-Sum Payment

If you receive a lump-sum (cash out) payment of your Pension Plan benefit and later come back to an Employing Company after January 1, 2018, your future benefit will be determined according to the plan provisions outlined in either Appendix B (covered under UCC-1) or Appendix F (non-union) of this document. If you were rehired between January 1, 2016, and December 31, 2017, your future benefit will be determined according to the plan provisions outlined in Appendix B. Your prior service will be

recognized for Eligibility and Vesting Service purposes. Your prior service will not be recognized for Accredited Service purposes.

VIII. If You Transfer

If you transfer after January 1, 2018, to another subsidiary in Southern Company's controlled group, you will not lose any of your benefit. If your new company also participates in the Pension Plan as an Employing Company, there will be no change for you unless required by a Collective Bargaining Agreement. When you retire, the Pension Plan will pay all your benefit.

If you worked for any subsidiary with a stand-alone pension plan, that subsidiary will separately pay you from that pension plan.

A. Transferred Southern Company Energy Marketing, L.P., Employees

Effective January 1, 1998, if you were previously employed by an Employing Company, transferred to Southern Company Energy Marketing, L.P., then subsequently transferred back to a Southern Company (Classic) Employing Company before April 2, 2001, and (1) you were not under age 35 on January 1, 1997, and (2) you were in an eligible class to participate in a merged plan on December 31, 1996, and (3) you did previously participate in a merged plan, then you will be eligible to participate in the Pension Plan under one of the four pension formulas, not the New Pension Formula.

However, if you became employed by Mirant Services LLP when Southern Company Energy Marketing merged with Mirant (which was at that time an Employing Company), you did not then become eligible to participate in this Pension Plan.

IX. Former Employees of Mirant Corporation or of a Subsidiary or Affiliate

If, as of April 2, 2001, you were actively employed by Mirant Corporation or a subsidiary or affiliate thereof ("Mirant") or you had retired or terminated before that date having performed services only for Mirant, your accrued benefit was transferred to a pension plan maintained by Mirant. As a result, you are no longer entitled to a benefit under this Pension Plan with respect to your employment before April 2, 2001. Any Accredited Service you had earned prior to April 2, 2001, will not be counted under this Pension Plan after that date, even if you are later reemployed by an Employing Company. You will be credited, however, with Eligibility Service and Vesting Service for your pre-April 2, 2001, Mirant service if you are reemployed by an Employing Company and are otherwise entitled to credit for your prior service. See the section titled *When You Might Lose Your Service* (under *Service*) for more information about reinstatement of Eligibility and Vesting Service.

X. If You Die

A. If You Die After You Start Your Benefit

If you are receiving a **Joint and Survivor Annuity** or a **Joint and Survivor Annuity with restoration**, your spouse or non-spouse beneficiary (at the time you began your benefit) will receive a monthly benefit based on the option you chose. See the *Methods of Payment* section in this Appendix for more information on these options.

If you are receiving a Single Life Annuity or Level Income Option benefit when you die, your spouse or non-spouse beneficiary will not receive a benefit from the Pension Plan.

B. If You Die Before Starting Your Benefit

If you are not vested, your spouse or non-spouse beneficiary is not entitled to a Pension Plan benefit.

If you were vested when you die, please refer to Section VI in this Appendix titled *Methods of Payment* under paragraph *VI.E. Preretirement Death Benefit Options*.

XII. If You Become Disabled

The term “disability” (or “disabled”) means that you are either:

- Receiving long-term disability benefits from a Company-sponsored plan; or
- Receiving disability benefits from Social Security.*

** Notify the Disability Management representative at your Employing Company and the Southern Company Benefits Center (at 1-888-435-7563) when you are granted disability benefits from Social Security.*

If you are an active employee in an eligible class (with no benefits waiver in effect), are vested and become disabled, you may receive your pension benefit once you reach retirement age.** You may receive:

- Your full benefit at age 65 or later; or
- A reduced benefit at any time after age 50 if you have at least 10 years of Accredited Service.

*** Your monthly long-term disability benefits (through a Company-sponsored plan) may be reduced when you receive certain types of income, including pension benefits under the Pension Plan. Refer to the long-term disability summary plan description for additional information.*

If, however, you become disabled and you accept a benefit under an Employing Company’s “career transition plan,” or a similar type of severance plan or arrangement, and such plan or arrangement stipulates that you cease to be on a disability leave, you will not be eligible to receive service and earnings credit for the remainder of the period during which you are disabled.

A. Accredited Service While Disabled

While you are disabled and meet the Pension Plan's vesting requirements, you earn Accredited Service as if you were still working until the earlier of:

- The end of the month in which you are no longer entitled to receive disability benefits from Social Security or, if later, the end of the month you are no longer entitled to receive long-term disability benefits through a Company-sponsored plan;
- Your death; or
- Your retirement date under the Pension Plan.

You earn hours of service at the rate you were scheduled to work right before you became disabled.

For example: If your normal work week was 40 hours before you became disabled, the Plan Administrator will credit you with 40 hours of service per week while you are disabled. So, even though you are disabled, you are still accruing a benefit each year.

B. Final Average Pay While Disabled

As mentioned above, you still earn credit for service while you are disabled. Although you may earn only a portion of your regular pay while on disability, the Company assumes that your earnings are the same while you are disabled as they were right before you were disabled for purposes of calculating Final Average Pay.

For example: If your monthly pay rate in effect when you became disabled was \$3,000, the Plan Administrator assumes that you make \$3,000 each month while you are disabled. Note: This calculation excludes PPP payments.

Appendix B. Rules for Southern Company (Classic) Union Employees (Covered Under UCC-1) First Hired on or After January 1, 2016, or Other Southern Company (Classic) Employees First Hired Between January 1, 2016, and December 31, 2017¹

I. Eligibility

You are eligible to participate in the Pension Plan under Appendix B if you were employed by any Employing Company (excluding Southern Company Gas and its affiliated companies) and first hired between January 1, 2016, and December 31, 2017¹ or if you are employed and covered under the UCC-1 collectively bargained agreement and first hired on or after January 1, 2016¹. Southern Company (Classic) union employees (covered under UCC-1) will retain the Appendix B pension formula if they transfer to a non-union position.

Under Appendix B, you are eligible to participate if you are a:

- Regular full-time employee;
- Regular part-time employee;
- Cooperative education employee; or
- Temporary employee (employed on or after 1/1/2021).*

** Temporary employees must meet the eligibility requirements between January 1, 2016 and December 31, 2017 or be covered under UCC-1 to be eligible for this formula.*

You become a participant in the Pension Plan on the first of the month coinciding with or next following the completion of your one year of Eligibility Service, provided you worked at least 1,000 hours during that

¹ Appendix B includes Southern Company (Classic) employees covered under UCC-1 hired prior to January 1, 2016, who received a lump-sum distribution and were subsequently rehired after January 1, 2017, and Southern Company (Classic) other employees (not UCC-1) hired prior to January 1, 2016, who received a lump-sum distribution and were subsequently rehired between January 1, 2017, and December 31, 2017. Appendix F applies to Southern Company (Classic) employees (not UCC-1) who received a lump-sum distribution and were subsequently rehired on or after January 1, 2018.

year. You begin accruing Accredited Service as of your date of hire, provided you become a participant in that year.

You are not eligible to participate in the Pension Plan if you are a member of a collective bargaining unit, unless your collective bargaining agent and your Employing Company have mutually agreed to allow your participation.

You are not eligible to participate if you joined the Southern Company controlled group via the Southern Gas acquisition finalized July 1, 2016. If you were employed at Southern Company Gas on July 1, 2016, please refer to either Appendix D, Appendix E or Appendix F (as applicable). If you were hired at Southern Company Gas on or after July 1, 2016, please refer to Appendix F.

You are not eligible to participate if you are classified (even if the classification is in error) as a:

- Leased worker^{**}; or
- Independent contractor.

*^{**} Generally, if a “leased employee” (as defined in Section 414(n) of the Internal Revenue Code) provides services to an Employing Company and subsequently moves from leased worker status to an eligible employee status, the Pension Plan must consider the entire period during which the individual performed services as a leased worker for purposes of Eligibility Service and Vesting Service.*

II. Service

The Pension Plan measures three different types of service:

- Eligibility Service;
- Vesting Service; and
- Accredited Service.

A. Eligibility Service

Your Eligibility Service determines when you become a participant in the Pension Plan.

You earn a year of Eligibility Service upon completion of an “anniversary year” in which you have earned 1,000 hours of service. Your first anniversary year begins on your hire date. Each anniversary year after that begins on the anniversary of your date of hire. If you do not earn 1,000 hours in an anniversary year, you do not receive a year of Eligibility Service.

B. Vesting Service

When you have five (5) years of Vesting Service you are “vested.” This means that you have a right to receive a future benefit under the terms of the Pension Plan. Until you are vested, you may lose your benefit if you leave an Employing Company.

You earn a year of Vesting Service for each anniversary year in which you have 1,000 hours of service.

For example: Sally was hired as a regular full-time employee on September 20, 2016. Here is how her Vesting Service would be determined.

Anniversary Year	Hours Worked	Vesting Service Earned	Total Vesting Service
9/20/2016 – 9/19/2017	2,080	1.0000	1.0000
9/20/2017 – 9/19/2018	2,080	1.0000	2.0000
9/20/2018 – 9/19/2019	999	0.0000	2.0000
9/20/2019 – 9/19/2020	2,080	1.0000	3.0000
9/20/2020 – 9/19/2021	2,080	1.0000	4.0000
9/20/2021 – 9/19/2022	2,080	1.0000	5.0000

Sally became a plan participant on October 1, 2017, because she met the plan eligibility requirements.

C. Accredited Service

Accredited Service is used in the formula that determines your Pension Plan benefit. You begin accruing Accredited Service on your date of hire. You may earn up to a maximum of 30 years of Accredited Service under the Pension Plan.

An exception to the 30-year maximum Accredited Service provision applies to non-union employees who are hired on or after January 1, 2018 and later transfer to a union position covered under UCC-1. Under this instance, the maximum service allowed in the 1% formula is 30 years *less* the amount of Accredited Service earned while participating under the cash balance benefit formula provisions outlined in Appendix F.

Accredited Service includes full or partial Plan Years. See the section titled *Calculating Your Benefit* in this Appendix for information about the Pension Formulas.

If you became a participant during your first eligibility period (you worked at least 1,000 hours during your first eligibility year, beginning on your hire date):

You Receive Accredited Service	If You Earn		
	Fewer than 1,000 hours	1,000 – 1,679 hours	1,680 hours or more
During your year of hire (if it is not a full Plan Year)	140 hours = 1 month of service	140 hours = 1 month of service	1 year
For each full Plan Year	No service	140 hours = 1 month of service	1 year
For the Plan Year you leave an Employing Company (if it is not a full year)	140 hours = 1 month of service	140 hours = 1 month of service	1 year

For example: An employee was hired on October 1, 2016 and became a participant on October 1, 2017. Here is how Accredited Service would be determined.

Calendar Year	Hours Worked	Accredited Service Earned	Total Accredited Service
2016	520 (from 10/1)	0.2500	0.2500
2017	1,480	0.8333	1.0833
2018	1,681	1.0000	2.0833
2019	2,080	1.0000	3.0833
2020	2,080	1.0000	4.0833
2021	2,080	1.0000	5.0833

If you did not become a participant during your first eligibility period (you worked less than 1,000 hours during your first eligibility year, beginning on your hire date), Accredited Service will begin with the next Plan Year starting after your date of hire.

For example:

An employee was hired on September 15, 2016 but did not meet the eligibility criteria during the first year of employment (September 15, 2016 to September 14, 2017). In the second year of employment (September 15, 2017 to September 14, 2018), the employee met the 1,000-hour rule. Therefore, the employee became a participant on October 1, 2018. Accredited Service begins September 15, 2016 and is earned based on the 1,000-hour rule.

Here is how Accredited Service would be determined.

Period	Hours Worked	Accredited Service Earned	Total Accredited Service
9/15/2016 to 12/31/2016	200	0	0
1/1/2017 to 12/31/2017	1,050	0.5833	0.5833
1/1/2018 to 12/31/2018	2,080	1.0000	1.5833

D. Credit for Leaves of Absence or Layoffs

You may receive credit for service even if you are not actively at work:

Reason for Absence	You Receive		
	Eligibility Service	Vesting Service	Accredited Service
Leave with pay. (Includes paid family and medical leave.)	✓	✓	✓
Leave without pay. (Does not include military leave.)	None	✓	None
Military leave. (You must return to work within 90 days of discharge.*)	✓	✓	✓
Disability after you are vested. (You must begin receiving Social Security disability benefits or Company-sponsored long-term disability benefits while you are employed.)	N/A	N/A	✓
Layoff due to lack of work.	None	None	None
Unpaid family and medical leave.	None	✓	None
Maternity or paternity leave that does not qualify as a family and medical leave. (You receive only enough service credit to keep you from having a Break in Service.)	None	✓	None

* Refer to your Employing Company's military leave policy for procedures related to military leave.

III. When You Can Retire Under the Pension Plan

Your **Early Retirement Date** is the first day of the month following retirement on or after your 50th birthday (and before your Normal Retirement Date) with 10 years of Accredited Service.

Your **Normal Retirement Date** is the first of the month after the later of (i) your 65th birthday or (ii) your completion of five (5) years of Vesting Service or five (5) years of plan participation, whichever occurs first.

Your **Deferred Retirement Date** is the first day of the month following retirement after your Normal Retirement Date.

IV. When You May Receive Your Benefit

You may begin receiving your full Pension Plan benefit when you retire at or after your Normal Retirement Date. If you choose to receive your benefit earlier, it will be reduced. This is because you may receive it for a longer time.

A. If You Work Past Your Normal Retirement Date

If you continue to work past your Normal Retirement Date, you will not receive a Pension Plan payment for any month you earn at least 40 hours of service. However, you may continue to accrue more service and earn more benefits under the Pension Plan. You must begin receiving your benefit by April 1 of the year following the year you turn 70½ or, if later, the year you retire.

B. If You Retire From an Employing Company

If you retire directly from an Employing Company before your Normal Retirement Date, the accrued benefit you could have received at your Normal Retirement Date is actuarially reduced by a specific percentage based on your age at retirement. This means your benefit is reduced so that statistically you should not receive any extra benefit because you started your benefit earlier.

When you leave an Employing Company, you may be eligible to delay the start of your benefit. If you do, your early retirement reduction is based on when your benefit begins, not your last day worked.

C. If You Leave an Employing Company Before Becoming Retirement Eligible

If you leave an Employing Company before you are eligible for normal or early retirement, you may still receive a benefit from the Pension Plan. If you have at least five (5) years of Vesting Service, you are entitled to a benefit at your Normal Retirement Date.

If you have at least 10 years of Accredited Service, you may begin your benefit any time after age 50. However, if you begin receiving benefits prior to your Normal Retirement Date, your benefit is actuarially reduced.

Standard Pension Formula* Early Retirement Pension Benefit Percentage	
	If You Retire From an Employing Company or Leave Before Becoming Retirement Eligible
Age When You Start Your Benefit	Early Retirement Benefit Percent
65	100.0%
64	91.9%
63	84.6%
62	77.9%
61	71.9%
60	66.4%
59	61.5%
58	56.9%
57	52.8%
56	48.9%
55	45.5%
54	42.2%
53	39.3%
52	36.6%
51	34.1%
50	31.8%

* Chart applies to an employee whose Normal Retirement Date is age 65.

D. If You Return to Work After Retirement

If you begin receiving your Pension Plan benefit and then return to work at any Employing Company under the Pension Plan, your benefit may be stopped. Unless you waive participation in the Pension Plan, you will not receive a payment for any month you earn at least 40 hours of service.*

If your payments are suspended, you will not be paid back for the missed Pension Plan payments during your period of reemployment. You may accrue more service and earn more benefit if you are working for an Employing Company. If you earn more benefit, your future payments may be adjusted based on your new retirement age and the value of any previously received pension payments.

* To obtain a Pension Plan waiver form, contact the Southern Company Benefits Center at 1-888-435-7563.

E. Pension Formula

The benefit you receive under the Pension Plan is based on a formula, as follows:

Benefit Formula
$\begin{array}{c} \text{Your Pension Plan benefit} \\ = \\ 1.0\% \\ \times \\ \text{Final Average Pay} \\ \times \\ \text{Years of Accredited Service (up to 30 years)} \end{array}$

F. Eligible Pay

The earnings used in determining Final Average Pay includes:

- Your monthly salary, hourly wages, and certain commissions (before taxes, see section H below);
- Monthly shift and seven-day differentials and nuclear plant premiums for Georgia Power and Southern Nuclear Operating Company, Inc.;
- Before-tax contributions you make to the Employee Savings Plan (including catch-up contributions for those over age 50 permitted under section 414(v) of the Internal Revenue Code) and Flexible Benefits Plan; and
- All contributions you make to the Deferred Compensation Plan.

Any cash payments under the Performance Pay Program (PPP) also are included when calculating Final Average Pay. These cash incentive payments are counted as pension earnings for the year in which they are paid. When paid in a Plan Year after the Plan Year in which you terminated employment, the payment normally would be your only pension earnings for that year and, therefore, would be unlikely to produce one of your three highest earnings rate years.

As of January 1, 2022, only annual earnings up to \$305,000 can be used for 2022, \$290,000 for 2021, and \$285,000 for 2020 when calculating Pension Plan benefits. These annual earnings limits may be increased by the Internal Revenue Service to reflect increases in the cost of living.

G. Final Average Pay

Your Final Average Pay is the average of your three (3) highest annual earnings rates within the last 10 calendar years upon termination of employment.

This is how to calculate your Final Average Pay:

1. Look at your monthly earnings rates for the last 10 calendar years.
2. Take the highest rate* in effect each year. (You cannot have more than one rate coming from one year.) Add 1/12th of any cash payment made from the Performance Pay Program paid during the applicable year to determine the “combined pay.”
3. Pick out the three (3) years with the highest combined-pay amounts.
4. Add the three (3) combined-pay amounts together, and then divide by three (3).

This will give you your Final Average Pay per month.

** If you are a regular part-time employee, your highest rate will be based on a 40-hour work week.*

H. Final Average Pay for Certain Commissioned Employees

If you are a commissioned salesperson, your Final Average Pay is calculated differently.* A “monthly earnings rate” must be constructed:

1. Look at your monthly base pay rates (if any) for the last 10 calendar years.
2. For each year, take the higher of (a) the highest base rate in effect during any portion of the year you were a commissioned salesperson plus 1/12th of your commissions** for such year and (b) the highest base rate in effect while not a commissioned salesperson. You would include 1/12th of any cash payment from an annual group incentive plan paid during the applicable year.
3. Pick out the three (3) years with the highest rates from Step 2.
4. Add these three (3) highest rates together, and then divide by three (3).

This will give you your Final Average Pay per month.

** For details, contact the Southern Company Benefits Center at 1-888-435-7563.*

*** Effective July 1, 1998, earnings shall include, for appliance salespersons only, certain nonproductive pay earnings types as designated from time to time by the Board of Directors.*

I. A Pension Benefit Example

This example is for illustrative purposes only to demonstrate how a benefit could be calculated under the Pension Plan. Thus, it is not intended to describe eligibility for a benefit. Your eligibility for a benefit will be determined under the terms of the Pension Plan.

John Doe’s Normal Retirement Date was February 1, 2042.

The following information was used to calculate his benefit:

Date of Hire	January 1, 2017
Date of Participation	January 1, 2018
Age at Date of Hire	40
Normal Retirement Date	February 1, 2042
Years of Accredited Service at age 65	25.0
Final Average Pay	\$7,500.00 per month

Pension Formula

Pension Plan Benefit for John Doe

$$\begin{aligned} &1.0\% \times \$7,500.00 \times 25 \\ &= \\ &\$1,875.00 \text{ per month} \end{aligned}$$

V. Beneficiary Designation

If you are married, your spouse will typically be the beneficiary of any preretirement and retirement benefits. Effective January 1, 2017, you also can name someone other than your spouse to be your beneficiary for either or both preretirement and retirement benefits, whether you are married or single.

A. Preretirement Death Benefit Beneficiary

If you are married, your spouse will automatically be the beneficiary of any preretirement death benefits, unless he or she agrees to another beneficiary choice by signing a spousal waiver form and having it witnessed by a notary public.

If you are single, or if you are married and your spouse agrees in writing, you may name a non-spouse beneficiary or beneficiaries for your preretirement death benefits. If you have more than one non-spouse beneficiary, the benefit will be split evenly among the beneficiaries. Non-spouse beneficiaries could include one or more of the following:

- An adult;
- A minor child;
- An estate; and/or
- A trust.

Beneficiary designations for preretirement death benefits expire on the earliest of the following dates:

- January 1 of the year in which you turn age 35;
- Termination date if prior to age 35;
- Your retirement;
- Upon rehire;
- Your designation of a new preretirement death benefit beneficiary;
- Your Normal Retirement Date (or, if applicable, your Deferred Retirement Date); or
- Your death.

Your preretirement death benefit beneficiary designation also expires if you elect a non-spouse beneficiary and you marry after you make the election. You must make a new election if:

- You turn age 35 after making your initial election;
- You are married and your spouse beneficiary dies;
- You get a divorce and your beneficiary was your former spouse; or

- Your single non-spouse beneficiary dies (if you are married in this instance, your spouse becomes the default preretirement death benefit beneficiary).

If you have multiple non-spouse beneficiaries and one of them dies, the remaining non-spouse beneficiary (or beneficiaries) will remain valid and a new election is not required.

If you do not designate a beneficiary or beneficiaries for your preretirement death benefits, the benefits will be paid to the first of the following:

- Your spouse on the date of your death;
- Your legally recognized children (equally);
- Your parents (equally);
- Your brothers and sisters (equally);
- Your estate.

B. Beneficiary at Retirement

At retirement, you can designate only one individual person as the beneficiary of your pension payment. Your non-spouse beneficiary must be at least age 21 when you commence benefits and may not be an estate or trust.

If you are married when you retire, you must have your spouse's signed and notarized consent to name a non-spouse beneficiary.

You may change your beneficiary designation as often as you like, until you begin receiving pension payments. Once payments begin, no changes may be made to your form of benefit payment or to your beneficiary designation.

VI. Methods of Payment

The method of payment for your benefit depends on whether you are single or married and whether you elect to provide survivor benefits to a surviving spouse or non-spouse beneficiary.

A. Payment Options

Options With No Survivor Benefits

- **Single Life Annuity:** This option pays you a benefit each month from your retirement date until your death. When you die, your payments stop, regardless of how many payments you received. A Single Life Annuity does not provide any benefit to a spouse or beneficiary when you die.
- **Lump-Sum Payment:** If you terminate employment or retire and the present value of your retirement benefit is \$100,000 or less, you may choose to receive those benefits as a single lump sum. The Southern Company Benefits Center will value your benefit at the time you terminate employment or retire and tell you if it falls within the \$100,000 limit. No additional payments will be made from the Pension Plan. You are not eligible for a Lump-Sum Payment if you have a pending or resolved Qualified Domestic Relations Order ("QDRO") for the Pension Plan benefit or if you are past the

required date for starting your Pension Plan benefit (generally April 1 of the year following the year you turn 70½ or, if later, the year you retire.)

Options With Survivor Benefits

- **50% Joint and Survivor Annuity:** You receive an actuarially reduced monthly benefit for your lifetime. After you die, your beneficiary will receive half of what you were receiving for the rest of his or her life. The initial reduction considers that part of your benefit may be paid after your death.
- **75% Joint and Survivor Annuity:** You receive an actuarially reduced monthly benefit for your lifetime. After you die, your beneficiary will receive 75% of what you were receiving for the rest of his or her life. The initial reduction considers that part of your benefit may be paid after your death.
- **100% Joint and Survivor Annuity:** You receive an actuarially reduced monthly benefit for your lifetime. After you die, your beneficiary continues to receive the same benefit for the rest of his or her life. The initial reduction considers that part of your benefit may be paid after your death.
- **50% Pop-Up Option (Joint and Survivor Annuity with restoration):** This option pays an actuarially reduced monthly benefit to you until you die, then your beneficiary receives half of your monthly benefit for the rest of his or her life. If your beneficiary dies first, your monthly pension automatically increases to what you would have received as a Single Life Annuity. The initial reduction considers that part of your benefit may be paid after your death.
- **75% Pop-Up Option (Joint and Survivor Annuity with restoration):** This option pays an actuarially reduced monthly benefit to you until you die, then your beneficiary receives 75% of your monthly benefit for the rest of his or her life. If your beneficiary dies first, your monthly pension automatically increases to what you would have received as a Single Life Annuity. The initial reduction considers that part of your benefit may be paid after your death.
- **100% Pop-Up Option (Joint and Survivor Annuity with restoration):** This option pays an actuarially reduced monthly benefit to you until you die, then your beneficiary continues to receive the same benefit for the rest of his or her life. If your beneficiary dies first, your monthly pension automatically increases to what you would have received as a Single Life Annuity. The initial reduction considers that part of your benefit may be paid after your death.

B. If You Are Single When You Begin Receiving Your Benefit

If you are single when you begin receiving your benefit, you may choose to receive your benefit as a:

- Single Life Annuity;
- Lump-Sum Payment, if the present value of your benefit is \$100,000 or less; or
- Joint and Survivor Annuity with a non-spouse beneficiary (available joint and survivor benefit options are the same as for married participants, as described below, with some restrictions).

C. If You Are Married and Leave an Employing Company After Becoming Retirement Eligible

If you are married when you start receiving your benefit, your benefit will be paid as a Joint and Survivor Annuity with your spouse as beneficiary, unless your spouse waives the spousal benefits and agrees in writing to your election of another form of payment or a different non-spouse beneficiary. (See *Waiving Spousal Benefits* below.)

If you choose an option with a survivor benefit, only the designated spouse or non-spouse beneficiary at the time you received your first check can receive the survivor benefit. The Pension Plan offers three Joint and Survivor Annuity options:

- 50% Joint and Survivor Annuity;
- 75% Joint and Survivor Annuity; and
- 100% Joint and Survivor Annuity.

If your spouse agrees, you also may choose from five other options. The first three options are like the Joint and Survivor Annuity in that your beneficiary receives a survivor annuity if you die first. But these three options also provide you an increased monthly benefit equivalent to what you would have received as a life annuity if your beneficiary, rather than you, dies first. (These are referred to as joint and survivor annuities with a restoration or “pop-up” feature.) The three options are as follows:

- 50% Pop-Up Option;
- 75% Pop-Up Option; and
- 100% Pop-Up Option.

Finally, if your spouse waives the survivor benefits (i.e., with your spouse’s signed and notarized consent) you also may choose a:

- Single Life Annuity; or
- Lump-Sum Payment (if the present value of your benefit is \$100,000 or less).

All the various Joint and Survivor Annuity payment options are available to a spouse beneficiary. However, some may not be available to a non-spouse beneficiary, depending on the beneficiary’s age relative to your age.

Waiving Spousal Benefits

To waive spousal benefits, your spouse must sign a form that states:

- Which option you are choosing instead of a qualified Joint and Survivor Annuity; and/or
- That you are selecting a beneficiary other than your spouse; and
- That he or she agrees to your election.

Your spouse’s signature must be witnessed by a notary public to be valid. A notary public is authorized by a public authority to witness signatures on legal documents and administer oaths. A notary public signs the document and then validates the signature with a seal.

D. If You Leave an Employing Company Before You Are Eligible to Retire

If you leave an Employing Company before becoming retirement-eligible, your payment options will, in most cases, be the same as described above for single and married participants, depending on your marital status when you are eligible for and elect to begin receiving benefits. Keep in mind that the general rule is that you may not begin your benefit until (i) age 50 or later, if you have 10 years of Accredited Service; or (ii) your Normal Retirement Date, if you do not have 10 years of Accredited Service.

You will be offered a one-time opportunity to receive payment before reaching retirement age if you meet the following requirements:

- Your total benefit is valued under \$100,000,
- No QDRO applies to your benefit, and
- You are not age 70½.

The one-time opportunity will be available to you six (6) months after you terminate employment. If you choose this option, your benefit will be actuarially reduced for early commencement.

E. Preretirement Death Benefit Options

Normally, you choose your form of payment when you retire. However, the Pension Plan also provides protection for your beneficiary(ies) in case you die before you retire.

Active Employees

- If you die after becoming vested in your Pension Plan benefit, your preretirement beneficiary will receive a benefit.
- If you are married, your spouse will receive the 50% Joint and Survivor Annuity. Your spouse's benefit will begin on the first of the month after the date you would have turned age 50, or at your spouse's option, any later month occurring prior to what would have been your Normal Retirement Date. If the present value of your benefit is \$100,000 or less, your spouse may elect to receive the benefit in the form of a lump sum. You may not waive your preretirement death benefit protection if you are an active employee.
- If you are single, or if you have your spouse's consent in writing, you may name a non-spouse beneficiary (or beneficiaries) for your preretirement death benefits. Benefits to any non-spouse beneficiaries will be paid out as a lump sum divided equally among the beneficiaries, regardless of the amount.

This example is for illustrative purposes only. Mr. Doe elects his spouse, who is five years younger, as his beneficiary at age 50. How will having preretirement surviving spouse coverage affect benefits for Mr. Doe and his spouse?

Mr. Doe dies before retirement ...	When pension benefit payments begin ...
\$2,025 early retirement benefit (reflects reduction for early commencement)	Mr. Doe's pension benefit is unaffected since there is no charge for the 50% coverage option.
x	
50% survivor percentage, for 50% Joint and Survivor Annuity	
x	
0.890 (adjustment factor for Single Life Annuity to 50% Joint and Survivor Annuity)	
=	
\$901.13 per month paid for the life of the surviving spouse.	

Deferred Retirees and Terminated Vested Employees

This section applies to employees who have terminated their employment, are vested, and die prior to commencing their Pension Plan benefits.

- If you are married and you leave an Employing Company after you are vested and die prior to commencing your benefit, your spouse will receive the 50% Joint and Survivor Annuity. If the present value of your benefit is \$100,000 or less, your spouse may elect to receive the benefit in the form of a lump sum.
- If you are single, or if you have your spouse's consent in writing, you can name a non-spouse beneficiary (or beneficiaries) for your preretirement death benefits. Benefits to any non-spouse beneficiaries will be paid out as a lump sum divided equally among the beneficiaries, regardless of the amount.

F. If Your Spouse Beneficiary Dies or You Divorce

If your spouse dies or you divorce before your payments begin, you should notify the Southern Company Benefits Center at **1-888-435-7563**. If your ex-spouse has a Qualified Domestic Relations Order ("QDRO"), he or she may be entitled to all or a portion of your pension benefit. See the section titled *Other Information* for more details on QDROs.

G. If Your Non-Spouse Beneficiary Dies

If your non-spouse beneficiary dies before your payments begin, you should notify the Southern Company Benefits Center at **1-888-435-7563**.

VII. If You Come Back to Work for an Employing Company After Receiving a Lump-Sum Payment

If you receive a lump-sum (cash out) payment of your Pension Plan benefit and later come back to an Employing Company after January 1, 2018, your future benefit will be determined according to the plan provisions outlined in either this Appendix B (covered under UCC-1) or Appendix F (non-union) of this document. If you were rehired between January 1, 2016, and December 31, 2017, your future benefit will be determined according to the plan provisions outlined in this Appendix (Appendix B). Your prior service will be recognized for Eligibility and Vesting Service purposes. Your prior service will not be recognized for Accredited Service purposes.

VIII. If You Transfer

If you transfer after January 1, 2018, to another subsidiary in Southern Company's controlled group, you will not lose any of your benefit. If your new company also participates in the Pension Plan as an Employing Company, there will be no change for you unless required by a Collective Bargaining Agreement. When you retire, the Pension Plan will pay all your benefit.

If you worked for any subsidiary with a stand-alone pension plan, that subsidiary will pay you separately from that pension plan.

IX. If You Die

A. If You Die After You Start Your Benefit

If you are receiving a **Joint and Survivor Annuity** or a **Joint and Survivor Annuity with restoration** feature, your spouse or non-spouse beneficiary (at the time you began your benefit) will receive a monthly benefit based on the option you chose. See the *Methods of Payment* section in this Appendix for more information on these options.

If you are receiving a Single Life Annuity when you die, your spouse or non-spouse beneficiary will not receive a benefit from the Pension Plan.

B. If You Die Before Starting Your Benefit

If you are not vested, your spouse or non-spouse beneficiary is not entitled to a Pension Plan benefit.

If you were vested when you die, please refer to *Methods of Payment* in this Appendix under the paragraph heading *Preretirement Death Benefit Options*.

X. If You Become Disabled

The term “disability” (or “disabled”) means that you are either:

- Receiving long-term disability benefits from a Company-sponsored plan; or
- Receiving disability benefits from Social Security.*

** Notify the Disability Management representative at your Employing Company and the Southern Company Benefits Center (at 1-888-435-7563) when you are granted disability benefits from Social Security.*

If you are an active employee in an eligible class (with no benefits waiver in effect), are vested and become disabled, you may receive your pension benefit once you reach retirement age.** You may receive:

- Your full benefit at age 65 or later; or
- A reduced benefit at any time after age 50 if you have at least 10 years of Accredited Service.

*** Your monthly long-term disability benefits (through a Company-sponsored plan) may be reduced when you receive certain types of income, including pension benefits under the Pension Plan. Refer to the summary plan description for additional information about long-term disability benefits.*

If, however, you become disabled and you accept a benefit under an Employing Company’s “career transition plan,” or a similar type of severance plan or arrangement, and such plan or arrangement stipulates that you cease to be on a disability leave, you will not be eligible to receive service and earnings credit for the remainder of the period during which you are disabled.

A. Accredited Service While Disabled

While you are disabled and meet the Pension Plan’s vesting requirements, you earn Accredited Service as if you were still working until the earlier of:

- The end of the month in which you are no longer entitled to receive disability benefits from Social Security or, if later, the end of the month you are no longer entitled to receive long-term disability benefits through a Company-sponsored plan;
- Your death; or
- Your retirement date under the Pension Plan.

You earn hours of service at the rate you were scheduled to work right before you became disabled.

For example: If your normal work week was 40 hours before you became disabled, the Plan Administrator will credit you with 40 hours of service per week while you are disabled. So, even though you are disabled, you are still accruing a benefit each year.

B. Final Average Pay While Disabled

As mentioned above, you still earn credit for service while you are disabled. Although you may earn only a portion of your regular pay while on disability, the Company assumes that your earnings are the same while you are disabled as they were right before you were disabled for purposes of calculating Final Average Pay.

For example: If your monthly pay rate in effect when you became disabled was \$3,000, the Plan Administrator assumes that you make \$3,000 each month while you are disabled. Note: This calculation excludes PPP payments.

Appendix C. Savannah Electric

Article I. Special Rules for Certain Employees of Savannah Electric

This section describes special rules for certain employees of Savannah Electric and Power Company (“Savannah Electric”). In the event there is any conflict between the Pension Plan document and this summary, the Pension Plan document will control.

A. Savannah Electric Employees

If you are a Savannah Electric employee as defined below, you are subject to the special rules described in this section. These rules are meant to be read in conjunction with the other sections of this summary for the Pension Plan.

You are a Savannah Electric employee if you were a:

- Regular full-time employee of Savannah Electric;
- Regular part-time employee of Savannah Electric;
- Cooperative education employee of Savannah Electric; or
- Temporary employee of Savannah Electric participating in the Savannah Electric Plan prior to October 13, 1994*; and you had an hour of service under the Employees’ Retirement Plan of Savannah Electric and Power Company (“Savannah Electric Plan”) on or after January 1, 1997.

** Temporary employees are excluded from Plan participation as of September 1, 1998.*

You are not, however, a Savannah Electric employee if a collective bargaining agent represents you and such agent has not agreed to participation in the Pension Plan. Where there is no such agreement, but you have bargained to participate in the Savannah Electric Plan, you are eligible to participate in the Savannah Electric Schedule, whose provisions are separately described later in this summary.

You also are not a Savannah Electric employee if you are hired or rehired by Savannah Electric on or after January 1, 1998, or if you rescind a waiver of participation on or after January 1, 1998, in the Savannah Electric Plan or Savannah Electric Schedule in effect on December 31, 1997. If you are excluded from the definition of a Savannah Electric employee for the reasons stated in the prior sentence, your participation in the Pension Plan is described in the preceding sections of this summary.

B. Calculating Your Benefit

During the period from January 1, 1997, through December 31, 2001, generally new hires and employees who had not attained age 35 (by January 1, 1997) participated in a different pension benefit formula, sometimes referred to as the “New Pension Formula.” This pension benefit was intended to complement a benefit provided under the Performance Sharing Plan. Effective January 1, 2002, the New Pension Formula was eliminated, and the Performance Sharing Plan was terminated with account balances transferred to the Southern Company Employee Savings Plan. If you were actively employed by

Savannah Electric on or after January 1, 2002, your accrued benefit will be determined under one of the four pension formulas described in Appendix A earlier in this summary under the section titled *Pension Formulas* (hereinafter referred to as the “Standard Pension Formula”). If you were not actively employed by an Employing Company on or after January 1, 2002, your accrued benefit is determined under the Standard Pension Formula or the New Pension Formula, whichever was applicable to you when you terminated employment. However, if the New Pension Formula applied to you, your benefit under the Pension Plan will never be less than it was on the date the New Pension Formula was eliminated. If you need additional information about the New Pension Formula, please contact the Southern Company Benefits Center at **1-888-435-7563**.

C. Minimum Benefit

Regardless of whether you are subject to the New Pension Formula or the Standard Pension Formula, as a Savannah Electric employee, your benefit will not be less than your benefit under the provisions of the Savannah Electric Plan determined as of the earlier of the following:

- The date you retire or terminate employment with Savannah Electric; or
- December 31, 2001.

In addition, on or before January 1, 1997, you were either age 50 with 10 years of Credited Service under the Savannah Electric Plan or you were at least age 55, your benefit will be the greater of your benefit under the Standard Pension Formula or your benefit under the Savannah Electric Plan Formula determined as of the date you retire or terminate employment with any Employing Company.

Your benefit determined under the Savannah Electric Schedule is described later in this summary.

D. Immediate Eligibility

If you are a Savannah Electric employee and were employed by Savannah Electric on December 31, 1997, you are automatically eligible to participate in the Pension Plan.

E. Service Credit

Vesting Service

If you are a Savannah Electric employee and were eligible to participate in the Savannah Electric Plan on December 31, 1997, you will be credited under the Pension Plan with your Vesting Service under the Savannah Electric Plan as of December 31, 1997. Thereafter, you will earn additional Vesting Service as if you were first hired on January 1, 1998, which will be determined under the provisions of the Pension Plan, which are described earlier in this summary in the section titled *Service*.

Accredited Service

If you are a Savannah Electric employee, for purposes of determining your Accredited Service under the Pension Plan, you will be credited with your “Credited Service” under the Savannah Electric Plan as of December 31, 1997. Thereafter, you will earn additional Accredited Service as if you were first hired on January 1, 1998, which will be determined under the provisions of the Pension Plan, which are described in Appendix A earlier in this summary in the section titled *Service*. The total of your Credited Service under the Savannah Electric Plan and your Accredited Service under the Pension Plan will be used in

calculating your benefit under the Standard Pension Formula, the New Pension Formula, or the Savannah Electric Plan Formula, whichever is applicable. This total service, however, shall be limited in accordance with the maximum number of years of service, which may be considered under the Savannah Electric Plan Formula.

F. Earnings

If you are a Savannah Electric employee, for purposes of determining your benefit under the Standard Pension Formula or the New Pension Formula, whichever may be applicable, your compensation under the Savannah Electric Plan (excluding unused accrued vacation) will be used for periods prior to January 1, 1998. For purposes of determining your benefit under the Savannah Electric Schedule, if applicable, your compensation will be as described therein.

G. When You May Receive Your Benefit

Normal Retirement

With respect to Savannah Electric employees, your normal retirement age is 65, regardless of how long you have been employed. You may begin receiving benefits upon attainment of your normal retirement age.

Early Retirement

With respect to Savannah Electric employees, you may retire at age 55, or at age 50 if you have at least 10 years of Accredited Service under the Pension Plan (which includes your Credited Service under the Savannah Electric Plan prior to January 1, 1998).

If you retire after your Early Retirement Date and your benefit is determined under either the Standard Pension Formula or the New Pension Formula, your benefit will be reduced for early commencement as described earlier in this summary in the section in Appendix A titled *If You Retire from an Employing Company*.

If you retire after your Early Retirement Date and your benefit is determined under the Savannah Electric Plan Formula, your benefit is reduced by 5% for each year that you begin receiving your benefit before you reach age 62, with no reduction if you begin receiving your benefit between ages 62 and 65. For example, if you retire at age 60, your benefit is reduced by 10% ($5\% \times 2$ years).

If, however, you have at least 10 years of Accredited Service under the Pension Plan (including your Credited Service under the Savannah Electric Plan prior to January 1, 1998) and your benefit is determined under the Savannah Electric Plan Formula, and you begin receiving your benefit before you reach age 55, generally your benefit will be subject to a reduction of 3.6% for each year that you begin receiving your benefit before you reach age 55 and by 5% for each year that you begin receiving your benefit after you reach age 55 but before you reach age 62. For example, if you retire at age 50, your benefit is reduced by 53% [$(3.6\% \times 5 \text{ years}) + (5\% \times 7 \text{ years})$].

Remember you may retire from an Employing Company but delay the start of your benefit. If you do, your early retirement reduction is based on when your benefit begins, not your last day worked.

Vested Retirement Benefit

With respect to Savannah Electric employees, if you leave all Employing Companies before you are eligible for normal or early retirement, you may still receive a benefit. If you have at least five (5) years

of Vesting Service (which includes your Vesting Service under the Savannah Electric Plan prior to January 1, 1998), you are vested and entitled to a benefit at age 65.

You may begin your benefit any time after age 55, or at age 50 if you have at least 10 years of Accredited Service under the Pension Plan (which includes your Credited Service under the Savannah Electric Plan prior to January 1, 1998). If your benefit is determined under either the Standard Pension Formula or the New Pension Formula, your benefit will be reduced for early commencement as described in Appendix A earlier in this summary in the section titled *If You Leave an Employing Company Before Becoming Retirement Eligible*. If your benefit is determined under the Savannah Electric Plan Formula, your benefit is reduced 5% for each year that you begin receiving your benefit after reaching age 55 but before you reach age 65 and, if applicable, is reduced 3.6% for each year prior to age 55. In either case, this reduction is greater than if you terminated after becoming early retirement eligible.

H. Form of Benefit

With respect to Savannah Electric employees, if your benefit is determined either under the Standard Pension Formula or New Pension Formula, you are entitled to receive your benefit as described in Appendix A earlier in this summary in the section titled *Methods of Payment*. If your benefit is determined under the Savannah Electric Plan Formula, you are entitled to receive your benefit as described in the summary of the Savannah Electric Schedule, except that generally, if you terminated or retired after December 31, 1997, and before January 1, 2008, you are not eligible to receive a Joint and Survivor Annuity under which your beneficiary receives 75% of the benefit you received.

If you retired in 1997 and began receiving a benefit under the Savannah Electric Plan, you may not change the form of benefit you elected even if you become entitled to additional benefits under the Pension Plan.

In addition, Savannah Electric employees who terminate or retire after December 31, 1997, may elect the 50% or 100% Joint and Survivor Annuity with or without restoration, and if commencing receipt of pension benefits after December 31, 2007, the 75% Joint and Survivor Annuity with or without restoration. All these forms of payment are described earlier in this summary in Appendix A in the section titled *Methods of Payment*.

Savannah Electric employees who terminate or retire before age 65 also may have their benefit, whether determined under the Standard Pension Formula, New Pension Formula, or Savannah Electric Plan Formula, paid under a Level Income Option, whereby you receive a larger pension benefit from retirement to age 65, then a smaller benefit after age 65.

I. If You Transferred

If you transferred to or from Savannah Electric, you should contact the Southern Company Benefits Center (1-888-435-7563) for more information about your benefit under the Pension Plan.

J. If You Die

With respect to Savannah Electric employees, if you die after December 31, 1997, your spouse will be entitled to benefits as described earlier in this summary in Appendix A in the section titled *If You Die*.

K. If You Become Disabled

With respect to Savannah Electric employees, if you become disabled after December 31, 1997, you will be entitled to benefits as described earlier in this summary in Appendix A in the section titled *If You Become Disabled*.

Article II. The Savannah Electric Schedule of The Southern Company Pension Plan

The following is a summary of the Savannah Electric Schedule of The Southern Company Pension Plan. The terms of the Pension Plan document will control in the event of any conflict between the Pension Plan document and this summary. Your benefits are determined under the terms of the Pension Plan in effect at the time you terminate your employment with Savannah Electric or another Employing Company.

Savannah Electric merged into Georgia Power Company effective June 30, 2006. After this date, all employees of Savannah Electric who became employees of Georgia Power Company shall terminate employment from Georgia Power Company or another Employing Company. This summary should be read with this history in mind, and therefore, references to Savannah Electric become references to Georgia Power Company after June 30, 2006, as appropriate.

Effective January 1, 1998, the Employees' Retirement Plan of Savannah Electric, as amended and restated effective January 1, 1997 (Savannah Electric Plan), was merged into The Southern Company Pension Plan. As a result, The Southern Company Pension Plan now contains a schedule that reflects the provisions of the Savannah Electric Plan. The following summary describes these provisions. For convenience, the Savannah Electric Plan provisions of The Southern Company Pension Plan are referred to throughout this summary as the "Savannah Electric Schedule."

A. Eligibility

You participate in the Savannah Electric Schedule if you had an accrued benefit in the Savannah Electric Plan as of December 31, 1997. In addition, you are eligible to participate in the Savannah Electric Schedule on and after December 31, 1997, if you are employed at Savannah Electric, are covered under the terms of a Collective Bargaining Agreement wherein Savannah Electric and the collective bargaining agent have agreed to participate in the Savannah Electric Schedule, are at least 21 years old, have one (1) year of Eligibility Service, and are a:

- Regular full-time employee;
- Regular part-time employee; or
- Cooperative education employee.

You are not eligible to participate in the Savannah Electric Schedule if you are classified (even if the classification is in error) as:

- Not being a Savannah Electric employee;
- A leased employee;
- An independent contractor;
- An employee subject to a Collective Bargaining Agreement (unless your participation in the Savannah Electric Schedule was agreed upon);
- A temporary employee (regardless of prior inclusion under the Savannah Electric Plan); or
- Having voluntarily waived participation in the Savannah Electric Plan for any reason.

B. Cost

Savannah Electric pays all costs of participation in the Savannah Electric Schedule. On and after July 1, 2006, due to the merger of Savannah Electric into Georgia Power Company, Georgia Power Company will pay all such costs of participation. You are not required or allowed to make any contributions.

C. Service

The Savannah Electric Schedule measures three different types of service:

- Eligibility Service;
- Vesting Service; and
- Credited Service.

Hours of Service

Under the Savannah Electric Schedule, you earn years of Eligibility and Vesting Service based on the hours you work. Occasionally, you may earn hours of service when you did not actually work (for example, when you take paid vacation days). With a few exceptions, you earn an hour of service for each hour you are paid. Hours of service include:

- Regular and overtime hours;
- Vacations;
- Holidays;
- Paid leaves of absence (including sick days); and
- Some unpaid leaves of absence.

You may not earn hours of service while you are receiving Workers' Compensation benefits.

You begin earning hours of service for eligibility and vesting on your first day at work.

Eligibility Service

Your Eligibility Service determines when you become a participant in the Savannah Electric Schedule.

You earn a year of Eligibility Service upon completion of an "anniversary year" in which you have earned 1,000 hours of service. Your first anniversary year begins on your hire date. If you do not earn 1,000 hours in your first anniversary year, you will become a Plan participant during the first Plan Year in which you earn 1,000 hours of service.

You are credited with your service under the Savannah Electric Plan for purposes of determining eligibility under the Savannah Electric Schedule.

Vesting Service

When you have five (5) years of Vesting Service you are “vested.” This means that you have a right to receive a future benefit under the terms of the Pension Plan. Until you are vested, you will lose your benefit if you leave an Employing Company.

You earn a year of Vesting Service for each Plan Year you earn 1,000 hours of service.

You cannot receive Vesting Service for Plan Years before your 18th birthday.

You are credited with your service under the Savannah Electric Plan for purposes of determining vesting under the Savannah Electric Schedule.

Credited Service

Credited Service is used in the formula that determines your pension benefit. You can earn Credited Service in full or partial years.

You earn Credited Service from the day you become a participant in the Savannah Electric Plan or the Savannah Electric Schedule, and it continues under the Savannah Electric Schedule until the day you quit, retire, are discharged, or die. If you leave employment for any other reason (for example, sickness or layoff), you receive Credited Service until you have been gone for one (1) year.

Before April 1, 1976, the rules for earning Credited Service are determined under the terms of the Savannah Electric Plan then in existence. For details, contact the Southern Company Benefits Center at **1-888-435-7563**.

You are credited with your Credited Service under the Savannah Electric Plan for purposes of determining your Credited Service under the Savannah Electric Schedule.

Credit for Leaves of Absence or Layoffs

You may receive credit for service even if you are not actively at work:

Reason for Absence	You Receive		
	Eligibility Service	Vesting Service	Credited Service*
Leave with pay. (Includes paid family and medical leave.)	✓	✓	✓
Leave without pay. (Does not include military leave.)	None	✓	None
Military leave. (You must return to work within 90 days of discharge.)	✓	✓	✓
Disability after you are vested. (You must be receiving Company-sponsored long-term disability benefits.)	✓	✓	✓
Layoff due to lack of work.	None	None	None
Unpaid family and medical leave.	✓	✓	✓

Maternity or paternity leave that does not qualify as a family and medical leave. (You receive only enough service credit to keep you from having a Break in Service.)	✓	✓	✓
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** Special Note: Because of special rules applicable to the method of accruing Credited Service under the Savannah Electric Schedule, you receive at least one year of Credited Service after you leave Savannah Electric for any reason other than your resignation, discharge, retirement, or death.*

Break in Service

If you have a Break in Service, you may lose service that you have already earned. You have a Break in Service if:

- You earn 500 or fewer hours of service in a Plan Year; or
- You are absent from work for 12 consecutive months.*

** Special Note: Absence from work starts the day you quit, retire, are discharged, or die. If you leave for any other reason (for example, sickness or layoff), it starts one year later.*

When You Might Lose Your Service

You could lose your years of Vesting and Credited Service if:

- You do not already have five (5) years of Vesting Service (you are not vested); and
- You have five (5) or more consecutive Breaks in Service.

You cannot lose your Vesting or Credited Service if you had five (5) years of Vesting Service (were vested) when you had your Break in Service. Remember, to be vested means that you have a right to a benefit under the Pension Plan.

D. When You May Receive Your Benefit If You Retire

You may begin receiving your full benefit when you retire after age 65. This is your normal retirement age.

If you work until age 55, you may begin receiving your benefit on the first of any month after age 55. If you choose to receive your benefit early, it will be reduced. This is because you may receive it for a longer time.

If you retire directly from Savannah Electric or another Employing Company, the accrued benefit you could have received at age 65 is reduced by 5% for each year you receive your benefit before age 62.

Receiving Your Benefit Early

You can receive your benefit any time after age 55. However, you may receive a smaller benefit because you may receive it for a longer time. If you are working with Savannah Electric or another Employing Company when you retire, your benefit is reduced 5% for each year that you retire before age 62.

Early Retirement Reductions	
Age When You Start Your Benefit	Early Retirement Reduction
65 - 62	0%
61	5%
60	10%
59	15%
58	20%
57	25%
56	30%
55	35%

Example: If you retire at age 60, your benefit is reduced by 10% (5% x 2 years). You may retire but delay the start of your benefit. If you do, your early retirement reduction is based on when your benefit begins, not your last day worked.

If You Leave Before Retirement

If you leave Savannah Electric or another Employing Company before you are eligible for normal or early retirement, you may still receive a benefit. If you have at least five (5) years of Vesting Service, you are vested and entitled to a benefit at age 65. Within a year after you leave, the Southern Company Benefits Center will contact you and tell you how much your benefit is and when you can receive it.

You may begin your benefit any time after age 55. However, because you did not retire directly from active service, your benefit is reduced more than if you had retired after age 55. Your benefit is reduced 5% for each year that you receive your benefit before age 65.

Early Retirement Reductions	
Age When You Start Your Benefit	Early Retirement Reduction
65	0%
64	5%
63	10%
62	15%
61	20%
60	25%
59	30%
58	35%

57	40%
56	45%
55	50%

Example: If you begin your benefit at age 60, your benefit is reduced by 25% (5% x 5 years).

If You Work Past Age 65

If you continue to work past age 65, you will not receive a pension payment for any month you earn at least 40 hours of service. However, you must begin receiving your benefit by April 1 of the year following the year you turn 70½ or, if later, the year you retire.

If You Return to Work After Retirement

If you begin receiving your benefit, then return to work at any Southern Company subsidiary with a pension plan, your benefit may be stopped. You will not receive a payment for any month you earn at least 40 hours of service.

You will not be paid back for pension payments you miss because you were working. You may accrue more service and earn more benefit while you are working. If you earn more benefit, your future payments may be adjusted based on your new retirement age and the value of any previously received pension payments.

If You Were a Participant Before April 1, 1959

If you were a participant in the Savannah Electric Plan before April 1, 1959, some of your benefit may be paid by The Equitable Life Assurance Society. Call the Southern Company Benefits Center (**1-888-435-7563**) for more information if this applies to you.

E. Calculating Your Benefit

The Pension Plan uses two pension formulas to calculate pension benefits for Savannah Electric employees. The benefit you receive is the greater of the two. See Formulas A and B below.

Formula A			
For the period ...	The benefit you earn is ...		
After April 1, 1969	1-1/6% x each year's annual pay up to \$3,600*	+	2% x each year's annual pay above \$3,600*
April 1, 1959 to March 31, 1969	1% x each year's annual pay up to \$3,000*	+	2% x each year's annual pay above \$3,000*
1956 to March 31, 1959	1% x average annual pay (up to \$3,000) for each year of Credited Service earned in 1956, 1957, and 1958	+	1½% x average annual pay (above \$3,000) for each year of Credited Service earned in 1956, 1957, and 1958

* For each year of Credited Service earned during the period.

Formula B

Step 1: Take 1-2/3% of monthly Final Average Pay.

Step 2: Multiply the result from Step 1 by years of Credited Service (up to 36 years).

Step 3: Take 1½% of estimated Social Security benefit.

Step 4: Multiply the result from Step 3 by years of Credited Service (up to 33-1/3 years).

Step 5: Subtract the amount in Step 4 from the amount in Step 2.

Final Average Pay

Your Final Average Pay is the average of your highest consecutive 36 months of pay during the last 10 years you work for Savannah Electric. On and after January 1, 1994, only those months in which you receive pay count towards the determination of consecutive months of pay.

Not all pay is included. The following are included:

- Regular, straight time pay (before taxes);
- Straight time differential pay;
- Substitution straight time pay;
- Substitution flat rate pay;
- Earned vacation pay; and
- The difference between military pay and regular straight time pay you would have received if you had not been serving in the military.

Pay is determined before adjustments for pretax contributions you make to the Employee Savings Plan and Flexible Benefits Plan.

The following are not included:

- Overtime pay;
- Bonuses (including incentive compensation awards);
- Contributions to any nonqualified deferred compensation plan;
- Separation pay;
- Imputed income;
- Relocation pay; and
- Workers' compensation.

A Pension Benefit Example

The following example shows how to calculate a benefit under the two formulas.

John Doe's Normal Retirement Date was January 1, 1999. The following information was used to calculate his benefit:

- Date of hire: October 1, 1981
- Date of participation: October 1, 1982
- Years of Credited Service earned as of December 31, 1998: 16.25

Pay History	
Year	Annual Pay
1981	\$12,000
1982	\$13,000
1983	\$14,500
1984	\$15,500
1985	\$17,000
1986	\$19,000
1987	\$21,000
1988	\$23,000
1989	\$25,000
1990	\$27,000
1991	\$29,000
1992	\$31,000
1993	\$33,000
1994	\$35,000
1995	\$37,000
1996	\$40,000
1997	\$42,000
1998	\$44,000
Final Average Pay	\$42,000 per year (\$3,500 per month)
Estimated Social Security Benefit	\$850.00 per month

The following chart shows how Mr. Doe's benefit was calculated under Formula A.

Formula A			
Year	Base Benefit: 1-1/6% x Annual Pay up to \$3,600	Excess Benefit: 2% x Annual Pay Above \$3,600	That Year's Benefit Accrual (Annual Benefit)
1981	N/A	N/A	\$0 (not a participant)
1982	$0.01167 \times \$900^* = \10.50	$0.02 \times \$2,350^* = \47	\$57.50*
1983	$0.01167 \times \$3,600 = \42.00	$0.02 \times \$10,900 = \218.00	\$260.00
1984	$0.01167 \times \$3,600 = \42.00	$0.02 \times \$11,900 = \239.00	\$280.00
1985	$0.01167 \times \$3,600 = \42.00	$0.02 \times \$13,400 = \268.00	\$310.00
1986	$0.01167 \times \$3,600 = \42.00	$0.02 \times \$15,400 = \308.00	\$350.00
1987	$0.01167 \times \$3,600 = \42.00	$0.02 \times \$17,400 = \348.00	\$390.00
1988	$0.01167 \times \$3,600 = \42.00	$0.02 \times \$19,400 = \388.00	\$430.00
1989	$0.01167 \times \$3,600 = \42.00	$0.02 \times \$21,400 = \428.00	\$470.00
1990	$0.01167 \times \$3,600 = \42.00	$0.02 \times \$23,400 = \468.00	\$510.00
1991	$0.01167 \times \$3,600 = \42.00	$0.02 \times \$25,400 = \508.00	\$550.00
1992	$0.01167 \times \$3,600 = \42.00	$0.02 \times \$27,400 = \548.00	\$590.00
1993	$0.01167 \times \$3,600 = \42.00	$0.02 \times \$29,400 = \588.00	\$630.00
1994	$0.01167 \times \$3,600 = \42.00	$0.02 \times \$31,400 = \628.00	\$670.00
1995	$0.01167 \times \$3,600 = \42.00	$0.02 \times \$33,400 = \668.00	\$710.00
1996	$0.01167 \times \$3,600 = \42.00	$0.02 \times \$36,400 = \728.00	\$770.00
1997	$0.01167 \times \$3,600 = \42.00	$0.02 \times \$38,400 = \768.00	\$810.00
1998	$0.01167 \times \$3,600 = \42.00	$0.02 \times \$40,400 = \808.00	\$850.00
Total Annual Benefit			\$8,637.50
Total Monthly Benefit			\$719.79

* Special Note: Only pay received while a participant in the Savannah Electric Plan and the Savannah Electric Schedule is counted for purposes of calculating your benefit. Therefore, because Mr. Doe was only a participant for one-fourth of the year, the \$3,600 limit is reduced to \$900 (¼ of \$3,600). The excess benefit pay limit is also prorated.

Formula B

Step 1: Take 1-2/3% of monthly Final Average Pay.

$$\$3,500 \times 0.0167 = \$58.45$$

Step 2: Multiply the result from Step 1 by years of Credited Service.

$$\$58.45 \times 16.25 \text{ years} = \$949.81$$

Step 3: Take 1½% of estimated Social Security benefit.

$$\$850 \times 0.015 = \$12.75$$

Step 4: Multiply the result from Step 3 by years of Credited Service.

$$\$12.75 \times 16.25 \text{ years} = \$207.19$$

Step 5: Subtract the amount in Step 4 from the amount in Step 2.

$$\$949.81 - \$207.19 = \$742.62$$

Mr. Doe will receive the benefit calculated under Formula B because it is the larger of the two possible benefits:

FORMULA A: \$719.79

FORMULA B: \$742.62

Temporary Social Security Supplemental Benefit*

- Former employees receiving pension benefits for April 2005 who had not had their 62nd birthday before August 1, 2005, began receiving a temporary supplement of an additional \$250 per month.
- This additional amount would have been paid from August 2005 through the first of the month following the former employee's 62nd birthday.
- These former employees' survivors who are entitled to ongoing pension benefits will receive the extra benefit amount through the first of the month following the deceased former employee's 62nd birthday (survivors already receiving pension benefits as of April 2005 also will be eligible for the extra benefit amount).

** This temporary benefit is intended to meet the requirements of Treasury Regulation §1.411(a) – 7(c)(4)(ii).*

The Temporary Social Security Supplemental Benefit is a fixed-dollar amount (i.e., \$250 per month), which is limited to retirees who have commenced benefits as of April 2005 and will not have had their 62nd birthday before August 1, 2005. This enhancement is payable only until attainment of age 62 rather than for life.

F. Methods of Payment

The method of payment for your benefit depends on whether you are married or single when you begin receiving your benefit.

If You Are Single

If you are single and you do not choose another form of payment, your benefit will be paid as a Single Life Annuity. A Single Life Annuity pays you a monthly benefit for your lifetime only. After you die, no one else will receive a benefit.

If You Are Married Waiving Spousal Benefits

If you are married, the law requires you to receive a Joint and Survivor Annuity. However, if your spouse waives his or her right to this benefit, you may choose:

- An optional form of payment that does not provide a benefit for your spouse;
- A Joint and Survivor Annuity that is different from the normal form; or
- A beneficiary other than your spouse.

To waive spousal benefits, your spouse must sign a form that states:

- That he or she does not want Pension Plan benefits under the normal form Joint and Survivor Annuity;
- Which option you are choosing instead of the normal form Joint and Survivor Annuity;
- The name of your beneficiary (if other than your spouse); and
- That he or she agrees to your election of an optional form of payment or another beneficiary.

Your spouse's signature must be witnessed by a notary public to be valid. A notary public is authorized by a public authority to witness signatures on legal documents and administer oaths. A notary public signs the document and then validates the signature with a seal.

If You Are Married and Retire

Unless you and your spouse choose an optional form of payment, the Pension Plan will pay:

- A monthly benefit to you for life; then
- A monthly benefit to your spouse that is 50% of the monthly benefit you were receiving, if you die prior to your spouse.

Your monthly benefit will be actuarially reduced because the Pension Plan may continue to pay a benefit after your death. The reduction in your benefit offsets the added protection for your spouse.

G. Optional Forms of Payment

Single Life Annuity

A Single Life Annuity pays you a benefit each month from your retirement date to your death. When you die, your payments stop, regardless of how many payments you received. The Single Life Annuity does not provide any benefit to your spouse or anyone else after you die. If you are married, your spouse must agree in writing for you to choose this option. This is the normal form of payment if you are single.

Joint and Survivor Annuity

This option pays an actuarially reduced monthly benefit to you until you die. Then your beneficiary receives either:

- 50% of the benefit you were receiving (this is the normal form of payment if you are married);
- 75% of the benefit you were receiving; or
- 100% of the benefit you were receiving.

The higher the percentage of your benefit that your beneficiary receives, the more your benefit is reduced. The reduction in your benefit offsets the added protection for your beneficiary.

Level Income Option

The Level Income Option allows you to coordinate your pension benefit with your age 65 Social Security benefit if you retire before age 65. Alternatively, you may coordinate your pension benefit with your age 62 Social Security benefit if you retire before age 62. Under the Level Income Option, you elect a Single Life Annuity, 50% Joint and Survivor Annuity, or 100% Joint and Survivor Annuity, with a Level Income Option as your form of payment.* Your payments will be adjusted to provide:

- A larger pension benefit from retirement until you reach age 65 (or age 62); then
- A smaller benefit after you reach age 65 (or age 62).

With the Level Income Option, your total income before and after you begin receiving Social Security benefits is about the same.

Only your (not your spouse's) payments are adjusted to coordinate with Social Security. If you die after electing a Joint and Survivor Annuity with Level Income Option as your form of payment, your spouse will receive the same amount he or she would have received if you had elected a Joint and Survivor Annuity without a Level Income Option. See the section titled *Joint and Survivor Annuity* (under *Optional Forms of Payment* in this Appendix) for more information.

The Single Life Annuity with Level Income Option does not provide a survivor benefit at your death. Therefore, if you are married, your spouse must agree in writing to this option.

* If you are eligible to elect a 75% Joint and Survivor Annuity, alternatively, you may elect a 75% Joint and Survivor Annuity with a Level Income Option.

Changing Your Option

You can elect, change, or cancel an option within 90 days prior to the date payments begin. Before payments begin, you will receive information concerning the optional forms of payment.

If Your Spouse Dies or You Divorce

If your spouse beneficiary dies or you divorce before your payments begin, you should notify the Southern Company Benefits Center (**1-888-435-7563**). Then the option you chose is automatically canceled. If your ex-spouse has a Qualified Domestic Relations Order ("QDRO"), he or she may be entitled to all or a portion of your pension benefit. See the section titled *Other Information* for more information on QDROs.

If your spouse beneficiary dies after your payments begin, your benefit stays the same. If you divorce after payments begin, your former spouse beneficiary remains your beneficiary if you die, even if you remarry.

H. If You Come Back to Work for an Employing Company After Receiving a Lump-Sum Payment

If you receive a Lump-Sum Payment (cash out) of your benefit and later come back to an Employing Company, you must repay the lump sum with interest if you want to keep the years of service you had already earned. You must repay the lump sum within five (5) years from your date of rehire.

If you had five (5) consecutive one-year Breaks in Service before you were rehired, you cannot repay the lump sum. Therefore, you will not keep your prior service. You will be treated like a new employee, and you must complete a year of Eligibility Service before you can participate in the Pension Plan again.

I. If You Transfer

If you transfer to another subsidiary in Southern Company's controlled group, you will not lose any of your accrued benefit under the Savannah Electric Schedule. You should contact the Southern Company Benefits Center (**1-888-435-7563**) for more information about your benefits under the Pension Plan.

J. If You Die

If You Are Single

If you are single when you die, and you elected the Single Life Annuity or Level Income Option, all Pension Plan benefits end.

If you elected a Joint and Survivor Annuity, your beneficiary will receive a monthly benefit based on the option you chose. See *Joint and Survivor Annuity* under the section titled *Optional Forms of Payment* in this Appendix for more information on joint and survivor options.

If You Are Married and Die After You Start Your Benefit

If you are receiving a Joint and Survivor Annuity, your spouse or other beneficiary will receive a monthly benefit based on the option you chose. See *Joint and Survivor Annuity* under *Optional Forms of Payment* in this Appendix for more information on joint and survivor options.

If you are receiving a Single Life Annuity or Level Income Option instead, no further benefits will be paid from the Pension Plan after you die.

If You Die Before You Start Your Benefit

Your spouse may be eligible to receive a portion of your accrued benefit if you die before you start your benefit, provided your spouse has not waived his or her right to this benefit. To receive this benefit, your spouse must have been married to you for at least 12 months and you must fit into one of the following categories:

- Category 1: an active employee who is at least 55 years old or has at least 20 years of Credited Service;
- Category 2: an early retiree who has not started to receive a Pension Plan benefit;
- Category 3: an active employee who is vested in the Pension Plan (has five (5) or more years of Vesting Service) but is not yet 55 years old; or
- Category 4: a terminated employee entitled to a benefit who has not started to receive the benefit.

Categories 1 or 2

If you are eligible for category 1 or category 2 when you die, your spouse will receive a benefit beginning the first day of the month after your death. How much your spouse will receive is based on what your age would have been when your spouse receives his or her benefit.

Also, if your spouse is more than 60 months younger than you, your benefit will be reduced by one-sixth of 1% for each month your spouse is more than 60 months younger than you. Your spouse's benefit will be based on a percentage of your reduced benefit.

Early Commencement Reductions	
Age You Would Have Been at Commencement	Percent of Your Benefit Your Spouse Will Receive
40 – 45	40%
46	41%
47	42%
48	43%
49	44%
50	45%
51	46%
52	47%
53	48%
54	49%
55 or older	50%

Category 3

If you are eligible for category 3 when you die, your spouse will receive 50% of your benefit on the first of the month after what would have been your 65th birthday. Your benefit is calculated as if you:

- Terminated employment on the day before you died;
- Lived to your normal retirement age (65);
- Chose to receive the normal form Joint and Survivor Annuity; and
- Then died immediately.

Your spouse may choose to begin receiving his or her benefit on the first of any month after what would have been your 55th birthday. Your benefit will be reduced by 5% for each year that your spouse receives a benefit before your 65th birthday.

Category 4

If you are eligible for category 4 when you die, your spouse will automatically receive 50% of your benefit on the first of the month after what would have been your 65th birthday. Your benefit is calculated as if you:

- Lived to your normal retirement age (65);
- Chose to receive the normal form Joint and Survivor Annuity benefit; and
- Then died immediately.

Your benefit will be reduced by the cost of survivor benefit coverage. The period of coverage begins when you terminate employment and ends on your date of death. Your benefit is reduced according to the following table:

Your Age When You Leave Savannah Electric	Percent Reduction for Each Year of Coverage
Under age 35	No charge
35 – 39	0.2%
40 – 49	0.3%
50 – 54	0.4%
55 – 59	0.5%
60 and older	1.0%

Your spouse may choose to begin receiving his or her benefit on the first of any month after what would have been your 55th birthday. Your benefit will be reduced by 5% for each year that your spouse receives a benefit before your 65th birthday.

K. Changing Your Option

You may avoid the extra cost of survivor benefit coverage by electing to waive this benefit with your spouse's consent. You may make such an election when you leave employment with a vested benefit under the Savannah Electric Schedule.

You also may waive your spouse's survivor benefit coverage when you attain age 65 while you are still working. Since no charge has been applied to your benefit because you have not terminated employment, this waiver option merely allows you to designate a beneficiary other than your spouse to receive any survivor benefit.

L. If You Become Disabled

If you are an active employee in an eligible class and are vested and become disabled, you may receive your pension benefit once you reach retirement age. You may receive:

- Your full benefit at age 65 or later; or
- A reduced benefit at any time after age 55.

Disability means that you are receiving benefits from an Employing Company-sponsored long-term disability plan or program. You do not have to qualify for Social Security disability benefits to be considered disabled under the Savannah Electric Schedule.

Vesting and Credited Service

While you are disabled, you earn Vesting and Credited Service as if you were still working. So, even though you are disabled, you earn vesting rights and more benefits each year.

Final Average Pay

When calculating Final Average Pay, the Pension Plan assumes that your pay is the same while you are disabled as it was right before you were disabled. For example: if your monthly pay rate in effect when you became disabled was \$3,000, the Pension Plan assumes that you make \$3,000 each month while you are disabled.

The Amount of Your Benefit

When you retire from disability status, your benefit will be calculated using the normal retirement benefit formulas.

However, if you did not qualify for Social Security disability benefits, your Pension Plan benefit under Formula A will be calculated using the following chart. Your Formula B benefit is calculated normally as demonstrated under *A Pension Benefit Example, Formula B*.

For the period ...	The benefit you earn is ...		
After April 1, 1969	1-1/6% x each year's annual pay up to \$3,600*	+	2% x each year's annual pay above \$3,600*
April 1, 1959 to March 31, 1969	1% x each year's annual pay up to \$3,000*	+	2% x each year's annual pay above \$3,000*
1956 to March 31, 1959	1% x average annual pay (up to \$3,000) for each year of Credited Service earned in 1956, 1957, and 1958	+	1½% x average annual pay (above \$3,000) for each year of Credited Service earned in 1956, 1957, and 1958

* For each year of Credited Service earned during the period.

M. How to Receive Your Benefit

You should notify the Southern Company Benefits Center (**1-888-435-7563**) no more than 90 days and no less than 30 days before your retirement date. This is to allow time to process paperwork. Contact the Southern Company Benefits Center for more information on the forms you will need and timing of your benefit.

Every claim for benefits is reviewed. If your claim is denied, you may appeal the decision. For details on this process, see sections IX and X of this summary.

N. When Benefits May Be Reduced

Remember, if you retire early, you also have an early retirement reduction. Possible reductions to your earned benefit are:

- Early retirement reductions (if you retire after age 55 and begin receiving your benefit before age 62);
- Early commencement reductions (if you leave before age 55 and begin receiving your benefit before age 65); or
- Actuarial adjustments based on your optional form of payment (if you choose an annuity other than a Single Life Annuity).

O. When Benefits Are Not Paid

You may not receive all or part of your benefit if you:

- Lose your years of Vesting and Credited Service due to a Break in Service (see *Break in Service* under *Service* in this Appendix);
- Die before you are eligible to receive a benefit (before you accrue five (5) years of Vesting Service);
- Die without a beneficiary covered by a joint and survivor option; or
- Leave Savannah Electric before you are vested unless you return to work before you lose your prior service.

Appendix D. Rules for Southern Company Gas Employees Who Were Eligible for an AGL Pension Prior to January 1, 2018¹

I. Eligibility

You are eligible to participate under Appendix D if you were employed by a participating Company in the AGL Retirement Plan, eligible to participate, and either a:

- Non-union employee hired before 2012; or
- Union employee hired before 2013.

This Appendix D does not apply to Nicor Gas participants. If you were actively participating under the historical Nicor Gas pension provisions as of December 31, 2017, refer to Appendix E instead. If you have a frozen Nicor Gas benefit (for instance, due to a previous rehire after the Plan was frozen), please refer to Appendix E for provisions regarding your eligibility for and payment of that benefit and refer to Appendix F for possible future benefits you may be eligible to receive.

Non-union Employees

- If you were a non-union employee who first became employed by a participating Company in the AGL Retirement Plan in 2012 or later (including due to transfer from a non-participating affiliate), you will not be eligible to participate under Appendix D. (Please see Appendix F.)
- If you left a participating Company in the AGL Retirement Plan between January 1, 2012, and December 31, 2017, and were rehired within one year, then you are eligible for full participation under Appendix D if you were actively participating in the AGL Retirement Plan on December 31, 2017. Employees rehired after one or more years or who were not active on December 31, 2017, may be eligible to earn additional benefits under Appendix F beginning in 2018. However, your frozen accrued benefit that was earned under the AGL Retirement Plan before 2018 will be subject to the terms of Appendix D (regarding early retirement eligibility, payment options and similar provisions).
- If you are covered under Appendix D, and you leave an Employing Company on or after January 1, 2018, you will be eligible to return to full participation under Appendix D upon rehire unless:
 - You are rehired into another union position that requires you to participate in a different portion of the Plan;
 - You received a full distribution of your Appendix D benefit before you were rehired (in which case refer to Appendix F); or

¹ Appendix D includes employees who have a frozen NUI benefit or frozen VNG/CNG benefit. This Appendix applies to VNG collectively bargained employees who were pension eligible prior to January 1, 2018.

- You were unvested at the time of your termination and you complete five (5) consecutive one-year breaks in service before rehire (in which case refer to Appendix F).

Union Employees

- If you are a union employee who first became employed by a participating Company in the AGL Retirement Plan in 2013 or later (including due to transfer from a non-participating affiliate), you will not be eligible to participate under Appendix D. (Please see Appendix F.).
- If you left a participating Company in the AGL Retirement Plan between January 1, 2012, and December 31, 2017, and were rehired within one year, then you are eligible for full participation under Appendix D if you were actively participating in the AGL Retirement Plan on December 31, 2017. Employees rehired after one or more years or who were not active on December 31, 2017, may be eligible to earn additional benefits under Appendix F beginning in 2018. However, your frozen accrued benefit that was earned under the AGL Retirement Plan before 2018 will be subject to the terms of Appendix D (regarding early retirement eligibility, payment options and similar provisions).
- If you are covered under Appendix D, and you leave an Employing Company on or after January 1, 2018, you will be eligible to return to full participation under Appendix D upon rehire unless:
 - You are rehired into another union position that requires you to participate in a different portion of the Plan;
 - You received a full distribution of your Appendix D benefit before you were rehired (in which case refer to Appendix F); or
 - You were unvested at the time of your termination and you complete five (5) consecutive one-year breaks in service before rehire (in which case refer to Appendix F).

Transfers

If you previously participated in the Nicor Gas provisions in December 2011 or later, you are not eligible to participate under Appendix D. See Appendix E instead.

If you are actively participating under Appendix D and transfer to a non-union position (whether with Gas or Southern Company (Classic)) in the future, you will continue to participate under Appendix D following the transfer. If you transfer to a union position, your pension benefits will be determined by the applicable Collective Bargaining Agreement – generally, Gas union participants are covered by Appendix D (if grandfathered) or Appendix F, and Southern Company UCC-1 participants are covered by Appendix B.

You are not eligible to participate in the Pension Plan if you are a member of a collective bargaining unit, unless your collective bargaining agent and your Employing Company have mutually agreed to allow your participation.

You are not eligible to participate if you are classified (even if the classification is in error) as a:

- Temporary employee;
- Leased worker*; or
- Independent contractor.

** Generally, if a "leased employee" (as defined in Section 414(n) of the Internal Revenue Code) provides services to an Employing Company and subsequently moves from leased worker status to an eligible employee status, the Pension Plan must consider the entire period during which the individual performed services as a leased worker for purposes of Eligibility Service and Vesting Service.*

The Employees' Retirement Plan of NUI Corporation (NUI Plan)

After December 31, 2005, no additional employees became participants in the NUI Plan. If you were a participant as of December 31, 2005, you remain a participant until your benefits are distributed.

You were considered a City Gas employee under the NUI Plan if:

- You were an eligible employee of the NUI Utilities Inc. d/b/a City Gas Company of Florida on or before December 31, 2005;
- You were an eligible employee of NUI Energy at a City Gas Company of Florida facility on or before December 31, 2005; or
- You participated in the NUI Plan and were covered by the City Gas Company of Florida Pension Plan (the "City Gas Plan") as of December 31, 2000.

You were considered a Pennsylvania & Southern employee under the NUI Plan if:

- You were an eligible employee of NUI Utilities Inc. d/b/a Valley Cities Gas, North Carolina Gas, Elkton Gas or Waverly Gas Service on or before December 31, 2005; or
- You participated in the NUI Plan and were covered by the Pennsylvania & Southern Gas Company Employees Pension Plan as of December 31, 2000.

The NUI Plan was merged into the AGL Retirement Plan on January 1, 2013 and is referred to as the frozen NUI benefit.

II. Service

Under Appendix D, the Pension Plan measures two different types of service:

- Accredited Service; and
- Vesting Service.

A. Accredited Service

Accredited service is used to determine the early retirement reduction factors that apply to your benefit under Appendix D. Your Accredited Service is the sum of your years of service credited under the terms of the AGL Retirement Plan as of December 31, 2017, plus each calendar year beginning on or after January 1, 2018, in which you earn at least 1,000 hours of service.

Prior Accredited Service. Your years of accredited service determined as of December 31, 2017, were equal to (i) the number of 12-month periods of your employment in which you earned at least 1,000 hours of service through 2017, plus (ii) another year of service for 2017 if you earned at least 1,000 hours during that calendar year. If you did not earn at least 1,000 hours of service during your first 12 months of employment, your accredited service was instead calculated based on calendar years (instead of anniversary years based on your date of hire).

B. Vesting Service

When you have five (5) years of Vesting Service you are “vested.” This means that you have a right to receive a future benefit under the terms of the Pension Plan. Until you are vested, you may lose your benefit if you leave employment with an Employing Company.

The Vesting Service you earned under the AGL Retirement Plan as of December 31, 2017, will be added to future Vesting Service earned on or after January 1, 2018. On or after January 1, 2018, you earn a year of Vesting Service for each calendar year in which you have 1,000 hours of service.

For periods before 2018, you earned a year of Vesting Service for each plan year in which you completed at least 1,000 hours of service. Years before you reached age 18 did not count. A plan year is currently January 1 to December 31, but, before July 1, 2002, a plan year was the period from July 1 to June 30. Due to the change in plan year, you may have also earned a year of vesting service if you completed 1,000 or more hours of service from July 1, 2002 to June 30, 2003.

If you are not vested and have five (5) or more consecutive years of breaks in service, your years of vesting service credited before the break will not be counted when you return. A break in service is a year in which you have less than 501 hours of service.

For example: Sally was hired by Southern Company Gas as a regular full-time employee on September 20, 2011. She had earned three (3) years of Vesting Service under the AGL Retirement Plan as of December 31, 2017. Here is how her Vesting Service would be determined.

Calendar Year	Hours Worked	Vesting Service Earned	Total Vesting Service
Prior to 2018	NA	NA	3.0000
2018	2,080	1.0000	4.0000
2019	999	0.0000	4.0000
2020	2,080	1.0000	5.0000

Sally became a plan participant in the AGL Retirement Plan on October 1, 2012, because she met the plan eligibility requirements.

C. Credit for Leaves of Absence or Layoffs

You may receive credit for service on or after January 1, 2018, even if you are not actively at work:

Reason for Absence	You Receive: Accredited Service	You Receive: Vesting Service
Leave with pay. (Includes paid family and medical leave.)	✓	✓
Leave without pay. (Does not include military leave.)	None	✓
Military leave. (You must return to work within 90 days of discharge.*)	✓	✓
Disability after you are vested. (You must begin receiving Social Security disability benefits or Company-sponsored long-term disability benefits while you are employed.)	N/A	N/A
Layoff due to lack of work.	None	None
Unpaid family and medical leave.	None	✓
Maternity or paternity leave that does not qualify as a family and medical leave. (You receive only enough service credit to keep you from having a Break in Service.)	None	✓

* Refer to your Employing Company's military leave policy for procedures related to military leave.

III. When You Can Retire Under the Pension Plan

Your **Early Retirement Date** is the first day of the month following retirement on or after your 55th birthday (and before your Normal Retirement Date) with five (5) years of Vesting Service.

Your **Normal Retirement Date** is the first of the month after your 65th birthday.

Your **Deferred Retirement Date** is the first day of the month following retirement after your Normal Retirement Date.

IV. When You May Receive Your Benefit

You may begin receiving your full Pension Plan benefit when you retire at or after your Normal Retirement Date. If you choose to receive your benefit earlier, it may be reduced. This is because you may receive it for a longer time.

A. If You Work Past Your Normal Retirement Date

If you continue to work past your Normal Retirement Date, you will not receive a Pension Plan payment for any month you earn at least 40 hours of service. However, you may continue to accrue more service and earn more benefits under the Pension Plan. You must begin receiving your benefit by April 1 of the year following the year you turn 70½ or, if later, the year you retire.

B. If You Retire From an Employing Company

If you retire directly from an Employing Company before your Normal Retirement Date, the accrued benefit you could have received at your Normal Retirement Date may be reduced. The amount your benefit is reduced varies depending on your years of Accredited Service. Please refer to the table on the next page.

When you leave an Employing Company, you may be eligible to delay the start of your benefit. If you do, your early retirement reduction is based on when your benefit begins, not your last day worked.

Early Retirement Severance Bridge. Under the provisions of the AGL Retirement Plan, if you had at least 15 years of service and left employment before age 55 but after reaching age 52, under circumstances that made you eligible for severance benefits, you would be eligible for the more favorable early retirement reduction factors instead of the reduction that applies to vested participants who are not retirement eligible. Beginning in 2018, the bridge has been eliminated for future accruals, but is grandfathered for existing benefits. So, if you terminate after 2017 and meet the conditions for the severance bridge, you will receive the higher of (i) your full accrued benefit, calculated using the factors for vested participants, or (ii) your benefit earned as of December 31, 2017, calculated using the early retirement factors.

C. If You Leave an Employing Company Before Becoming Retirement Eligible

If you leave an Employing Company before you are eligible for normal or early retirement, you may still receive a benefit from the Pension Plan. If you have at least five (5) years of Vesting Service, you are entitled to a benefit at your Normal Retirement Date.

If you have at least five (5) years of Vesting Service, you may begin your benefit any time after age 55 (if you are a historical AGL or VNG participant) or at any time after you leave employment (if you have a frozen NUI benefit). However, if you begin receiving benefits prior to your Normal Retirement Date, your benefit is reduced. (Please refer to the tables on the next pages.)

If you retire before age 55, your benefit will be actuarially reduced. The factors described in the tables following do not apply to you. Any benefit under the AGL formula that commences before age 55 would be reduced to actuarial equivalents.

Standard Pension Formula* Early Retirement Pension Benefit Percentage ¹			
	If You Retire From an Employing Company With 25 or More Years of Accredited Service	If You Retire From an Employing Company With Less Than 25 years of Accredited Service	If You Leave Before Becoming Retirement Eligible
Age When You Start Your Benefit	Early Retirement Benefit Percent	Early Retirement Benefit Percent	Early Retirement Benefit Percent
65	100.00%	100.00%	100.0%
64	100.00%	93.33%	89.27%
63	100.00%	86.67%	79.91%
62	100.00%	80.00%	71.72%
61	90.00%	73.50%	64.53%
60	85.00%	68.50%	58.19%
59	80.00%	63.90%	52.59%
58	75.00%	60.00%	47.62%
57	70.00%	56.67%	43.21%
56	65.00%	53.33%	39.27%
55	60.00%	50.00%	35.75%

* Chart applies to an employee whose Normal Retirement Date is age 65.

¹ If you have a frozen NUI benefit as of December 31, 2005, different reduction factors will apply to your frozen NUI benefit. See table below. Service for this purpose generally means your total period of employment with NUI and its affiliates.

Frozen NUI Benefit (excluding City Gas or Pennsylvania & Southern) ^{1, 2, 3} Early Retirement Pension Benefit Percentage		
	If You Retire From an Employing Company With 25 or More Years of Service	If You Retire From an Employing Company With Less Than 25 years of Service
Age When You Start Your Benefit	Early Retirement Benefit Percent	Early Retirement Benefit Percent
65	100.00%	100.00%
64	100.00%	96.00%
63	100.00%	92.00%
62	100.00%	88.00%
61	96.00%	84.00%
60	92.00%	80.00%
59	89.00%	77.00%
58	86.00%	74.00%
57	83.00%	71.00%
56	80.00%	68.00%
55	77.00%	65.00%

¹ Chart applies to an employee whose Normal Retirement Date is age 65.

² If you were a City Gas employee, your frozen NUI benefit will be reduced by 1/15 for each of the first five (5) years and 1/30 for each of the next five (5) years by which your commencement date precedes your Normal Retirement Date (age 65). If you begin payments before age 55, your benefit will be further reduced using actuarial factors.

³ If you were a Pennsylvania & Southern employee, your frozen NUI benefit will be reduced by 1/180 for each of the first 60 full calendar months and 1/360 for each of the next 60 full calendar months by which your commencement date precedes your Normal Retirement Date (age 65).

D. If You Return to Work After Retirement

If you begin receiving your Pension Plan benefit and then return to work at any Southern Company Employing Company under the Pension Plan, your benefit may be stopped. Unless you waive participation in the Pension Plan, you will not receive a payment for any month you earn at least 40 hours of service.*

If your payments are suspended, you will not be paid back for the missed Pension Plan payments during your period of reemployment. You may accrue more service and earn more benefit if you are working for an Employing Company. If you accrue more benefit, your future benefit will be adjusted based on your new retirement age and the value of any previously received pension payments.

* To obtain a Pension Plan waiver form, contact the Southern Company Benefits Center at 1-888-435-7563.

E. Pension Formula

The benefit you receive will be equal to the benefit you had earned under the AGL Retirement Plan as of December 31, 2017, plus any benefit earned in future years under the Pension Plan based on the formula, as follows:

Benefit Formula	
Your Pension Plan benefit	
=	
Your December 31, 2017 AGL Retirement Plan Accrued Benefit	
+	
1.0%	
x	
Eligible Pay for each calendar year on or after January 1, 2018	
+	
0.5%	
x	
Eligible Pay – ½ Social Security Wage Base for each calendar year on or after January 1, 2018	

F. Eligible Pay

For years **after January 1, 2018**, your benefit will be calculated each year using your actual base pay and salary-based bonus in the Performance Pay Plan (PPP), if applicable, after January 1, 2018. PPP is included in the year you retire or terminate. Any PPP paid after the year in which you retire or terminate is excluded.

Unused vacation pay and overtime will not be included. (Overtime pay is included for VNG union employees.)

The Social Security Taxable Wage Base (SSWB) for 2022 is \$147,000 and is subject to change annually.

Your eligible pay used to calculate your benefit each year may not be more than the Internal Revenue Service compensation limit. For 2022, this limit is \$305,000, and it will be indexed for future years.

G. A Pension Benefit Example

This example is for illustrative purposes only to demonstrate how a benefit could be calculated under the Pension Plan. Thus, it is not intended to describe eligibility for a benefit. Your eligibility for a benefit will be determined under the terms of the Pension Plan.

John Doe's Normal Retirement Date was December 1, 2020.

The following information was used to calculate his benefit:

Date of Hire	January 1, 2011
Date of Participation	January 1, 2012
Age at Date of Hire	56
Normal Retirement Date	December 1, 2020
December 31, 2017 Annual Accrued Benefit	\$ 6,406
2018 Eligible Pay	\$ 90,000
2019 Eligible Pay	\$ 92,750
2020 Eligible Pay	\$ 87,500
2018 SSWB	\$128,400
2019 SSWB	\$132,500
2020 SSWB	\$136,500

Pension Formula

Pension Plan Benefit Example for John Doe

$$\begin{aligned} &\text{December 31, 2017 annual accrual} \\ &\quad \$6,406.32 \\ &\quad + \\ &\quad \text{2018 accrual} \\ &1.0\% \times \$90,000 + 0.5\% \times (\$90,000 - 0.5 \times \$128,400) \\ &\quad + \\ &\quad \text{2019 accrual} \\ &1\% \times \$92,750 + 0.5\% \times (\$92,750 - 0.5 \times \$132,500) \\ &\quad + \\ &\quad \text{2020 accrual} \\ &1\% \times \$87,500 + 0.5\% \times (\$87,500 - 0.5 \times \$136,500) \\ &\quad = \\ &\quad \$9,466.57 \text{ per year (or } \$788.88 \text{ per month)} \end{aligned}$$

V. Beneficiary Designation

If you are married, your spouse will typically be the beneficiary of any preretirement and retirement survivor benefits. Effective January 1, 2018, you also can name someone other than your spouse to be your beneficiary for either or both preretirement and retirement benefits, whether you are married or single.

A. Preretirement Death Benefit Beneficiary

If you are married, your spouse will automatically be the beneficiary of any preretirement death benefits, unless he or she agrees to another beneficiary choice by signing a spousal waiver form and having it witnessed by a notary public.

If you are single, or if you are married and your spouse agrees in writing, you may name a non-spouse beneficiary or beneficiaries for your preretirement death benefits. If you have more than one non-spouse beneficiary, the benefit will be split evenly among the beneficiaries. Non-spouse beneficiaries could include one or more of the following:

- An adult;
- A minor child;
- An estate; and/or
- A trust.

Beneficiary designations for preretirement death benefits expire on the earliest of the following dates:

- January 1 of the year in which you turn age 35;
- Termination date if prior to age 35;

- Your retirement;
- Upon rehire;
- Your designation of a new preretirement death benefit beneficiary;
- Your Normal Retirement Date (or, if applicable, your Deferred Retirement Date); or
- Your death.

Your preretirement death benefit beneficiary designation also expires if you elect a non-spouse beneficiary and become married after you make the election. You must make a new election if:

- You turn age 35 after making your initial election;
- You are married and your spouse beneficiary dies;
- You get a divorce and your beneficiary was your former spouse; or
- Your single non-spouse beneficiary dies (if you are married in this instance, your spouse becomes the default preretirement death benefit beneficiary).

If you have multiple non-spouse beneficiaries and one of them dies, the remaining non-spouse beneficiary (or beneficiaries) will remain valid and a new election is not required.

If you do not designate a beneficiary or beneficiaries for your preretirement death benefits, the benefits will be paid to the first of the following:

- Your spouse on the date of your death;
- Your legally recognized children (equally);
- Your parents (equally);
- Your brothers and sisters (equally);
- Your estate.

B. Beneficiary at Retirement

At retirement, you can designate only one individual person as the beneficiary of your pension payment. Your non-spouse beneficiary may not be an estate or trust.

If you are married when you retire, you must have your spouse's signed and notarized consent to name a non-spouse beneficiary.

You may change your beneficiary designation as often as you like, until you begin receiving pension payments. Once payments begin, no changes can be made to your form of benefit payment or to your beneficiary designation.

VI. Methods of Payment

The method of payment for your benefit depends on whether you are single or married and whether you elect to provide survivor benefits to a surviving spouse or non-spouse beneficiary.

Special Note for NUI Participants:

- These forms of payment do not apply to the portion of your benefit accrued under the main provisions of the Employees' Retirement Plan of NUI Corporation (the provisions other than those for City Gas and Pennsylvania & Southern). Those benefits will continue to have the same optional forms of payment as have applied in the past. Refer to your previous SPD for details regarding the NUI payment options.
- City Gas and Pennsylvania & Southern benefit options will be expanded to include all the optional forms of payment described in this section.
- Your NUI, City Gas or Pennsylvania & Southern benefit may be paid at a different time and in a different form than the remainder of your plan benefit, if you wish.

A. Payment Options

Options With No Survivor Benefits

- **Single Life Annuity:** This option pays you a benefit each month from your retirement date until your death. When you die, your payments stop, regardless of how many payments you received. A Single Life Annuity does not provide any benefit to a spouse or beneficiary when you die.
- **Lump-Sum Payment:** Provides for a single-sum payment to you of the actuarial equivalent of your accrued benefit. This form of payment is available only as follows:
 - At any time after termination of your employment, if the actuarial equivalent of your accrued benefit is equal to or less than \$10,000, you may elect to receive a lump sum. If the value of your benefit increases above \$10,000, this lump sum option will cease to be available.
 - **Beginning 2018:** If you have a frozen NUI benefit, you may elect a Lump-Sum Payment of your entire plan benefit.
 - **Beginning 2018:** Effective six months after you terminate employment (on a one-time basis), or any time after that when you are eligible to commence benefits under the terms of the plan, you may receive a Lump-Sum Payment if the single-sum value of your benefit is not greater than \$100,000.

The Southern Company Benefits Center will value your benefit at the time you terminate employment or retire and tell you if it falls within the lump-sum limits. No additional payments will be made from the Pension Plan. You are not eligible for the \$100,000 Lump-Sum Payment if you have a pending or resolved Qualified Domestic Relations Order ("QDRO") for the Pension Plan benefit or if you are past the required date for starting your Pension Plan benefit (generally April 1 of the year following the year you turn 70½ or, if later, the year you retire.) If you are eligible for the one-time Lump-Sum Payment up to \$100,000 six (6) months after terminating, and you are not otherwise eligible to commence your benefit at that time (for example if you are under age 55), then your only choices of payment form other than the lump sum will be the life annuity if you are unmarried, or a spousal joint and 50% or 75% survivor annuity (as described below) if you are married.

- **Social Security Leveling Option:** If you have a frozen CNG or VNG union accrued benefit and you retire early, you have the option of electing to take your entire pension benefit as an increased benefit up until the earliest date Social Security payments could begin and a decreased benefit after that date to provide as closely as possible level retirement benefits in combination with Social Security.
- **VNG Refund of Contributions:** If you have a frozen CNG or VNG union accrued benefit and you previously made employee contributions toward your pension, you have the option of electing to withdraw your contributions (with credited interest) as a lump sum and receive the remainder of your benefit in a different form. If you choose this option, the amount you receive in the other form will be lower, because it will be reduced by the value of the withdrawn contributions.

Options With Survivor Benefits

- **25% Joint and Survivor Annuity:** You receive an actuarially reduced monthly benefit for your lifetime. After you die, your beneficiary will receive 25% of what you were receiving for the rest of his or her life. The initial reduction considers that part of your benefit may be paid after your death. If your joint annuitant dies before you, payments will end when you die.
- **50% Joint and Survivor Annuity:** You receive an actuarially reduced monthly benefit for your lifetime. After you die, your beneficiary will receive half of what you were receiving for the rest of his or her life. The initial reduction considers that part of your benefit may be paid after your death. If your joint annuitant dies before you, payments will end when you die.
- **75% Joint and Survivor Annuity:** You receive an actuarially reduced monthly benefit for your lifetime. After you die, your beneficiary will receive 75% of what you were receiving for the rest of his or her life. The initial reduction considers that part of your benefit may be paid after your death. If your joint annuitant dies before you, payments will end when you die.
- **100% Joint and Survivor Annuity:** You receive an actuarially reduced monthly benefit for your lifetime. After you die, your beneficiary continues to receive the same benefit for the rest of his or her life. The initial reduction considers that part of your benefit may be paid after your death. If your joint annuitant dies before you, payments will end when you die.
- **Beginning 2018: 25% Pop-Up Option (Joint and Survivor Annuity with restoration):** This option pays an actuarially reduced monthly benefit to you until you die, then your beneficiary receives 25% of your monthly benefit for the rest of his or her life. If your beneficiary dies first, your monthly pension automatically increases to what you would have received as a Single Life Annuity and payments will end when you die. The initial reduction considers that part of your benefit may be paid after your death.
- **Beginning 2018: 50% Pop-Up Option (Joint and Survivor Annuity with restoration):** This option pays an actuarially reduced monthly benefit to you until you die, then your beneficiary receives half of your monthly benefit for the rest of his or her life. If your beneficiary dies first, your monthly pension automatically increases to what you would have received as a Single Life Annuity and payments will end when you die. The initial reduction considers that part of your benefit may be paid after your death.
- **Beginning 2018: 75% Pop-Up Option (Joint and Survivor Annuity with restoration):** This option pays an actuarially reduced monthly benefit to you until you die, then your beneficiary receives 75% of your monthly benefit for the rest of his or her life. If your beneficiary dies first, your monthly pension automatically increases to what you would have received as a Single Life Annuity and payments will end when you die. The initial reduction considers that part of your benefit may be paid after your death.

- **Beginning 2018: 100% Pop-Up Option (Joint and Survivor Annuity with restoration):** This option pays an actuarially reduced monthly benefit to you until you die, then your beneficiary continues to receive the same benefit for the rest of his or her life. If your beneficiary dies first, your monthly pension automatically increases to what you would have received as a Single Life Annuity and payments will end when you die. The initial reduction considers that part of your benefit may be paid after your death.
- **Life Annuity with 10 Years Certain:** Provides monthly payments to you for your lifetime. If you die before receiving 120 monthly payments, payments in the same amount will be continued to your beneficiary until a total of 120 monthly payments have been made. If your beneficiary dies before you and you die before the 120 monthly payments have been made, the remaining payments will be made to your estate. If your beneficiary dies after you and before the 120 monthly payments have been made, the remaining guaranteed payments will be made to your beneficiary's estate.
- **50% Joint and Survivor Social Security Leveling Option:** If you have a frozen CNG or VNG union accrued benefit and you retire early, you have the option of electing to take your entire pension benefit as an increased benefit up until the earliest date Social Security payments could begin and a decreased benefit after that date in order to provide as closely as possible level retirement benefits in combination with Social Security, with a 50% spousal survivor annuity.

B. If You Are Single When You Begin Receiving Your Benefit

If you are single when you begin receiving your benefit, you may choose to receive your benefit in any of the forms of payment described in the section titled *Methods of Payment / Payment Options* above.

If you choose an option with a survivor benefit, only the designated beneficiary at the time you received your first check can receive the survivor benefit. In addition, some of the annuity options may not be available to a non-spouse beneficiary, depending on the beneficiary's age relative to your age.

C. If You Are Married When You Begin Receiving Your Benefit

If you are married when you start receiving your benefit, all the forms of payment described in section *Methods of Payment / Payment Options* above will be available to you. But, your benefit will be paid as a Joint and Survivor Annuity (with at least a 50% survivor percentage) with your spouse as beneficiary, unless your spouse waives the spousal benefits and agrees in writing to your election of another form of payment or a non-spouse beneficiary (see *Waiving Spousal Benefits* below).

If you choose an option with a survivor benefit, only the designated spouse or non-spouse beneficiary at the time you received your first check can receive the survivor benefit.

All the various Joint and Survivor Annuity payment options are available to a spouse beneficiary. However, some may not be available to a non-spouse beneficiary, depending on the beneficiary's age relative to your age.

Waiving Spousal Benefits

To waive spousal benefits, your spouse must sign a form that states:

- Which option you are choosing instead of a qualified Joint and Survivor Annuity; and/or
- That you are selecting a beneficiary other than your spouse; and
- That he or she agrees to your election.

Your spouse's signature must be witnessed by a notary public to be valid. A notary public is authorized by a public authority to witness signatures on legal documents and administer oaths. A notary public signs the document and then validates the signature with a seal.

D. If You Leave an Employing Company Before You Are Eligible to Retire

If you leave before becoming retirement-eligible, your payment options will, in most cases, be the same as described above for single and married participants, depending on your marital status when you are eligible for and elect to begin receiving benefits. You should keep in mind that you will only have one chance to elect payment six (6) months after termination, and only if you meet the requirements described above (benefit valued under \$100,000, no Qualified Domestic Relations Order ("QDRO") applies, and you are not age 70½). If you choose payment six (6) months after termination, the forms of payment available to you will be extremely limited, and your benefit will be actuarially reduced for early commencement. But, if you do not choose this option, you generally will not be able to receive your benefit until you reach at least age 55.

E. Preretirement Death Benefit Options

Normally, you choose your form of payment when you retire. However, the Pension Plan also provides protection for your beneficiary(ies) in case you die before you retire.

Active Employees

- If you die after becoming vested in your Pension Plan benefit, your preretirement beneficiary will receive a benefit.
- If you are married, your spouse will receive the 50% Joint and Survivor Annuity. Your spouse may elect to commence your benefit at any time after your death. If the present value of your benefit is \$100,000 or less, your spouse may elect to receive the benefit in the form of a lump sum. You may not waive your preretirement death benefit protection if you are an active employee.
- All NUI beneficiaries will have the option to elect a lump sum regardless of amount.
- Beginning in 2018: If you are single, or if you have your spouse's consent in writing, you can name a non-spouse beneficiary (or beneficiaries) for your preretirement death benefits. Benefits to any non-spouse beneficiaries will be paid out as a lump sum divided equally among the beneficiaries, regardless of the amount.

Deferred Retirees and Terminated Vested Employees

This section applies to employees who have terminated their employment, are vested, and die prior to commencing their Pension Plan benefits.

- If you are married and you leave an Employing Company after you are vested and die prior to commencing your benefit, your spouse will receive the 50% Joint and Survivor Annuity. If the present value of your benefit is \$100,000 or less, your spouse may elect to receive the benefit in the form of a lump sum.
- For employees who terminate after 2018: If you are single, or if you have your spouse's consent in writing, you can name a non-spouse beneficiary (or beneficiaries) for your preretirement death benefits. Benefits to any non-spouse beneficiaries will be paid out as a lump sum divided equally among the beneficiaries, regardless of the amount.

F. If Your Spouse Beneficiary Dies or You Divorce

If your spouse dies or you divorce before your payments begin, you should notify the Southern Company Benefits Center at **1-888-435-7563**. If your ex-spouse has a Qualified Domestic Relations Order ("QDRO"), he or she may be entitled to all or a portion of your pension benefit. See the section titled *Other Information* for more details on QDROs.

G. If Your Non-Spouse Beneficiary Dies

If your non-spouse beneficiary dies before your payments begin, you should notify the Southern Company Benefits Center at **1-888-435-7563**.

VII. If You Come Back to Work for an Employing Company After Receiving a Lump-Sum Payment

If you receive a lump-sum (cash out) payment of your Pension Plan benefit and later come back to an Employing Company after January 1, 2018, your future benefit will be determined according to the cash balance benefit formula provisions outlined in Appendix F. Your prior service will be recognized for Accredited and Vesting Service purposes as described in Appendix F.

VIII. If You Transfer

If you transfer to another subsidiary in Southern Company's controlled group, you will not lose any of your benefit. If your new company also participates in the Pension Plan as an Employing Company, there will be no change for you unless required by a Collective Bargaining Agreement. When you retire, the Pension Plan will pay all your benefit.

If you work for any subsidiary with a stand-alone pension plan, that subsidiary will pay you separately from that pension plan.

IX. If You Die

A. If You Die After You Start Your Benefit

If you are receiving a **Joint and Survivor Annuity** or a **Joint and Survivor Annuity with restoration** feature, your spouse or non-spouse beneficiary (at the time you began your benefit) will receive a monthly benefit based on the option you chose. See the *Methods of Payment* section in this Appendix for more information on these options.

If you are receiving a **Single Life Annuity** when you die, your spouse or non-spouse beneficiary will not receive a benefit from the Pension Plan.

If you are receiving a **Life Annuity With 10 Years Certain** and you die before receiving 120 monthly payments, payments in the same amount will be continued to your beneficiary until a total of 120 monthly payments have been made. If your beneficiary dies before you and you die before the 120 monthly payments have been made, the remaining payments will be made to your estate. If your beneficiary dies after you and before the 120 monthly payments have been made, the remaining guaranteed payments will be made to your beneficiary's estate.

B. If You Die Before Starting Your Benefit

If you are not vested, your spouse or non-spouse beneficiary is not entitled to a Pension Plan benefit.

If you were vested when you die, please refer to *Methods of Payment* in this Appendix under the paragraph heading *Preretirement Death Benefit Options*.

X. If You Become Disabled

The term “disability” (or “disabled”) means that you are either:

- Receiving long-term disability benefits from a Company-sponsored plan; or
- Receiving disability benefits from Social Security.*

** Notify the Disability Management representative at your Employing Company and the Southern Company Benefits Center (at 1-888-435-7563) when you are granted disability benefits from Social Security.*

If you are an active employee in an eligible class (with no benefits waiver in effect), are vested and become disabled, you may receive your pension benefit once you reach retirement age.** You may receive:

- Your full benefit at age 65 or later; or
- A reduced benefit at any time after age 55 if you have at least five (5) years of Vesting Service and you do not have a frozen NUI benefit; or
- A reduced benefit at any time if you have a frozen NUI benefit.

*** Your monthly long-term disability benefits (through a Company-sponsored plan) may be reduced when you receive certain types of income, including pension benefits under the Pension Plan. Refer to the long-term disability summary plan description for additional information.*

If, however, you become disabled and you accept a benefit under an Employing Company’s “career transition plan,” or a similar type of severance plan or arrangement, and such plan or arrangement stipulates that you cease to be on a disability leave, you will not be eligible to receive service and earnings credit for the remainder of the period during which you are disabled.

A. Additional Disability Benefits

While you are disabled and meet the plan’s vesting requirements, you will continue to earn Accredited Service and be deemed to have base pay as if you were still working until the earlier of:

- The end of the month in which you are no longer entitled to receive disability benefits from Social Security or, if later, the end of the month you are no longer entitled to receive long-term disability benefits through a Company-sponsored plan;
- Your eligibility for an unreduced pension benefit by the attainment of age 65 or age 62 with 25 years of accredited service;
- Your death; or
- Your retirement date under the Pension Plan.

Note: If you are a VNG grandfathered employee, your early retirement benefits are subject to a minimum based on the predecessor plan provisions relating to disability, which may increase your early retirement benefit.

Appendix E. Rules for Nicor Gas Employees Who Were Eligible for an AGL Pension Prior to January 1, 2018

Effective January 1, 2018, your pension benefit is calculated using an “A + B” approach. The benefit you have earned under the Nicor Gas pension formula was frozen as of December 31, 2017 (your “A” benefit) and on January 1, 2018, you began earning pension benefits under the new pension formula (your “B” benefit).

I. Eligibility

You are eligible to participate under Appendix E if you were employed by Nicor Gas on or before December 31, 1997, and you were eligible to participate according to the Nicor Gas Pension Plan provisions.

Non-union Employees

- If you left Nicor Gas and were rehired on or before December 31, 1997, you were eligible to return to full participation under Appendix E.
- If you left Nicor Gas on or after January 1, 1998, and were rehired prior to January 1, 2012, you are not eligible to earn additional benefits under Appendix E; however, you may be eligible to earn additional benefits under Appendix F beginning in 2018.
- If you left Nicor Gas on or after January 1, 2012, and were rehired before January 1, 2018, you are eligible to return to full participation under Appendix E provided you were rehired within one year and you were actively participating in the AGL Retirement Plan on December 31, 2017.
- If you are fully participating in Appendix E and you leave an Employing Company on or after January 1, 2018, you will be eligible to return to full participation under Appendix E upon rehire unless:
 - You are rehired into another union position that requires you to participate in a different portion of the Pension Plan; or
 - You received a full distribution of your Appendix E benefit before you were rehired (in which case refer to Appendix F).

Even if you are not eligible for full participation in Appendix E, if you have a frozen Nicor benefit that has not been distributed, the payment of that frozen benefit will be governed by the provisions of this Appendix E.

Union Employees

- If you left Nicor Gas and were rehired on or before December 31, 1997, you were eligible to return to full participation under Appendix E.
- If you left Nicor Gas at any time on or after January 1, 1998, you are not eligible to earn additional benefits under Appendix E upon rehire; however, you may be eligible to earn additional benefits under Appendix F beginning in 2018.

- If you are fully participating in Appendix E and you leave an Employing Company on or after January 1, 2018, you will be eligible to return to full participation under Appendix E upon rehire unless:
 - You are rehired into another union position that requires you to participate in a different portion of the Plan; or
 - You received a full distribution of your Appendix E benefit before you were rehired (in which case refer to Appendix F).

Even if you are not eligible for full participation in Appendix E, if you have a frozen Nicor Gas benefit that has not been distributed, the payment of that frozen benefit will be governed by the provisions of this Appendix E.

II. Service

Under Appendix E, the Pension Plan measures two different types of service:

- Vesting Service and
- Accredited Service.

A. Vesting Service

When you have three (3) years of Vesting Service you are “vested.” This means that you have a right to receive a future benefit under the terms of the Pension Plan. Until you are vested, you may lose your benefit if you leave employment with all the Employing Companies.

The Vesting Service you earned under the AGL Retirement Plan as of December 31, 2017, will be added to future Vesting Service earned on or after January 1, 2018. On or after January 1, 2018, you earn a year of Vesting Service for each calendar year in which you have 1,000 hours of service. If you are not vested and have five (5) or more consecutive years of breaks in service, your years of vesting service credited before the break will not be counted when you return. A break in service is a year in which you have less than 501 hours of service

Nicor Gas Prior Service. Your years of Vesting Service as of December 31, 2017, were equal to the total period of your employment with Nicor Gas and its affiliates. If you had a break in service of less than 12 months, your service was calculated as if you had not had a break. Also, if you had a break in service of longer than five (5) years and you were not vested when you terminated employment, the service that you earned for periods before your termination is disregarded. Years of service were credited in whole years and whole months. A partial month of 15 days or more is rounded up to the next whole number of months, and a partial month of 14 days or less is rounded down.

B. Accredited Service

Accredited Service was used to calculate the frozen benefit you have earned under the applicable Nicor Gas pension formula as of December 31, 2017 (your “A” benefit). Refer to your previous SPDs for a description of these service calculations. Nonunion employees will not earn any additional accredited service after 2017. Union employees who are eligible for the supplemental early retirement benefit will continue to earn accredited service for purposes of calculating that benefit.

C. Credit for Leaves of Absence or Layoffs

You may receive credit for service on or after January 1, 2018, even if you are not actively at work:

Reason for Absence	You Receive: Vesting Service
Leave with pay. (Includes paid family and medical leave.)	✓
Leave without pay. (Does not include military leave.)	✓
Military leave. (You must return to work within 90 days of discharge.*)	✓
Disability after you are vested. (You must begin receiving Social Security disability benefits or Employing Company-sponsored long-term disability benefits while you are employed.)	N/A
Layoff due to lack of work.	None
Unpaid family and medical leave.	✓
Maternity or paternity leave that does not qualify as a family and medical leave. (You receive only enough service credit to keep you from having a Break in Service.)	✓

* Refer to your Employing Company's military leave policy for procedures related to military leave.

III. When You Can Retire Under the Pension Plan

Your **Early Retirement Date** is the first day of the month following retirement on or after your 55th birthday (and before your Normal Retirement Date) with ten (10) years of Vesting Service.

Your **Normal Retirement Date** is the first of the month after your 65th birthday.

Your **Deferred Retirement Date** is the first day of the month following retirement after your Normal Retirement Date.

IV. When You May Receive Your Benefit

You may begin receiving your full Pension Plan benefit when you retire at or after your Normal Retirement Date. If you choose to receive your benefit earlier, it will be reduced. This is because you may receive it for a longer time.

A. If You Work Past Your Normal Retirement Date

If you continue to work past your Normal Retirement Date, you will not receive a Pension Plan payment for any month you earn at least 40 hours of service. However, you may continue to accrue more service and earn more benefits under the Pension Plan. You must begin receiving your benefit by April 1 of the year following the year you turn 70½ or, if later, the year you retire.

B. If You Retire From an Employing Company

If you retire directly from an Employing Company before your Normal Retirement Date, the accrued benefit you could have received at your Normal Retirement Date may be reduced. The amount your benefit is reduced varies depending on your years of Vesting Service and how early your benefit commences. Please refer to the table on the next page.

When you leave an Employing Company, you may be eligible to delay the start of your benefit. If you do, your early retirement reduction is based on when your benefit begins, not your last day worked.

C. If You Leave an Employing Company Before Becoming Retirement Eligible

If you leave an Employing Company before you are eligible for normal or early retirement, you may still receive a benefit from the Pension Plan. If you have at least three (3) years of Vesting Service, you are entitled to a benefit at your Normal Retirement Date.

You may begin your benefit at any time after you leave the Employing Companies. However, if you begin receiving benefits prior to your Normal Retirement Date, your benefit is reduced (please refer to the table on the next page).

Nonunion Only - Early Retirement Severance Bridge. Under the provisions of the AGL Retirement Plan, if you had at least 15 years of service and left employment before age 55 but after reaching age 52, under circumstances that made you eligible for severance benefits, you would be eligible for the more favorable early retirement reduction factors instead of the reduction that applies to vested participants who are not retirement eligible. Beginning in 2018, the bridge has been eliminated for future accruals, but is grandfathered for existing benefits. So, if you terminate after 2017 and meet the conditions for the severance bridge, you will receive the higher of (i) your full accrued benefit, calculated using the factors for vested participants, or (ii) your benefit earned as of December 31, 2017, calculated using the early retirement factors.

Early Retirement Benefits Earned Before January 1, 2018

Early retirement reduction factors currently in effect will still apply to your "A" benefit regardless of your age as of January 1, 2018. Your "A" benefit is unreduced (100%) at age 60 but is reduced 5% each year prior to age 60 to make the benefit last longer. If you are not retirement-eligible, your benefit is reduced actuarially for early payment.

Standard Pension Formula*		
Early Retirement Pension Benefit Percentage for Benefits Accrued Before January 1, 2018 ("A" Benefit)		
	If You Are Retirement Eligible	If You Are Vested and Not Retirement Eligible
Age When You Start Your Benefit	Early Retirement Benefit Percent	Early Retirement Benefit Percent
65	100%	100.00%
64	100%	90.00%
63	100%	81.23%
62	100%	73.52%
61	100%	66.71%
60	100%	60.67%
59	95%	55.30%
58	90%	50.51%
57	85%	46.22%
56	80%	42.37%
55	75%	38.90%
Before Age 55	75%	Actuarial reduction

*Chart applies to an employee whose Normal Retirement Date is age 65.

Early Retirement Benefits Earned Beginning January 1, 2018

AGL early retirement reduction factors apply to accruals on and after January 1, 2018 ("B" benefit). With 25 years of accredited service, your "B" benefit is unreduced (100%) at age 62 and is reduced to 85% at age 60 and 60% at age 55 to make the benefit last longer. If you commence your benefit before reaching age 55, the amount will be reduced using actuarial factors.

Standard Pension Formula* Early Retirement Pension Benefit Percentage for Benefits Accrued After January 1, 2018 ("B" Benefit)			
	If You Retire From an Employing Company With 25 or More Years of Accredited Service	If You Retire From an Employing Company With Less Than 25 Years of Accredited Service	If You Leave Before Becoming Retirement Eligible
Age When You Start Your Benefit	Early Retirement Benefit Percent	Early Retirement Benefit Percent	Early Retirement Benefit Percent
65	100.00%	100.00%	100.0%
64	100.00%	93.33%	89.27%
63	100.00%	86.67%	79.91%
62	100.00%	80.00%	71.72%
61	90.00%	73.50%	64.53%
60	85.00%	68.50%	58.19%
59	80.00%	63.90%	52.59%
58	75.00%	60.00%	47.62%
57	70.00%	56.67%	43.21%
56	65.00%	53.33%	39.27%
55	60.00%	50.00%	35.75%

*Chart applies to an employee whose Normal Retirement Date is age 65.

D. Early Retirement Supplement

For Nicor Gas union employees: The Early Retirement Supplement provides an added benefit if you choose to retire between the ages of 55 and 62. It is an additional monthly benefit that is paid until the earlier of age 62 or death. The Early Retirement Supplement will be available to Nicor Gas union employees if:

- You have reached age 55 prior to January 1, 2018, and retire prior to age 62; or
- You are under age 55 as of December 31, 2017, and you retire on or before February 29, 2020, under the current early retirement eligibility (e.g., age 55 with 10 years of service).

If you begin your early retirement pension benefit on or before the date you will reach age 60, the amount of your monthly supplemental benefit that is payable through the month in which you reach age 60 is calculated as follows:

Your years and months of Accredited Service

x

The appropriate amount from the Collective Bargaining Agreement that correlates
with your age when your benefit payments started

The minimum monthly supplemental benefit is \$300.

Your Early Retirement Supplement will change at age 60 according to the terms of the Collective Bargaining Agreement.

For Nicor Gas non-union employees: The Early Retirement Supplement provides an added benefit if you choose to retire between the ages of 55 and 62. It is an additional monthly benefit that is paid until you reach age 62. If you terminate after December 31, 2017, you will not be eligible for the Early Retirement Supplement. Note: If you transfer from Nicor Gas union to Nicor Gas non-union status on or after January 1, 2018, you will not be eligible for the Early Retirement Supplement.

E. If You Return to Work After Retirement

If you begin receiving your Pension Plan benefit and then return to work at any Southern Company Employing Company under the Pension Plan, your benefit may be stopped. Unless you waive participation in the Pension Plan, you will not receive a payment for any month you earn at least 40 hours of service.*

If your payments are suspended, you will not be paid back for the missed Pension Plan payments during your period of reemployment. You may accrue more service and earn more benefit if you are working for an Employing Company. If you earn more benefit, your future payments may be adjusted based on your new retirement age and the value of any previously received pension payments.

** To obtain a Pension Plan waiver form, contact the Southern Company Benefits Center at 1-888-435-7563.*

F. Pension Formula

The benefit you receive under the Pension Plan is based on a formula and depends on whether you are a member of the Nicor Gas Collectively Bargained Unit, as follows.

For Nicor Gas union employees

“A” benefit: Legacy Nicor Gas union prior to January 1, 2018	“B” benefit: Legacy AGL beginning January 1, 2018
<p>Your Part “A” Pension Plan benefit</p> <p>=</p> <p>Pension Band A</p> <p>x</p> <p>Years of accredited service up to 30 years</p> <p>+</p> <p>Pension Band B</p> <p>x</p> <p>Years of accredited service in excess of 30 years</p>	<p>Your Part “B” Pension Plan benefit</p> <p>=</p> <p>1.0%</p> <p>x</p> <p>Eligible Pay for each calendar year on or after January 1, 2018</p> <p>+</p> <p>0.5%</p> <p>x</p> <p>Eligible Pay – ½ Social Security Wage Base for each calendar year on or after January 1, 2018</p>
<hr/> <p>Your “A” benefit was calculated using your Pension Band as of December 31, 2017.</p> <ul style="list-style-type: none"> • Pension Band A: \$34.57 - \$82.99 • Pension Band B: \$41.49 - \$89.90 <hr/>	

For Nicor Gas non-union employees

“A” benefit: Legacy Nicor Gas non-union prior to January 1, 2018	“B” benefit: Legacy AGL beginning January 1, 2018
<p>Your Part “A” Pension Plan benefit</p> $=$ 1.25% \times <p>Final Average Pay</p> \times <p>Accredited Service up to 50 years as of December 31, 2017</p> $+$ 0.55% \times <p>Final Average Pay – Excess Earnings Level</p> \times <p>Accredited Service up to 30 years as of December 31, 2017</p>	<p>Your Part “B” Pension Plan benefit</p> $=$ 1.0% \times <p>Eligible Pay for each calendar year on or after January 1, 2018</p> $+$ 0.5% \times <p>Eligible Pay – ½ Social Security Wage Base for each calendar year on or after January 1, 2018</p>
<p>Your “A” benefit will calculate Final Average Pay (FAP) using your highest five consecutive years of actual base pay as of December 31, 2017.</p>	

G. Pay

Final Average Pay for “A” benefit

Highest five consecutive years of actual base pay as of December 31, 2017, as determined by the AGL Retirement Plan.

Excess Earnings Level

The excess earnings level for the calendar year ending December 31, 2006, is \$40,800. The excess earnings level for each calendar year thereafter will be increased by 5% over the excess earnings level applicable to the next prior year, with the resulting amount rounded to the next higher multiple of \$100, if it is not already a multiple of \$100.

Eligible Pay for “B” benefit (as determined in Appendix D)

For years **after January 1, 2018**, your benefit will be calculated each year using your actual base pay and salary-based bonus in the Performance Pay Plan (PPP), if applicable, after January 1, 2018. PPP is included in the year you retire or terminate. Any PPP paid after the year in which you retire or terminate is excluded. Unused vacation pay and overtime will not be included.

The Social Security Taxable Wage Base (SSWB) for 2022 is \$147,000 and is subject to change annually.

Your eligible pay used to calculate your benefit each year may not be more than the Internal Revenue Service compensation limit. For 2022, this limit is \$305,000, and it will be indexed for future years.

H. A Pension Benefit Example

This example is for illustrative purposes only to demonstrate how a benefit could be calculated under the Pension Plan. Thus, it is not intended to describe eligibility for a benefit. Your eligibility for a benefit will be determined under the terms of the Pension Plan.

Below are two examples: Nicor Gas Union and Nicor Gas Non-Union.

John Doe (Nicor Gas Union Employee)	
Date of Hire	January 1, 1995
Early Retirement Date	January 1, 2019
Early Retirement Age	57
Service as of December 31, 2017	23
Part "A" Benefit as of December 31, 2017	\$19,320 annually (\$1,610 per month)
2018 Eligible Pay	\$70,000
2018 SSWB	\$128,400

Pension Formula

Pension Plan Benefit for John Doe (Nicor Gas Union Employee)			
	Part "A" Annual Benefit	Part "B" Annual Benefit	Total Annual Benefit
Normal Retirement Benefit (age 65)	\$19,320	$1\% \times \$70,000 + 0.5\% \times (\$70,000 - \$64,200) = \729	\$20,049
Early Retirement Reduction	85%	56.67%	—
Early Retirement Benefit	\$16,422	\$413.12	\$16,835.12

John Doe's total annual benefit payable at age 57 is \$16,835.12 (\$1,402.93 monthly). John Doe also would be eligible for the Early Retirement Supplement because he left before February 29, 2020.

Sally Doe (Nicor Gas Non-Union Employee)	
Date of Hire	January 1, 1994
Early Retirement Date	January 1, 2019
Early Retirement Age	57
Service as of December 31, 2017	24
Part "A" Benefit as of December 31, 2017	\$20,400 annually (\$1,700 per month)
2018 Eligible Pay	\$70,000
2018 SSWB	\$128,400

Pension Plan Benefit for Sally Doe (Nicor Gas Non-Union Employee)			
	Part "A" Annual Benefit	Part "B" Annual Benefit	Total Annual Benefit
Normal Retirement Benefit (age 65)	\$20,400	$1\% \times \$70,000 + 0.5\% \times (\$70,000 - \$64,200) = \729	\$21,129
Early Retirement Reduction	85%	70%	—
Early Retirement Benefit	\$17,340	\$510.30	\$17,850.30

Sally Doe's total annual benefit payable at age 57 is \$17,830.30 (\$1,487.53 monthly). Sally Doe would not be eligible for the Early Retirement Supplement because she retired after January 1, 2018 and is a Nicor Gas non-union employee.

V. Beneficiary Designation

If you are married, your spouse will typically be the beneficiary of any preretirement and retirement survivor benefits. Effective January 1, 2018, you also can name someone other than your spouse to be your beneficiary for either or both preretirement and retirement benefits, whether you are married or single.

A. Preretirement Death Benefit Beneficiary

If you are married, your spouse will automatically be the beneficiary of any preretirement death benefits, unless he or she agrees to another beneficiary choice by signing a spousal waiver form and having it witnessed by a notary public.

If you are single, or if you are married and your spouse agrees in writing, you may name a non-spouse beneficiary or beneficiaries for your preretirement death benefits. If you have more than one non-spouse beneficiary, the benefit will be split evenly among the beneficiaries. Non-spouse beneficiaries could include one or more of the following:

- An adult;
- A minor child;
- An estate; and/or
- A trust.

Beneficiary designations for preretirement death benefits expire on the earliest of the following dates:

- January 1 of the year in which you turn age 35;
- Termination date if prior to age 35;
- Your retirement;
- Upon rehire;
- Your designation of a new preretirement death benefit beneficiary;
- Your Normal Retirement Date (or, if applicable, your Deferred Retirement Date); or
- Your death.

Your preretirement death benefit beneficiary designation also expires if you elect a non-spouse beneficiary and you marry after you make the election. You must make a new election if:

- You turn age 35 after making your initial election;
- You are married and your spouse beneficiary dies;
- You get a divorce and your beneficiary was your former spouse; or
- Your single non-spouse beneficiary dies (if you are married in this instance, your spouse becomes the default preretirement death benefit beneficiary).

If you have multiple non-spouse beneficiaries and one of them dies, the remaining non-spouse beneficiaries will remain valid and a new election is not required.

If you do not designate a beneficiary or beneficiaries for your preretirement death benefits, the benefits will be paid to the first of the following:

- Your spouse on the date of your death;
- Your legally recognized children (equally);
- Your parents (equally);
- Your brothers and sisters (equally);
- Your estate.

B. Beneficiary at Retirement

At retirement, you can designate only one individual person as the beneficiary of your pension payment. Your non-spouse beneficiary may not be an estate or trust.

If you are married when you retire, you must have your spouse's signed and notarized consent to name a non-spouse beneficiary.

You may change your beneficiary designation as often as you like, until you begin receiving pension payments. Once payments begin, no changes can be made to your form of benefit payment or to your beneficiary designation.

VI. Methods of Payment

The method of payment for your benefit depends on whether you are single or married and whether you elect to provide survivor benefits to a surviving spouse or non-spouse beneficiary.

A. Payment Options

Options With No Survivor Benefits

- **Single Life Annuity:** This option pays you a benefit each month from your retirement date until your death. When you die, your payments stop, regardless of how many payments you received. A Single Life Annuity does not provide any benefit to a spouse or beneficiary when you die.
- **Lump-Sum Payment:** Provides for a single-sum payment to you of the actuarial equivalent of your accrued benefit. No additional payments will be made from the Pension Plan.

Options With Survivor Benefits

- **Beginning 2018: 25% Joint and Survivor Annuity:** You receive an actuarially reduced monthly benefit for your lifetime. After you die, your beneficiary will receive 25% of what you were receiving for the rest of his or her life. The initial reduction considers that part of your benefit may be paid after your death. If your joint annuitant dies before you, payments will end when you die.
- **Beginning 2018: 50% Joint and Survivor Annuity:** You receive an actuarially reduced monthly benefit for your lifetime. After you die, your beneficiary will receive half of what you were receiving for the rest of his or her life. The initial reduction considers that part of your benefit may be paid after your death. If your joint annuitant dies before you, payments will end when you die.
- **Beginning 2018: 75% Joint and Survivor Annuity:** You receive an actuarially reduced monthly benefit for your lifetime. After you die, your beneficiary will receive 75% of what you were receiving for the rest of his or her life. The initial reduction considers that part of your benefit may be paid after your death. If your joint annuitant dies before you, payments will end when you die.
- **Beginning 2018: 100% Joint and Survivor Annuity:** You receive an actuarially reduced monthly benefit for your lifetime. After you die, your beneficiary continues to receive the same benefit for the rest of his or her life. The initial reduction considers that part of your benefit may be paid after your death. If your joint annuitant dies before you, payments will end when you die.

- **Beginning 2018: 25% Pop-Up Option (Joint and Survivor Annuity with restoration):** This option pays an actuarially reduced monthly benefit to you until you die, then your beneficiary receives 25% of your monthly benefit for the rest of his or her life. If your beneficiary dies first, your monthly pension automatically increases to what you would have received as a Single Life Annuity and payments will end when you die. The initial reduction considers that part of your benefit may be paid after your death.
- **Beginning 2018: 50% Pop-Up Option (Joint and Survivor Annuity with restoration):** This option pays an actuarially reduced monthly benefit to you until you die, then your beneficiary receives half of your monthly benefit for the rest of his or her life. If your beneficiary dies first, your monthly pension automatically increases to what you would have received as a Single Life Annuity and payments will end when you die. The initial reduction considers that part of your benefit may be paid after your death.
- **Beginning 2018: 75% Pop-Up Option (Joint and Survivor Annuity with restoration):** This option pays an actuarially reduced monthly benefit to you until you die, then your beneficiary receives 75% of your monthly benefit for the rest of his or her life. If your beneficiary dies first, your monthly pension automatically increases to what you would have received as a Single Life Annuity and payments will end when you die. The initial reduction considers that part of your benefit may be paid after your death.
- **Beginning 2018: 100% Pop-Up Option (Joint and Survivor Annuity with restoration):** This option pays an actuarially reduced monthly benefit to you until you die, then your beneficiary continues to receive the same benefit for the rest of his or her life. If your beneficiary dies first, your monthly pension automatically increases to what you would have received as a Single Life Annuity and payments will end when you die. The initial reduction considers that part of your benefit may be paid after your death.
- **Beginning 2018: Life Annuity With 10 Years Certain:** Provides monthly payments to you for your lifetime. If you die before receiving 120 monthly payments, payments in the same amount will be continued to your beneficiary until a total of 120 monthly payments have been made. If your beneficiary dies before you and you die before the 120 monthly payments have been made, the remaining payments will be made to your estate. If your beneficiary dies after you and before the 120 monthly payments have been made, the remaining guaranteed payments will be made to your beneficiary's estate.

B. If You Are Single When You Begin Receiving Your Benefit

If you are single when you begin receiving your benefit, you may choose to receive your benefit in any of the forms of payment described in the section titled *Methods of Payment / Payment Options* above.

If you choose an option with a survivor benefit, only the designated beneficiary at the time you received your first check may receive the survivor benefit. In addition, some of the annuity options may not be available to a non-spouse beneficiary, depending on the beneficiary's age relative to your age.

C. If You Are Married When You Begin Receiving Your Benefit

If you are married when you start receiving your benefit, all the forms of payment described in the section titled *Methods of Payment / Payment Options* above will be available to you. But, your benefit will be paid as a Joint and Survivor Annuity (with at least a 50% survivor percentage) with your spouse as beneficiary,

unless your spouse waives the spousal benefits and agrees in writing to your election of another form of payment or a non-spouse beneficiary (see *Waiving Spousal Benefits* below).

If you choose an option with a survivor benefit, only the designated spouse or non-spouse beneficiary at the time you received your first check can receive the survivor benefit.

All the various Joint and Survivor Annuity payment options are available to a spouse beneficiary. However, some may not be available to a non-spouse beneficiary, depending on the beneficiary's age relative to your age.

Waiving Spousal Benefits

To waive spousal benefits, your spouse must sign a form that states:

- Which option you are choosing instead of a qualified Joint and Survivor Annuity; and/or
- That you are selecting a beneficiary other than your spouse; and
- That he or she agrees to your election.

Your spouse's signature must be witnessed by a notary public to be valid. A notary public is authorized by a public authority to witness signatures on legal documents and administer oaths. A notary public signs the document and then validates the signature with a seal.

D. If You Leave an Employing Company Before You Are Eligible to Retire

If you leave before becoming retirement-eligible, your payment options will, in most cases, be the same as described above for single and married participants, depending on your marital status when you are eligible for and elect to begin receiving benefits. You should keep in mind that you will only have one chance to elect payment six (6) months after termination. If you choose payment six (6) months after termination, the forms of payment available to you will be extremely limited, and your benefit will be actuarially reduced for early commencement. But, if you do not choose this option, you generally will not be able to receive your benefit until you reach at least age 55.

E. Preretirement Death Benefit Options

Normally, you choose your form of payment when you retire. However, the Pension Plan also provides protection for your beneficiary(ies) in case you die before you retire.

Active Employees

- If you die after becoming vested in your Pension Plan benefit, your preretirement beneficiary will receive a benefit.
- If you are married, your spouse will receive the 50% Joint and Survivor Annuity. Your spouse may elect to commence your benefit at any time after your death. If the present value of your benefit is \$100,000 or less, your spouse may elect to receive the benefit in the form of a lump sum. You may not waive your preretirement death benefit protection if you are an active employee.
- Beginning in 2018: If you are single, or if you have your spouse's consent in writing, you may name a non-spouse beneficiary (or beneficiaries) for your preretirement death benefits. Benefits to any non-

spouse beneficiaries will be paid out as a lump sum divided equally among the beneficiaries, regardless of the amount.

Deferred Retirees and Terminated Vested Employees

This section applies to employees who have terminated their employment, are vested, and die prior to commencing their Pension Plan benefits.

- If you are married and you leave an Employing Company after you are vested and die prior to commencing your benefit, your spouse will receive the 50% Joint and Survivor Annuity. If the present value of your benefit is \$100,000 or less, your spouse may elect to receive the benefit in the form of a lump sum.
- For employees who terminate after 2018: If you are single, or if you have your spouse's consent in writing, you may name a non-spouse beneficiary (or beneficiaries) for your preretirement death benefits. Benefits to any non-spouse beneficiaries will be paid out as a lump sum divided equally among the beneficiaries, regardless of the amount.

F. If Your Spouse Beneficiary Dies or You Divorce

If your spouse dies or you divorce before your payments begin, you should notify the Southern Company Benefits Center at **1-888-435-7563**. If your ex-spouse has a Qualified Domestic Relations Order ("QDRO"), he or she may be entitled to all or a portion of your pension benefit. See Section VIII for more details on QDROs.

G. If Your Non-Spouse Beneficiary Dies

If your non-spouse beneficiary dies before your payments begin, you should notify the Southern Company Benefits Center at **1-888-435-7563**.

VII. If You Come Back to Work for an Employing Company After Receiving a Lump-Sum Payment

If you receive a lump-sum (cash out) payment of your Pension Plan benefit and later come back to an Employing Company after January 1, 2018, your future benefit will be determined according to the cash balance benefit formula provisions outlined in Appendix F. Your prior service will be recognized for Vesting Service and Accredited Service purposes.

VIII. If You Transfer

If you transfer to another subsidiary in Southern Company's controlled group, you will not lose any of your benefit. If your new company also participates in the Pension Plan as an Employing Company, there will

be no change for you unless required by a Collective Bargaining Agreement. When you retire, the Pension Plan will pay all your benefit.

If you work for any subsidiary with a stand-alone pension plan, that subsidiary will pay you separately from that pension plan.

IX. If You Die

A. If You Die After You Start Your Benefit

If you are receiving a **Joint and Survivor Annuity** or a **Joint and Survivor Annuity with restoration** feature, your spouse or non-spouse beneficiary (at the time you began your benefit) will receive a monthly benefit based on the option you chose. See the *Methods of Payment* section in this Appendix for more information on these options.

If you are receiving a **Single Life Annuity** when you die, your spouse or non-spouse beneficiary will not receive a benefit from the Pension Plan.

If you are receiving a **Life Annuity With 10 Years Certain** and you die before receiving 120 monthly payments, payments in the same amount will be continued to your beneficiary until a total of 120 monthly payments have been made. If your beneficiary dies before you and you die before the 120 monthly payments have been made, the remaining payments will be made to your estate. If your beneficiary dies after you and before the 120 monthly payments have been made, the remaining guaranteed payments will be made to your beneficiary's estate.

B. If You Die Before Starting Your Benefit

If you are not vested, your spouse or non-spouse beneficiary is not entitled to a Pension Plan benefit.

If you were vested when you die, please refer to *Methods of Payment* in this Appendix under paragraph *Preretirement Death Benefit Options*.

X. If You Become Disabled

The term “disability” (or “disabled”) means that you are either:

- Receiving long-term disability benefits from a Company-sponsored plan; or
- Receiving disability benefits from Social Security.*

* Notify the Disability Management representative at your Employing Company and the Southern Company Benefits Center (at 1-888-435-7563) when you are granted disability benefits from Social Security.

If you are an active employee in an eligible class (with no benefits waiver in effect), are vested and become disabled, you may receive your pension benefit once you reach retirement age.** You may receive:

- Your full benefit at age 65 or later; or
- A reduced benefit at any time after age 55 if you have at least five (5) years of Vesting Service.

*** Your monthly long-term disability benefits (through a Company-sponsored plan) may be reduced when you receive certain types of income, including pension benefits under the Pension Plan. Refer to the long-term disability summary plan description for additional information.*

If, however, you become disabled and you accept a benefit under an Employing Company's "career transition plan," or a similar type of severance plan or arrangement, and such plan or arrangement stipulates that you cease to be on a disability leave, you will not be eligible to receive service and earnings credit for the remainder of the period during which you are disabled.

A. Additional Disability Benefits

While you are disabled and meet the plan's vesting requirements, you will continue to earn Accredited Service and be deemed to have base pay as if you were still working until the earlier of:

- The end of the month in which you are no longer entitled to receive disability benefits from Social Security or, if later, the end of the month you are no longer entitled to receive long-term disability benefits through a Company-sponsored plan;
- Your death; or
- Your retirement date under the Pension Plan.

Appendix F. Rules for Southern Company Gas and Nicor Gas (Either Union or Non-union) Employees Who Were Not Eligible for an AGL Pension as of December 31, 2017, or for Employees Who Are Hired on or After January 1, 2018, at an Employing Company (Excluding Union Employees Covered Under UCC-1)

This Appendix describes the cash balance provisions of the Southern Company Pension Plan.

Effective January 1, 2018, Southern Company Gas and Nicor Gas employees who were not pension-eligible as of December 31, 2017, became eligible to participate in the Southern Company Pension Plan under the 5.5% cash balance benefit formula. These employees become fully vested in their pension cash balance accounts after completing three years of vesting service. Their years of service prior to January 1, 2018, have been recognized for vesting purposes.

Also, effective January 1, 2018, employees of an Employing Company hired on or after January 1, 2018, are eligible to participate in the Southern Company Pension Plan under the 5.5% cash balance benefit formula (excluding union employees covered under UCC-1*).

** Employees covered under the UCC-1 collectively bargained agreement should refer to Appendix B.*

I. Eligibility

You are eligible to participate if you are a:

- Regular full-time employee;
- Regular part-time employee;
- Cooperative education employee; or
- Temporary employee (employed on or after 1/1/2021)

You become a participant in the Pension Plan on the first of the month coinciding with or next following the completion of your one year of Eligibility Service, provided you worked at least 1,000 hours during that year. You begin accruing Accredited Service as of your date of hire, provided you become a participant in that year.

You are not eligible to participate in the Pension Plan if you are a member of a collective bargaining unit, unless your collective bargaining agent and your Employing Company have mutually agreed to allow your participation.

You are not eligible to participate if you are classified (even if the classification is in error) as a:

- Leased worker*; or
- Independent contractor.

** Generally, if a "leased employee" (as defined in Section 414(n) of the Internal Revenue Code) provides services to an Employing Company and subsequently moves from leased worker status to an eligible employee status, the Pension Plan must consider the entire period during which the individual performed services as a leased worker for purposes of Eligibility Service and Vesting Service.*

II. Service

The Pension Plan measures three different types of service:

- Eligibility Service;
- Vesting Service; and
- Accredited Service.

A. Eligibility Service

Your Eligibility Service determines when you become a participant in the Pension Plan.

You earn a year of Eligibility Service upon completion of an "anniversary year" in which you have earned 1,000 hours of service. Your first anniversary year begins on your hire date. Each anniversary year after that begins on the anniversary of your date of hire. If you do not earn 1,000 hours in an anniversary year, you do not receive a year of Eligibility Service.

B. Vesting Service

When you have three (3) years of Vesting Service you are "vested." This means that you have a right to receive a future benefit under the terms of the Pension Plan. Until you are vested, you may lose your benefit if you leave an Employing Company.

You earn a year of Vesting Service for each anniversary year in which you have 1,000 hours of service.

For eligible Southern Company Gas and Nicor Gas employees, your years of service prior to January 1, 2018, will be recognized for vesting purposes.

For example: Sally was hired as a regular full-time employee on January 2, 2018. Here is how her Vesting Service would be determined.

Anniversary Year	Hours Worked	Vesting Service Earned	Total Vesting Service
1/2/2018 – 1/1/2019	2,080	1.0000	1.0000
1/2/2019 – 1/1/2020	2,080	1.0000	2.0000
1/2/2020 – 1/1/2021	999	0.0000	2.0000
1/2/2021 – 1/1/2022	2,080	1.0000	3.0000

Sally became a plan participant on February 1, 2019, because she met the plan eligibility requirements.

C. Accredited Service

Accredited Service is used to determine eligibility for early retirement. You begin accruing Accredited Service on your date of hire. Accredited Service includes full or partial Plan Years.

If you became a participant during your first eligibility period (you worked at least 1,000 hours during your first eligibility year, beginning on your hire date):

You Receive Accredited Service	If You Earn		
	Fewer than 1,000 hours	1,000 – 1,679 hours	1,680 hours or more
During your year of hire (if it is not a full Plan Year)	140 hours = 1 month of service	140 hours = 1 month of service	1 year
For each full Plan Year	No service	140 hours = 1 month of service	1 year
For the Plan Year you leave an Employing Company (if it is not a full year)	140 hours = 1 month of service	140 hours = 1 month of service	1 year

For example: An employee was hired on October 1, 2018 and became a participant on October 1, 2019. Here is how Accredited Service would be determined.

Calendar Year	Hours Worked	Accredited Service Earned	Total Accredited Service
2018	520 (from 10/1)	0.2500	0.2500
2019	1,480	0.8333	1.0833
2020	1,681	1.0000	2.0833
2021	2,080	1.0000	3.0833
2022	2,080	1.0000	4.0833
2023	2,080	1.0000	5.0833

If you did not become a participant during your first eligibility period (you worked less than 1,000 hours during your first eligibility year, beginning on your hire date), accredited service will begin with the next Plan Year starting after your date of hire.

For example:

An employee was hired on September 15, 2018 but did not meet the eligibility criteria during the first year of employment (September 15, 2018 to September 14, 2019). In the second year of employment (September 15, 2019 to September 14, 2020), the employee met the 1,000-hour rule. Therefore, the employee became a participant on October 1, 2020. Accredited Service begins September 15, 2018 and is earned based on the 1,000-hour rule.

Here is how Accredited Service would be determined.

Period	Hours Worked	Accredited Service Earned	Total Accredited Service
9/15/2018 to 12/31/2018	200	0	0
1/1/2019 to 12/31/2019	1,050	0.5833	0.5833
1/1/2020 to 12/31/2020	2,080	1.0000	1.5833

D. Credit for Leaves of Absence or Layoffs

You may receive credit for service even if you are not actively at work:

Reason for Absence	You Receive		
	Eligibility Service	Vesting Service	Accredited Service
Leave with pay. (Includes paid family and medical leave.)	✓	✓	✓
Leave without pay. (Does not include military leave.)	None	✓	None
Military leave. (You must return to work within 90 days of discharge.*)	✓	✓	✓
Disability after you are vested. (You must begin receiving Social Security disability benefits or Company-sponsored long-term disability benefits while you are employed.)	N/A	N/A	✓
Layoff due to lack of work.	None	None	None
Unpaid family and medical leave.	None	✓	None
Maternity or paternity leave that does not qualify as a family and medical leave. (You receive only enough service credit to keep you from having a Break in Service.)	None	✓	None

* Refer to your Employing Company's military leave policy for procedures related to military leave.

III. When You Can Retire Under the Pension Plan

Your **Early Retirement Date** is the first day of the month following retirement on or after your 50th birthday (and before your Normal Retirement Date) with 10 years of Accredited Service.

Your **Normal Retirement Date** is the first of the month after the later of (i) your 65th birthday; or (ii) your completion of five (5) years of Vesting Service or five (5) years of plan participation, whichever occurs first.

Your **Deferred Retirement Date** is the first day of the month following retirement after your Normal Retirement Date.

IV. When You May Receive Your Benefit

You may begin receiving your full Pension Plan benefit when you retire at or after your Normal Retirement Date. If you choose to receive your benefit earlier, it will be lower. This is because you may receive it for a longer time and by taking the benefit earlier you lose the advantage of future interest credits.

A. If You Work Past Your Normal Retirement Date

If you continue to work past your Normal Retirement Date, you will not receive a Pension Plan payment for any month you earn at least 40 hours of service. However, you may continue to accrue more service and earn more benefits under the Pension Plan. You must begin receiving your benefit by April 1 of the year following the year you turn 70½ or, if later, the year you retire.

B. If You Retire From an Employing Company

If you retire directly from an Employing Company before your Normal Retirement Date, the accrued benefit you could have received at your Normal Retirement Date is lower because you started your benefit earlier. As a result, you will be paid over a longer period and you lose the advantage of future interest credits.

When you leave an Employing Company, you may be eligible to delay the start of your benefit. If you do, your cash balance will continue to earn interest credits and the amount you eventually receive will be based on when your benefit begins, not your last day worked.

C. If You Leave an Employing Company Before Becoming Retirement Eligible

If you leave an Employing Company before you are eligible for normal or early retirement, you may still receive a benefit from the Pension Plan. If you have at least three (3) years of Vesting Service, you are entitled to a benefit at your Normal Retirement Date.

If you have at least 10 years of Accredited Service, you may begin your benefit any time after age 50. You also will be offered a one-time chance to receive your benefit six (6) months after you terminate employment. However, if you begin receiving benefits prior to your Normal Retirement Date, your benefit will be lower than if you had waited.

D. If You Return to Work After Retirement

If you begin receiving your Pension Plan benefit and then return to work at any Southern Company Employing Company under the Pension Plan, your benefit may be stopped. Unless you waive participation in the Pension Plan, you will not receive a payment for any month you earn at least 40 hours of service.*

If your payments are suspended, you will not be paid back for the missed Pension Plan payments during your period of reemployment. You may accrue more service and earn more benefit if you are working for an Employing Company. If you earn more benefit, your future payments may be adjusted based on your new retirement age and the value of any previously received pension payments.

** To obtain a Pension Plan waiver form, contact the Southern Company Benefits Center at 1-888-435-7563.*

E. Pension Formula

The 5.5% cash balance benefit formula provides a pension benefit that resembles a 401(k) savings plan. In other words, you will see an account balance that grows. Your individual cash balance account increases with:

- **Pay Credits:** notional deposits equal to 5.5% of eligible pay, and
- **Interest Credits:** notional interest on the balance (tied to 10-year U.S. Treasury rates but subject to a minimum of 3% per year).

Once you complete the eligibility requirements and become a participant, your cash balance account will initially be credited with Pay Credits and Interest Credits going back to your date of hire (but not earlier than January 1, 2018, when the cash balance benefit formula became effective). Your cash balance account will earn additional Pay Credits and Interest Credits every pay period (bi-weekly). If you leave an Employing Company, you will no longer receive additional Pay Credits (this includes no Pay Credits for trailing pay). However, your cash balance account will continue to earn Interest Credits until you elect to start receiving your benefit. When you are eligible and decide to begin your benefit, you will be entitled to the value of your cash balance account at that time (which may be converted to various forms as described below).

F. Pension-Eligible Pay

Eligible compensation under the Southern Company Pension Plan is defined as your actual base pay and Performance Pay Plan (PPP), if applicable. Any base pay or PPP paid after your last day worked is not recognized as eligible pay. Overtime pay, and any PPP related to overtime pay is not included.

Your eligible pay used to calculate your benefit each year may not be more than the Internal Revenue Service compensation limit. For 2022, this limit is \$305,000, and it will be indexed for future years.

G. Cash Balance Account Example

This example is for illustrative purposes only to demonstrate how your cash balance account would grow. Thus, it is not intended to describe eligibility for a benefit. Your eligibility for a benefit will be determined under the terms of the Pension Plan.

The following information was used to calculate a cash balance participant's benefit.

John Doe (Cash Balance Participant)	
Date of Hire	January 1, 2018
Date of Participation	January 1, 2019
Pension-Eligible Pay Earned January 1, 2018 to January 13, 2018	\$2,700
Pension-Eligible Pay Earned January 14, 2018 to January 27, 2018	\$2,700
2018 Interest Crediting Rate	3.15% (annual)

Note: The annual interest crediting rate is divided by 26 to determine the bi-weekly interest crediting rate. In this example, the 2018 bi-weekly interest crediting rate would be equal to 0.121154% (3.15% / 26).

Under the cash balance benefit formula, John Doe's Pay Credits will begin to be calculated when he receives his first paycheck on January 19, 2018. His bi-weekly Pay Credit would equal \$148.50 (\$2,700 x 5.5%).

When he receives his second paycheck on February 2, 2018, another Pay Credit will be added equal to \$148.50 (\$2,700 x 5.5%) plus an Interest Credit equal to \$0.18 (\$148.50 x 0.121154%).

Therefore, as of February 2, 2018, John Doe's total would be \$297.18 (\$148.50 + \$148.50 + 0.18). His account will continue to grow with Pay Credits and Interest Credits every pay period.

V. Beneficiary Designation

If you are married, your spouse will typically be the beneficiary of any preretirement and retirement benefits. You also can name someone other than your spouse to be your beneficiary for preretirement survivor benefits, whether you are married or single.

A. Preretirement Death Benefit Beneficiary

If you are married, your spouse will automatically be the beneficiary of any preretirement death benefits, unless he or she agrees to another beneficiary choice by signing a spousal waiver form and having it witnessed by a notary public.

If you are single, or if you are married and your spouse agrees in writing, you may name a non-spouse beneficiary or beneficiaries for your preretirement death benefits. If you have more than one non-spouse beneficiary, the benefit will be split evenly among the beneficiaries.

Non-spouse beneficiaries could include one or more of the following:

- An adult;
- A minor child;
- An estate; and/or
- A trust.

Beneficiary designations for preretirement death benefits expire on the earliest of the following dates:

- January 1 of the year in which you turn age 35;
- Termination date if prior to age 35;
- Your retirement;
- Upon rehire;
- Your designation of a new preretirement death benefit beneficiary;
- Your Normal Retirement Date (or, if applicable, your Deferred Retirement Date); or
- Your death.

Your preretirement death benefit beneficiary designation also expires if you elect a non-spouse beneficiary and you marry after you make the election. You must make a new election if:

- You turn age 35 after making your initial election;
- You are married and your spouse beneficiary dies;
- You get a divorce and your beneficiary was your former spouse; or
- Your single non-spouse beneficiary dies (if you are married in this instance, your spouse becomes the default preretirement death benefit beneficiary).

If you have multiple non-spouse beneficiaries and one of them dies, the remaining non-spouse beneficiary (or beneficiaries) will remain valid and a new election is not required.

If you do not designate a beneficiary or beneficiaries for your preretirement death benefits, the benefits will be paid to the first of the following:

- Your spouse on the date of your death;
- Your legally recognized children (equally);
- Your parents (equally);
- Your brothers and sisters (equally);
- Your estate.

B. Beneficiary at Retirement

At retirement, you can elect to receive a form of payment that will provide survivor benefits to your spouse. You may not elect a non-spouse beneficiary for your retirement benefit.

If you are married when you retire, you must have your spouse's signed and notarized consent to choose a form of payment that does not provide survivor benefits to your spouse.

Once payments begin, no changes may be made to your form of benefit payment.

VI. Methods of Payment

The method of payment for your benefit depends on whether you are single or married and whether you elect to provide survivor benefits to your surviving spouse.

A. Payment Options

Options With No Survivor Benefits

- **Single Life Annuity:** This option pays you a benefit each month from your retirement date until your death. When you die, your payments stop, regardless of how many payments you received. A Single Life Annuity does not provide any benefit to a spouse or beneficiary when you die.
- **Lump-Sum Payment:** Effective six months after you terminate employment (on a one-time basis) or any time after that when you are eligible to commence benefits under the terms of the plan, you may receive a single-sum payment of the full value of your account balance. No additional payments will be made from the Pension Plan. You are not eligible for a Lump-Sum Payment if you have a pending or resolved Qualified Domestic Relations Order ("QDRO") for the Pension Plan benefit or if you are past the required date for starting your Pension Plan benefit (generally April 1 of the year following the year you turn 70½ or, if later, the year you retire.)

Options With Survivor Benefits

- **50% Joint and Survivor Annuity:** You receive an actuarially reduced monthly benefit for your lifetime. After you die, your spouse will receive half of what you were receiving for the rest of his or her life. The initial reduction considers that part of your benefit may be paid after your death.
- **75% Joint and Survivor Annuity:** You receive an actuarially reduced monthly benefit for your lifetime. After you die, your spouse will receive 75% of what you were receiving for the rest of his or her life. The initial reduction considers that part of your benefit may be paid after your death.

B. If You Are Single When You Begin Receiving Your Benefit

If you are single when you begin receiving your benefit, you may choose to receive your benefit as a:

- Single Life Annuity; or
- Lump-Sum Payment, subject to the conditions described in the section titled *Methods of Payment / Payment Options* above.

C. If You Are Married and Leave an Employing Company After Becoming Retirement Eligible

If you are married when you start receiving your benefit, your benefit will be paid as a Joint and Survivor Annuity with your spouse as beneficiary, unless your spouse waives the spousal benefits and agrees in writing to your election of another form of payment (see *Waiving Spousal Benefits* below).

If you choose an option with a survivor benefit, only your spouse at the time you received your first pension check may receive the survivor benefit. The Pension Plan offers two Joint and Survivor Annuity options:

- 50% Joint and Survivor Annuity
- 75% Joint and Survivor Annuity

If your spouse waives the survivor benefits (i.e., with your spouse's signed and notarized consent) you also may choose a:

- Single Life Annuity; or
- Lump-Sum Payment subject to the conditions described in the section titled *Methods of Payment / Payment Options* above.

Both Joint and Survivor Annuity payment options are available to a spouse beneficiary.

Waiving Spousal Benefits

To waive spousal benefits, your spouse must sign a form that states:

- Which option you are choosing instead of a qualified Joint and Survivor Annuity; and
- That he or she agrees to your election.

Your spouse's signature must be witnessed by a notary public to be valid. A notary public is authorized by a public authority to witness signatures on legal documents and administer oaths. A notary public signs the document and then validates the signature with a seal.

D. If You Leave an Employing Company Before You Are Eligible to Retire

If You Are Married

If you leave an Employing Company before you are eligible to retire, and you are married when your benefits start, you will normally receive a Joint and Survivor Annuity. You have these two options:

- **50% Joint and Survivor Annuity:** You receive an actuarially reduced monthly benefit for your lifetime. After you die, your spouse will receive half of what you were receiving for the rest of his or her life.
- **75% Joint and Survivor Annuity:** You receive an actuarially reduced monthly benefit for your lifetime. After you die, your spouse will receive three-fourths of what you were receiving for the rest of his or her life.

If your spouse waives his or her spousal benefits, you also may choose among two other options. Your spouse must consent in writing to your choice, and a notary must witness your spouse's signature (see *Waiving Spousal Benefits* above).

- The first option is a **Single Life Annuity**.
- Subject to the section titled *Methods of Payment / Payment Options* above, you also may elect to receive your benefit as a **Lump-Sum Payment**.

If You Are Single

If you leave an Employing Company before you are eligible to retire, and you are single when your benefits start, you may choose the **Single Life Annuity**, or, subject to the section titled *Methods of Payment / Payment Options* above, you also may elect to receive your benefit as a **Lump-Sum Payment**.

E. Preretirement Death Benefit Options

Normally, you choose your form of payment when you retire. However, the Pension Plan also provides protection for your beneficiary(ies) in case you die before you retire.

- If you die after becoming vested in your Pension Plan benefit, your preretirement beneficiary will receive a benefit.
- If you are married, your spouse will automatically be your preretirement beneficiary unless your spouse signs a notarized consent in writing allowing you to name one or more other beneficiaries. If your spouse is your beneficiary, he or she may choose to receive the survivor benefit in the form of a single Lump-Sum Payment or as a Single Life Annuity. Your spouse beneficiary also may delay payment of the survivor benefit until your Normal Retirement Date.
- If you are single, or if you have your spouse's consent in writing, you can name a non-spouse beneficiary (or beneficiaries) for your preretirement death benefits. Benefits to any non-spouse beneficiary (or beneficiaries) will be paid out as a lump sum divided equally, regardless of the amount.

F. If Your Spouse Beneficiary Dies or You Divorce

If your spouse dies or you divorce before your payments begin, you should notify the Southern Company Benefits Center at **1-888-435-7563**. If your ex-spouse has a Qualified Domestic Relations Order ("QDRO"), he or she may be entitled to all or a portion of your pension benefit. See the section titled *Other Information* for more details on QDROs.

G. If Your Non-Spouse Beneficiary Dies

If your non-spouse beneficiary dies before your payments begin, you should notify the Southern Company Benefits Center at **1-888-435-7563**.

VII. If You Come Back to Work for an Employing Company After Receiving a Lump-Sum Payment

If you receive a lump-sum (cash out) payment of your Pension Plan benefit and later come back to an Employing Company after January 1, 2018, your future benefit will be determined according to the plan provisions outlined in this Appendix (Appendix F). Your prior service will be recognized for Eligibility and Vesting Service purposes. Your prior service will not be recognized for Accredited Service purposes.

VIII. If You Transfer

If you transfer to another subsidiary in Southern Company's controlled group, you will not lose any of your benefit. If your new company also participates in the Pension Plan as an Employing Company, there will be no change for you unless required by a Collective Bargaining Agreement. When you retire, the Pension Plan will pay all your benefit.

If you worked for any subsidiary with a stand-alone pension plan, that subsidiary will pay you separately from that pension plan.

IX. If You Die

A. If You Die After You Start Your Benefit

If you are receiving a **Joint and Survivor Annuity**, your spouse (at the time you began your benefit) will receive a monthly benefit based on the option you chose. See the *Methods of Payment* section in this Appendix for more information on these options.

If you are receiving a Single Life Annuity when you die, no beneficiary will receive a benefit from the Pension Plan.

B. If You Die Before Starting Your Benefit

If you are not vested, your spouse or non-spouse beneficiary is not entitled to a Pension Plan benefit.

If you were vested when you die, please refer to *Methods of Payment* in this Appendix under the paragraph heading *Preretirement Death Benefit Options*.

X. If You Become Disabled

The term “disability” (or “disabled”) means that you are either:

- Receiving long-term disability benefits from a Company-sponsored plan; or
- Receiving disability benefits from Social Security.*

** Notify the Disability Management representative at your Employing Company and the Southern Company Benefits Center (at 1-888-435-7563) when you are granted disability benefits from Social Security.*

If, however, you become disabled and you accept a benefit under an Employing Company’s “career transition plan,” or a similar type of severance plan or arrangement, and such plan or arrangement stipulates that you cease to be on a disability leave, you will not be eligible to receive service and earnings credit for the remainder of the period during which you are disabled.

Your cash balance account will continue to earn Pay Credits and Interest Credits and you will continue to earn service until your employment is terminated with the Employing Company (generally after a 24-month period on long-term and/or Social Security disability). After you are terminated, your cash balance account will continue to earn Interest Credits only until you start receiving your pension benefit. Please note that your monthly long-term disability benefits (through a Company-sponsored plan) may be reduced when you receive certain types of income, including pension benefits under the Pension Plan. Refer to the long-term disability summary plan description for additional information.