

PLAN HIGHLIGHTS

The Retirement Program Plan for Employees of USEC (the “Pension Plan”) helps build financial security and provides you with a dependable source of income throughout your retirement years, based on your earnings and your length of service with USEC (the “Company”).

...Provides You With Flexibility in Planning Your Retirement

You can retire with a full pension benefit at age 65 or over. You can also receive a full pension benefit when you retire at age 62 if you have at least 10 years of service credit, or when your age and years of service credit equal 85 or more. You can receive a reduced benefit as early as age 50 if you have at least 10 years of service credit when you retire.

...Lets You Choose from a Variety of Payment Forms

There are several payment forms to choose from, including life annuity, joint and survivor benefit options. If you are married, you will be paid in a 50% joint and survivor benefit, unless you have your spouse’s written consent to elect another payment form.

...Offers Financial Security to Your Family in Case of Your Death

If you should die while you are still working, the Pension Plan will pay a survivor benefit if you have at least five years of service credit.

WHEN YOU ARE ABOUT TO RETIRE

Call the USEC Benefit Service Center at 1-866-305-8846, Plan 158, Option 2, as early as six months **but not less than thirty (30) days prior to your planned retirement date** in order to receive your final pension paperwork and other information pertaining to your retirement.

- **If your request for pension paperwork is not made 30 days in advance of your planned retirement date or your completed pension paperwork is not received by the USEC Benefit Service Center at least 10 days prior to your planned retirement date, your first pension benefit will be delayed until the month following the execution/receipt of your pension paperwork. The effect of not requesting your pension paperwork 30 days prior to your retirement date or receipt of your pension paperwork by the USEC Benefit Service Center at least 10 days prior to your retirement date is that you will lose pension benefits for a month or more as detailed in the preceding sentence.**
- Your retirement will be effective the first of the month following your exit date assuming you complete the process as outlined above.

WHO IS ELIGIBLE

All full-time and part-time employees of United States Enrichment Corporation hired before September 1, 2008 and not covered by a collective bargaining agreement, are eligible to participate in the Pension Plan, unless they elected not to participate (opt out) or are in an ineligible class.

The following individuals are not eligible to participate in the Pension Plan:

- Individuals classified by United States Enrichment Corporation as leased employees, independent contractors, or non resident aliens with no U.S. source income, regardless of whether they may be employees under any applicable law;
- Employees represented by a union and/or covered by a collective bargaining agreement that does not provide for participation in the Pension Plan;
- Employees of USEC, Inc. or NAC International, Inc.; or
- Federal employees as of July 27, 1998 who elected to continue coverage under the Federal Employees Retirement System or the Civil Service Retirement System and are actively accruing benefits under one of these retirement systems.
- Employees who are hired or rehired on or after September 1, 2008 and are not covered by a collective bargaining agreement that provides for participation in the Pension Plan.

For SPFFPA Local 66 Represented Employees:

You are not eligible to participate in the Pension Plan if you are a SPFFPA Local 66 represented employee hired or rehired on or after May 29, 2008. If you are a SPFFPA Local 66 represented employee hired before May 29, 2008, you remain eligible to participate in the Pension Plan, provided you have not opted-out of participation in the Pension Plan or are in an ineligible class. If you are a SPFFPA Local 66 represented employee hired before May 29, 2008 and you have elected to cease participation in the Pension Plan, you are no longer eligible for the Pension Plan beginning January 1, 2009. However, any pension benefit earned under the Pension Plan through December 31, 2008 remains intact.

For SPFFPA Local 111 Represented Employees:

You are not eligible to participate in the Pension Plan if you are a SPFFPA Local 111 represented employee hired or rehired on or after March 1, 2007. If you are a SPFFPA Local 111 represented employee hired before March 1, 2007, you remain eligible to participate in the Pension Plan provided you have not opted-out of participation in the Pension Plan or are in an ineligible class. If you are a SPFFPA Local 111 represented employee hired before March 1, 2007 and you have elected to cease participation in the Pension Plan, you are no longer eligible for the Pension Plan beginning January 1, 2008. However, any pension benefit earned under the Pension Plan through December 1, 2007 remains intact.

For USW Local 689 Represented Employees:

You are not eligible to participate in the Pension Plan if you are a USW Local 689 represented employee hired or rehired on or after March 15, 2010. If you are a USW Local 689 represented employee hired before March 15, 2010, you remain eligible to participate in the Pension Plan provided you have not opted-out of participation in the Pension Plan or are in an ineligible class. If you are a USW Local 689

represented employee hired before March 15, 2010 and you have elected to cease participation in the Pension Plan, you are no longer eligible for the Pension Plan beginning January 1, 2011. However, any pension benefit earned under the Pension Plan through December 31, 2010 remains intact.

WHEN YOU CAN RETIRE

To offer you flexibility in planning for retirement, the Pension Plan provides a choice of retirement dates which will permit you to retire with a full pension:

- At age 65 or later, regardless of service credit
- At age 62 or later, with at least 10 years of service credit
- When your age and years of service credit total 85 or more.

You can retire with a reduced pension:

- At age 50, with at least 10 years of service credit

“Service Credit” is defined in the glossary.

If you choose to retire after age 65, you will continue to earn service credit and pay for Pension Plan benefit purposes until you actually retire. In any event, your Pension Plan benefits will begin no later than after the first of the month after you reach 70½. However, if you are a 5% owner of the Company, you must begin receiving a minimum distribution by April 1st of the calendar year following the calendar year in which you reach age 70½, even if you are still employed.

There is one important exception to these retirement dates. If your employment is terminated by action of the Company (other than for cause), you will be considered to have met the age and service requirement for:

- A full pension benefit if you are age 60 or over and have at least eight years of service or if you are age 48 or over and your years of service and age total 83 or more
- A reduced pension benefit if you are between ages 48 and 60 with at least eight years of service.

Service Credit for LMUS Employment ...

If you are currently employed by USEC but were formerly employed by Lockheed Martin Utility Services on May 17, 1999, your LMUS service may be counted in determining your total service credit.

DETERMINING YOUR PENSION BENEFIT

When you retire, your pension benefit will be calculated under three different formulas. The formula that gives you the largest benefit will be used.

All of the formulas are based in part on:

- Your average straight-time monthly earnings – the average of your highest earnings for three years during the last 10 years just before you retire (for a discussion of how these earnings are calculated, continue reading)
- Your service credit – including all your years and completed months of service—with each completed month counting as 1/12 of a year.

Regular Formula

The regular formula provides a monthly benefit of: 1.2% of your average eligible monthly earnings times your years and months of service credit plus a flat amount as follows:

| Employee | Monthly Flat Amount |
|------------------|---|
| Paducah SPFPA | \$18, or \$50 effective August 27, 2002 |
| Paducah USW | \$18, or \$50 effective July 31, 2001, or \$110 effective June 26, 2003 |
| Portsmouth SPFPA | \$18, or \$110 effective May 29, 2008 |
| Portsmouth USW | \$18, or \$110 effective July 1, 2004 |
| Salaried | \$18, or \$110 effective January 1, 2004 |

Alternate Formula

The alternate formula provides a monthly benefit of: 1.5% of your average eligible monthly earnings times your years and months of service credit minus 1.5% of your monthly Primary Social Security Benefit times your years and months of service credit.

Under this formula, no more than 50% of your Primary Social Security Benefit will be used to offset your earnings. If you provide the Company with complete Social Security Administration records of your covered earnings within six months of your retirement date, the Company will use a Social Security benefit based on these earnings rather than an estimated earnings history if it provides a higher benefit. Otherwise, the Company will use your estimated earnings history.

When you retire, your Primary Social Security Benefit for purposes of this formula is the benefit you would be eligible to receive at your retirement age or age 62, if later. This benefit is based on your estimated earnings before retirement and on the Social Security laws in effect on the date you retire.

Minimum Formula

The minimum formula provides a monthly benefit of: \$5 for each of your first 10 years of service credit, plus \$7 for each of the 11th through 20th years of service, plus \$9 for each year in excess of 20 years of service, plus 10% of your average eligible monthly earnings (if you have less than eight years of service, this will be reduced 1% a year for each year less than eight), plus the flat amount referenced under the regular formula.

Reduced Benefits

If you retire before you are entitled to a full pension, your monthly benefit is reduced. The amount of reduction is based on your age and service. For example, if you are age 55 and have 27 years of service, you will receive 85% of your full benefit. If you have any questions about calculating your reduced benefits, contact the Plan Administrator.

The three formulas used to calculate full pensions are also used to calculate reduced pensions. The one which produces the largest benefit will be the one used. In the regular and minimum formulas, the reduction factor is applied after calculating the total benefit. In the alternate formula, the reduction factor is applied before subtracting the Primary Social Security Benefit.

If you retire before you are eligible for a full pension, you may postpone starting your pension and thus lessen or eliminate the reduction. In the example above, if you retire at age 55 with 27 years of service but postpone starting your pension until age 58, you will receive a full pension because your 27 years of service and your age will then total 85.

Any reduction for early retirement is in addition to the reduction that may be made to your Pension Plan benefit if you elect to provide continuing Pension Plan benefits to your spouse, dependent children or dependent parents after your death, as discussed on the following pages.

CALCULATING YOUR ELIGIBLE EARNINGS

Average eligible earnings are computed using your straight-time rate of pay (including shift differential and hourly COLA), two-thirds of your physical fitness incentive pay (if you are an SPFPA Local 66 or Local 111 represented security police officer or Supervisor of the USEC Guard Force) and your regularly scheduled hours during:

- The three calendar years in which your earnings were highest, during the ten calendar years just prior to your last day worked

or, if greater

- The final three years just prior to your last day worked.

The eligible monthly earnings during the final three years are calculated by using:

- Scheduled straight-time earnings in the completed months of the calendar year in which you last worked
- Scheduled straight-time earnings in the two preceding calendar years
- For any months in the third preceding calendar year, the average of the scheduled straight-time monthly earnings for that year times the number of months used in that year.

You should note that this calculation does not use the actual scheduled earnings for the specific months of the third year. The earnings rate used will be the monthly average for the entire year.

NOTE: The IRS places restrictions on the amount of compensation to be used in calculating the pension benefit. Certain highly compensated employees may have a limit imposed.

Pension Benefit Examples

A full pension will be the largest amount produced by any of the three formulas. For example, suppose you retire at age 65 with 12 years of service credit and average eligible earnings of \$5,000 a month. Here is how your full pension would be figured (assuming \$110 per month flat amount - if your flat amount is different, simply substitute the flat amount into the regular and alternate formulas below):

Regular Formula

$$1.2\% \times \$5,000 \times 12 \text{ years} + \$110 = \$830 \text{ per month}$$

Alternate Formula

$$1.5\% \times \$5,000 \times 12 \text{ years} = \$900$$

minus

$$1.5\% \times \$1,500^* \times 12 \text{ years} = \underline{\$270}$$

\$630 a month

*This is a sample Primary Social Security Benefit.

Minimum Formula

$$\$5 \times 10 \text{ years} = \$ 50$$

$$\$7 \times 2 \text{ years} = \$ 14$$

$$\$9 \times 0 \text{ years} = \$ 0$$

$$10\% \times \$5,000 = \$500$$

$$\text{Flat amount} \quad \underline{\$110}$$

\$674 a month

In this case, the regular formula would give you a higher pension than either the alternate or minimum formulas. You would receive the highest benefit - \$830 a month for the rest of your life. Of course, if you elect to continue benefits to your spouse or other eligible dependents after your death, this amount will be reduced to account for the longer period over which plan benefits will be paid.

Examples of Estimated Monthly Pension Income at Age 65

| Average Eligible Earnings | Years of Service at Retirement | | | | |
|---------------------------|--------------------------------|-------|-------|-------|-------|
| | 5 | 10 | 15 | 20 | 25 |
| \$3,000 a month | 345 | 470 | 650 | 830 | 1,010 |
| \$3,500 a month | 380 | 530 | 740 | 950 | 1,160 |
| \$4,000 a month | 415 | 590 | 830 | 1,070 | 1,310 |
| \$4,500 a month | 450 | 650 | 920 | 1,190 | 1,460 |
| \$5,000 a month | 485 | 710 | 1,010 | 1,310 | 1,610 |
| \$5,500 a month | 520 | 770 | 1,100 | 1,430 | 1,760 |
| \$6,000 a month | 555 | 830 | 1,190 | 1,550 | 1,910 |
| \$7,000 a month | 625 | 950 | 1,370 | 1,790 | 2,210 |
| \$8,000 a month | 695 | 1,070 | 1,550 | 2,030 | 2,510 |

The above amounts were calculated under the regular and minimum formulas. However, the relationship of average earnings and Social Security benefits at the time you retire might result in the alternate formula producing a higher benefit than shown in some of the above examples. In such a case, the actual benefit will be greater than that shown in the table, since the highest benefit produced by any of the three formulas is the one used.

SECURITY POLICE OFFICER SUPPLEMENT

Note: No years of Service or Eligible Earnings shall be taken into account for the purpose of determining the Guard Supplement for periods on or after (i) August 27, 2002 for a Participant represented by the SPFPA Local 111, (ii) August 1, 2008 for a Participant represented by the SPFPA Local 66, or (iii) July 1, 2010 for a Participant classified by the Employer as a Supervisor of the USEC Guard Force. If the Regular Formula, Alternate Formula, or Minimum Formula, which are calculated based on your full years of Company Service and eligible earnings as of your retirement, provides a higher benefit than the Security Police Officer Supplement, you will be paid the higher amount.

To be eligible for this supplement, the participant’s job during the applicable period must have required the participant to comply with the medical and physical fitness standards as described in 10 CFR Part 1046 for 10 years out of your last 12 years of employment with the Company. These changes were effective for retirements on or after January 1, 1994.

If you are eligible, you will be paid a temporary supplement until you attain age 65. The supplemental benefit is based on the participant’s full years of company service at the time of retirement. The amount of temporary supplement will be equal to the difference between the participant’s permanent pension benefit and the percent of eligible earnings shown on the chart below. If the regular or alternate pension formula provides a higher percent than shown on this chart, the participant will be paid the higher amount. The temporary supplement is retained until the participant attains age 65.

Minimum Pension Benefits

| Years of Service | Percent of Eligible Earnings |
|-------------------------|-------------------------------------|
| 10 | 12 |
| 11 | 13 |
| 12 | 14 |
| 13 | 15 |
| 14 | 16 |
| 15 | 17 |
| 16 | 18 |
| 17 | 19 |
| 18 | 21 |
| 19 | 23 |
| 20 | 25 |
| 21 | 26 |
| 22 | 27 |
| 23 | 28 |
| 24 | 29 |
| 25 | 30 |
| 26 | 31 |
| 27 | 32 |
| 28 | 33 |
| 29 | 34 |
| 30 & Above | 35 |

NORMAL FORMS OF PAYMENT

You will receive your Pension Plan benefits under the Pension Plan's normal form of payment based on your marital status when you retire, unless you elect an optional form of payment.

For Married Employees

If you are married when you retire, the normal form of payment is a 50% joint and survivor benefit. Under this form of payment, your pension is reduced and, after your death, 50% of that benefit is continued to your surviving spouse for the rest of his or her life. This reduction is based on the ages of you and your spouse and reflects the fact that benefits are payable during both of your lifetimes. If your spouse dies before you, this form of payment will automatically be cancelled and you will receive your future Pension Plan benefit as paid for single employees, as discussed below.

For Single Employees

The Pension Plan's normal form of payment for a single employee is a life annuity. Under this form of payment, you receive the full benefit earned at retirement for your lifetime. After your death, no benefits are paid to anyone else.

OPTIONAL FORMS OF PAYMENT

You may elect an optional form of payment at retirement. If you are married, you will need your spouse's written consent, witnessed by a notary public or a representative of the Plan Administrator, in order to elect a form of payment other than the 50% joint and survivor benefit.

You may revoke or change your election at any time before benefits begin, subject to your spouse's written and witnessed consent.

75% Joint and Survivor Benefit for Married Employees

If you retire on or after January 1, 2008, you may elect a 75% joint and survivor benefit. Under this form of payment, your pension is reduced and, after your death, 75% of that benefit is continued to your surviving spouse for the rest of his or her life. This reduction is based on the ages of you and your spouse and reflects the fact that benefits are payable during both of your lifetimes. The reduction for this option will apply to your benefit for your lifetime even if your spouse predeceases you.

Life Annuity Option for Married Employees

This option for married employees is the same as the normal form of payment for single employees. Under this form of payment, you receive your full pension benefits for your lifetime only. No benefits are paid to your surviving spouse after your death.

Level Income Option

If you retire before age 62 and choose to have your pension benefits begin before you are eligible to receive Social Security benefits, you may elect the level income option. Under this option, your Pension Plan income is increased until age 62 and is decreased after that time so that your combined income from the Pension Plan and Social Security is approximately level throughout your retirement. The Social Security amount used in the level income calculation is not your actual Social Security amount but is an

estimate based on your average eligible monthly earnings for the calendar year immediately preceding your retirement date. This election may not be changed after the effective date of your retirement.

If you elect the level income option, the survivor's benefit will be based on the pension amount before adjustment for this option.

Small Benefit

If the total value of your vested benefit is \$5,000 or less after your termination of employment, you may be paid in a lump-sum payment without your consent or your spouse's consent.

IF YOU BECOME DISABLED

For Participants Who Are Not Portsmouth USW Employees:

Effect of Long Term Disability on Your Pension Benefit

If you become totally disabled and qualify for benefits under the Company's Long Term Disability Plan, you will continue to accrue Company service credit just as if you had continued working. While you continue to be totally disabled, your earnings will be assumed to remain the same as at the time you became disabled. For purposes of determining your benefit, your average eligible monthly earnings will be based on:

- The three calendar years in which your earnings were highest, during the ten calendar years just prior to your last day worked

or

- The final three years just prior to your last day worked.

For information on how your eligible monthly earnings during the final three years are calculated, refer to the prior pages of this section.

If you continue to be totally disabled until age 65, you will be entitled to retire under the same conditions as any other participant. If your disability ends before age 65, you will receive service credit for the period of your disability – provided you return to work or transfer from disability status to retirement status. If you do not return to work after your disability ends, you will be considered to have terminated employment on the date your disability began.

Disability Retirement (*The following section is applicable to Portsmouth USW only*)

If you must cease work because of a total and permanent disability, which prevents you from working at any job, you will be eligible for a disability benefit under this Plan if you have at least ten years of service, regardless of your age.

The amount will be figured by using the Regular Formula based on your average straight-time earnings and your service at the time your disability begins. If the 1.5% Alternate Formula results in a higher benefit, it will be used, provided you have received a Social Security disability award. However, your disability benefit will never be less than \$2.50 a month times your years of service at the time disability begins, plus \$50 a month until you qualify for Social Security disability benefits.

- Social Security disability or military disability benefits are entirely in addition to your company disability benefit. Of course, in the case of the 1.5% formula, your Primary Social Security Disability benefit is a factor used to calculate your company benefit
- However, if you receive payments (except for loss of a bodily member) under any Workers' Compensation law, such payments, taken on a monthly basis, will be offset against your disability benefit under the Pension Plan.

You will not be eligible for a disability benefit if your disability is the result of:

- Addiction to narcotic drugs
 - An intentionally self-inflicted injury
- or*
- having engaged in a criminal enterprise.

Your disability benefit will begin after you have been continuously disabled for 26 weeks and will continue until age 65 if you remain disabled. Up until age 65, you will, of course, need to show medical proof of your continuing disability from time to time. This disability benefit is in lieu of any other benefit payable under this Pension Plan.

If your death occurs while receiving a disability pension benefit, your surviving spouse may be eligible to continue receiving benefits depending on the option selection and meeting the requirements for an early retirement.

Benefit After Age 65

At age 65, you will become eligible for a Normal Retirement Pension. This pension will be calculated as if you had retired at age 65, but using the service credit and average straight-time monthly earnings used to calculate your disability benefit. If you have had the coverage of a survivor benefit while receiving a disability benefit, your pension will be reduced by the survivor benefit reduction factor. If you are receiving Workers' Compensation, your pension will not be offset by these benefits.

IN THE EVENT OF YOUR DEATH WHILE EMPLOYED

In the event of your death while you are still employed and you have completed at least five years of service credit, the Pension Plan will pay a survivor benefit unless another form of payment has been selected. The timing and amount of this benefit will depend on your years of service credit when you die.

In the event of your death after completing 10 years of service credit, the survivor benefit is payable immediately. (The age 50 requirement for early retirement does not apply in determining eligibility for the survivor benefit.) The benefit is a monthly income equal to 50% of the pension you would have received if you had retired on the day of your death. If your survivor is a younger spouse, the benefit will be reduced ½% for each full year more than five years that your spouse is younger than you. However, in no event will the survivor benefit be reduced to less than 25% of your full pension, calculated using your eligible earnings and service at your death.

In the event of your death before completing 10 years of service credit (but after five years), the survivor benefit is payable the first day of the month following the day you would have reached age 65. The benefit is a monthly income equal to 50% of the benefit you would have received had you terminated employment on the day of your death and elected to receive your benefit at age 65 in the 50% joint and survivor form of payment. Your survivor can elect to receive reduced benefits as early as the date you would have reached age 50. The reduction will be $6\frac{2}{3}\%$ for each year before age 65, for up to three years (to age 62), plus 5% for each year before age 62 that benefits begin.

The benefit will be paid to your spouse for the rest of his or her life. If you are employed and not married when you die, the benefit will be paid in equal shares to your dependent children until age 23 (or as long as the child remains totally and permanently disabled).

And if you have no dependent children, then the benefit will be paid in equal shares to your dependent parents for life.

Any benefit being paid to a dependent child or dependent parent cannot be transferred to someone else when the child or parent no longer qualifies for it. However, if a spouse dies while receiving the survivor benefit, the spouse's benefit will continue in equal shares to any of your dependent children under age 23 or as long as the child remains totally and permanently disabled.

IF YOU LEAVE BEFORE RETIREMENT

If you leave the Company for any reason after completing at least five years of Credited Service, you are 100% "vested." Being vested means you have a non-forfeitable right to receive Pension Plan benefits.

Benefit Amount

The amount of your vested pension payable at age 65 depends on your average eligible earnings (including shift differential and hourly COLA), your total Company Service at the time you leave the Company, and your age at the time you want your payment to begin. The three formulas described previously are used to calculate your pension, but with these differences:

- The flat amount under the regular and minimum formulas will be multiplied by a "service fraction." This fraction is your actual years of service with the Company divided by your years of service that would be credited had you continued with the Company until age 65
- If your vested benefit is calculated using the minimum formula and you have less than ten years of service credit, that part of the formula using 10% of your average eligible earnings will be reduced by 1% for each full year less than ten.

The alternate formula is revised to require the following steps:

- 1) $1.5\% \times$ average eligible earnings times your years of service that would be credited had employment continued to age 65

minus
- 2) $1.5\% \times$ years of service (up to $33\frac{1}{3}$) that would be credited had employment continued to age 65 times Primary Social Security Benefit at age 65, assuming continued employment at current earnings rate

times
- 3) The service fraction:

$$\frac{\text{Years of actual service}}{\text{Years of service had employment continued to age 65}}$$

Payment of Benefits

Vested benefits normally become payable at age 65. However, you can elect to receive a reduced benefit as early as age 50, but the benefit will be calculated as described in this section, and not as an early retirement benefit. The amount of the reduction will depend on how many years before age 65 you elect to begin benefits. The reduction is $6\frac{2}{3}\%$ for each year before age 65, for up to three years (age 62). In addition, the reduction is 5% for each year before age 62 that Pension Plan payments start. For example, if you leave the Company and begin receiving your pension at age 60, your benefit will be reduced 30%, that is 20% for the years between 65 and 62 ($6\frac{2}{3}\% \times 3$) plus 10% for the years between 60 and 62 ($5\% \times 2$).

Your benefits will begin on the first of the month following receipt of your written request. If you are married at the time of your request, your benefit will automatically be paid as a 50% joint and survivor benefit, unless you elect otherwise with your spouse's written consent witnessed by a notary public or representative of the Plan Administrator. If your benefit is paid in the 50% joint and survivor form, it will be reduced based on your age and your spouse's age as of the date your pension starts. It will also be reduced for each year that pre-retirement coverage is in effect as described later in this section.

Pre-Retirement Spouse's Benefit

If you leave the Company with vested benefits and you die before Pension Plan payments begin, your spouse may be eligible to receive a pre-retirement benefit equal to 50% of the benefit he or she would have received under the 50% joint and survivor benefit. Your spouse will be eligible if:

- You and your spouse have been married at least one year at the time of your death
- You did not waive this pre-retirement benefit option at the time you terminated.

To waive this optional coverage, you must have your spouse's written and witnessed consent.

If you die after age 50, payments will begin on the first of the month following your death. If you die before age 50, payments will begin on the first of the month following the date you would have reached age 50.

Your pension payments, as well as payments to your spouse, will be reduced for receipt as a 50% joint and survivor benefit, and for each year or part of a year that the pre-retirement coverage is in effect after your termination, as shown below:

| For each year of coverage after termination: | your pension reduction will be: |
|---|--|
| Under age 45 | .10% |
| Age 45 to age 55 | .20% |
| Age 55 to age 65 | .50% |

Forfeiture of Benefits

If your employment terminates before you have completed five years of Credited Service, you will forfeit your right to any Pension Plan benefit.

CREDITED SERVICE AND TERMINATION OF EMPLOYMENT

Credited Service is used to determine whether you are eligible for a vested pension.

“Service Credit,” which is used to determine the amount of your pension benefit, is the total elapsed time between the date you begin employment with the Company and your last day at work.

Credited Service begins with your first hour of service and ends when you terminate employment. Termination of employment occurs:

- The day you quit, retire, are discharged or die
- One year after your first day of absence due to layoff, or, if earlier, the first day after recall if you fail to return to work
- One year after your first day of absence with leave, or, if earlier, the first day after the final day of leave if you fail to return to work

or

- Two years after your first day of absence for a parental leave due to pregnancy, birth, or adoption and for child care immediately following the birth or adoption, or if earlier, the first day after the final day of leave if you fail to return to work.

If you are reemployed within one year of your date of termination of employment, you will receive Credited Service for your period of termination of employment and your prior Credited Service will be restored.

If you are reemployed more than one year after your date of termination and you were vested as of that date, your prior Credited Service will be restored automatically upon reemployment, regardless of your period of termination.

If you were not vested as of your date of termination, your prior Credited Service will be restored if you are reemployed more than one year after the period of termination of employment and the length of your termination of employment is less than five years.

In any event, you will not earn Credited Service during a period of severance lasting one year or more.

If you were a participant in either of the Portsmouth Plans (formerly known as the Retirement Program Plan for Employees of Martin Marietta Energy Systems, Inc. and the Retirement Program Plan for Employees of Lockheed Martin Energy Systems, Inc.) special rules apply. Contact the Plan Administrator.

Reemployment after Retirement

If you had been receiving Pension Plan income and return to work at the Company or at USEC Inc., your benefits will be suspended during your period of reemployment until you again retire. Your benefits will be suspended for any month in which you receive payment from the Company for hours of service performed on each of eight or more days (or separate work shifts). When payments begin again, they will be adjusted to reflect your additional service and earnings after returning to work. Payments may also be adjusted for participants who originally retired with a level income formula, to take into account the increased benefit previously received.

APPLYING FOR BENEFITS

Call the USEC Benefit Service Center at 1-866-305-8846, Plan 158, Option 2, as early as six months **but not less than thirty (30) days prior to your planned retirement date** in order to receive your final pension paperwork and other information pertaining to your retirement.

- **If your request for pension paperwork is not made 30 days in advance of your planned retirement date or your completed pension paperwork is not received by the USEC Benefit Service Center at least 10 days prior to your planned retirement date, your first pension benefit will be delayed until the month following the execution/receipt of your pension paperwork. The effect of not requesting your pension paperwork 30 days prior to your retirement date or receipt of your pension paperwork by the USEC Benefit Service Center at least 10 days prior to your retirement date is that you will lose pension benefits for a month or more as detailed in the preceding sentence.**
- Your retirement will be effective the first of the month following your exit date assuming you complete the process as outlined above.

In case of your death before retirement, the USEC Benefit Service Center will contact your spouse or beneficiary to provide information about any Pension Plan benefits that might be payable.

If the appropriate forms are not completed and submitted – or if any information requested by the USEC Benefit Service Center is not provided – benefits will be delayed.

OTHER IMPORTANT INFORMATION**Other Retirement Income**

Any benefits due you (or your survivor, if you die before retirement) from the Pension Plan will be reduced by the amount (or the actuarial equivalent, if appropriate) of any retirement benefit payable from any of the following sources, provided the benefit is related to service recognized under this Pension Plan and is attributable to contributions made by USEC, the United States Enrichment Corporation or its predecessors, or its affiliates:

- Any other private plan
- Any retirement or separation benefit payable under the law of any foreign government
- Any public pension other than military or Social Security for which you receive Company service credit.

The reduction will be made under rules that will apply uniformly to all affected employees. If your pension is to be reduced because of this provision, you will be given a full explanation at the time your pension benefit is calculated.

If You Were a Participant in the Goodyear Atomic Corporation Pension Plan

If you were a participant in the Goodyear Atomic Corporation Pension Plan, you may elect to receive your accrued benefit under that plan as of December 31, 1998, under the payment options of the Company Pension Plan.

If you contributed to the Goodyear Atomic Corporation Pension Plan, you will receive an additional benefit when you retire. This benefit will be equal in value to your contribution plus accumulated interest. When you terminate or retire from the Company, you can elect to receive a refund of your contributions with interest in lieu of this additional plan benefit. If you are married, your spouse must consent to this election. If you die before your plan benefits start, your surviving spouse or other named beneficiary may elect to receive a refund of your contributions with interest in addition to any other death benefits payable under the Goodyear Atomic and USEC, Inc. Pension Plan.

Withholding Taxes

Under federal tax law, Federal income taxes may be withheld from Pension Plan payments. You may contact the USEC Benefit Service Center for more information about tax withholding.

Direct Deposit of Payments

Your pension payments will be directly deposited into the bank of your choice.