

OPTIONAL RETIREE MEDICAL

What is Optional Retiree Coverage?

Upon your retirement, you may be eligible to continue medical coverage under this Plan for yourself and your spouse and children, subject to the terms and provisions of this Plan. The coverage provided shall be secondary to any other medical insurance covering you and your dependents. Notwithstanding the foregoing, Powell Industries, Inc. by action of its Board of Directors reserves the right to amend, modify, eliminate and/or terminate this Optional Retiree Coverage at any time at its sole discretion.

Who is Eligible?

Employees who retired prior to January 1, 2023:

You are eligible to participate in the Optional Retiree Coverage Plan if you retired from Powell Industries, Inc., or an affiliated employer after January 1, 1994, have attained age 55 or more, with at least ten (10) years of service with Powell Industries, Inc. or an affiliated employer, and were covered under this Plan on the date of your retirement.

Employees who retire after January 1, 2023:

You are eligible to participate in the Optional Retiree Coverage Plan if on January 1, 2023 you were between the ages of 50 and 64 and you retire from Powell Industries, Inc. or an affiliated employer after January 1, 2023 with at least ten (10) years of continuous service and you are between the ages of 60 and 64 on the date you retire.

You are not eligible to participate in the Optional Retiree Coverage Plan if you are included in a unit of Employees covered by a collective bargaining agreement. Your eligible dependents residing in the United States may also participate, provided they are covered by the Powell Industries, Inc. Employee Benefit Plan on the date of your retirement. Eligible dependents include your lawful spouse as defined by applicable state law (until legally separated), natural children, stepchildren, adopted children, children placed in your home for adoption and children for whom you are a legal guardian. Dependent spouses remain eligible until the earlier of either (i) the dependent spouse is 65 years of age or older, whether such age was attained before or after the date you retired, or (ii) the date of any divorce from an eligible retiree, pursuant to a final judicial decree, and such eligibility shall cease on the date such divorce is effective. Dependent children remain eligible until the date they attain age 26, with the exception of disabled children of any age who remain dependent on you for financial support. If the eligible retiree dies when covered by the Optional Retiree Coverage, such retiree's eligible dependents, if any, may elect to continue coverage under the Optional Retiree Coverage Plan until such time as the deceased retiree would have attained age 65.

Initial Enrollment

If you desire Optional Retiree Coverage, you must enroll in the plan by properly completing and returning an enrollment form to Powell Industries, Inc. within 31 days of your eligibility date. If you also desire dependent coverage, you must enroll your eligible dependents by this deadline. If you fail to elect the Optional Retiree Coverage when first eligible, or elect this coverage but discontinue it, you will not be eligible to elect or re-elect retiree coverage at a later date. Dependents, including newborns, who are acquired on a date after the date of your retirement are not eligible to participate in the retiree coverage.

Who Pays for Your Benefits?

The monthly premium due for Optional Retiree Coverage, including dependents, if applicable, shall be based on the premium which would have been due and payable for like coverage elected under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), reduced by a fixed dollar amount for each additional Service Year in excess of ten (10) Service Years. Service Years means the number of full years you were employed by Powell Industries, Inc., or an affiliated employer.

When Coverage Ends

The following is intended to provide you a guide to the types of events which would cause your eligibility under this plan to end. There may be additional events not specifically mentioned below which may cause you to lose coverage under this plan. Should you have any questions regarding your eligibility, speak to your employer for further explanation.

- The date on which you attain age 65.
- The date on which contributions cease.
- The date on which the Optional Retiree Coverage Plan ends.
- The date on which the Powell Health & Welfare Benefit Plan ends