Baker Hughes Incorporated
Pension Plan

Summary Plan Description
Hughes Tool Company
Retirement Plan for Hourly Employees

This document describes the provisions of the Baker Hughes Incorporated Pension Plan applicable to participants of the Hughes Tool Company Retirement Plan for Hourly Employees, which was frozen on December 31, 1992.

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The Hughes Tool Company Retirement Plan for Hourly Employees is a component plan included in the Baker Hughes Incorporated Pension Plan (the Plan). The Plan also provides benefits to participants in the:

- Teleco Oilfield Services, Inc. Retirement Plan;
- Process Equipment Division of Ketema, Inc. Hourly Employees' Pension Plan;
- Retirement Plan for Employees of Oil Dynamics, Inc.;
- Baker Hughes and Process Technologies Retirement Plan;
- Petrolite Corporation Retirement Plan; and
- Hybrid pension plan portion of the Plan under which eligible participants have hypothetical account balances.

Separate documents describing the applicable provisions are provided to participants in these plans.

This document, which replaces all previously published Summary Plan Descriptions, describes the Plan provisions applicable to participants in the Hughes Tool Company Retirement Plan for Hourly Employees. Please note that the information presented is only a summary.

The actual eligibility requirements, benefits, terms, conditions, limitations, and provisions that govern the Plan are contained in the official Plan documents. If, in our efforts to make the Plan easy to understand, any of the Plan's provisions have been omitted or misstated, the official Plan documents must remain the final authority. The official Plan documents also govern the administration of the Plan and payment of benefits. In the case of any dispute, the information in the official Plan documents, and not this summary, will prevail. To request a copy of the official Plan documents, please provide your name and mailing address to:

Baker Hughes Incorporated
P.O. Box 4740
Houston, Texas 77210-4740
Attn: Total Rewards (U.S. Financial Benefits)

The information contained in this document is intended to meet the Federal disclosure requirements for Summary Plan Descriptions of employee benefit plans. Baker Hughes Incorporated (Baker Hughes) reserves the right to amend or terminate all or any part of the Plan at any time.

This document contains a summary of the Plan in English. If you have difficulty understanding any part of this document, contact the Benefits Center at **1-866-244-3539** (toll-free within the U.S.) or **1-847-883-0945** (worldwide) between 7 a.m. and 7 p.m. Central Time, Monday through Friday.

Este documento contiene un resumen en inglés de los planes de beneficios de Baker Hughes. Si tuviera alguna dificultad para entender alguna parte de este documento, por favor comuníquese con the Benefits Center en 1-866-244-3539 en los Estados Unidos o 1-847-883-0945 (resto del mundo) entre 7 a.m. y 7 p.m., tiempo central, de lunes a viernes.

Rounding Out Your Retirement Savings

The Plan is designed to provide you with additional income when you retire by supplementing any benefit to which you may be entitled under your Thrift Plan savings, Social Security benefits, and personal savings.

The Plan is a defined benefit pension plan. It is funded by a trust contributed to by Baker Hughes and certain of its affiliates (collectively, the "Company"). You do not need to contribute. The amount the Company contributes to the Plan is actuarially determined.

The Plan's assets are maintained in the Baker Hughes Incorporated Retirement Plan Master Trust. Northern Trust Company is the Plan trustee.

This booklet will help to explain the details of the provisions of the Plan relating to the Hughes Tool Company Retirement Plan for Hourly Employees. This booklet does not describe the provisions of the Plan other than those relating to benefits earned under the Hughes Tool Company Retirement Plan for Hourly Employees.

Eligibility and Participation

You were eligible to participate in the Plan on the first of the month coincident with or next following the date you completed one year of participation service if you were:

- Employed by Baker Hughes Oilfield Operations, Inc. or Hughes Tool Company on or before December 31, 1992, and
- You were covered by a collective bargaining agreement that provided for your participation in the Plan.

These employees were not eligible to participate under the Plan:

- Leased employees,
- Members of a bargaining unit whose agreement did not provide these benefits, and
- An employee eligible for coverage under an industry-sponsored retirement or pension plan.

No one was eligible to join the Plan after December 31, 1992.

Naming a Beneficiary

If you die before receiving your full benefit, your beneficiary may be entitled to receive a benefit, depending on your employment status at the time of your death and the payment option you selected.

If you are married, your spouse is automatically considered your beneficiary; however, you may change this designation with spousal consent at the time of your retirement. You may not designate a beneficiary other than your spouse to receive a death benefit in the event of your death prior to the date your benefits are payable (a "pre-retirement death benefit") because only your spouse is entitled to a pre-retirement death benefit. If your marital status changes, you must inform the Benefits Center. The administration of the Plan may be based on your originally established marital status until you inform them of any change.

You have two options for requesting a spousal consent form:

Via telephone by calling the Benefits Center:

- 1-866-244-3539 (toll-free in the U.S.), or
- 1-847-883-0945 (worldwide)

Representatives are available Monday through Friday from 7 a.m. to 7 p.m. Central Time.

Via myRewards online:

- From your work computer: go/myrewards
- From a personal computer: go.bakerhughes.com/myrewards
  You will need your User ID and Password.

If you do not name a beneficiary or if your beneficiary is not living at the time of your death, any death benefits due under the Plan will be paid to your surviving spouse. If there is no surviving spouse, the benefit is paid to your executor or administrator of your estate.

Participation Service

Participation service was used to determine when you were eligible to participate in the Plan. You were credited with participation service for all of your service (whether consecutive or not) with Hughes Tool Company, Baker Hughes Oilfield Operations, Inc. or the Company.

Vesting

Vesting is your right to receive your benefit under the Plan. Generally, you became fully vested in the Plan after you earned five years of vesting service. Vesting service is determined as follows:

- For the period prior to January 1, 1989, you were credited with vesting service in an amount equal to all service credited to you for vesting purposes under the terms of the Plan in effect on December 31, 1988. If you had three years of vesting service prior to January 1, 1989 and you worked one hour on or after January 1, 1989, you were 25 percent vested in your benefit after three years of vesting service and 100 percent vested after five years of vesting service.
- On or after January 1, 1989, you were credited with vesting service based upon your aggregate "service" with the Company, whether or not completed consecutively. You were fully vested after five years of vesting service and zero percent vested prior to five years of vesting service.

In addition:

- You were credited with one month of vesting service for each month during which you were employed at any time by Hughes Tool Company, the Company or certain of their affiliates;
- The period during which you were absent due to a lay-off was credited for purposes of vesting service if you returned to service while recall rights existed; and
- If you left the employment of Hughes Tool Company, the Company or certain of their affiliates while actively employed (not on authorized leave) and returned within one year, the period during which you were not employed was credited for purposes of vesting service; if you left the employment of Hughes Tool Company, the Company or certain of their affiliates during an authorized leave and returned within one year of the start of the authorized leave, the period during which you were on leave was credited for purposes of vesting service.
- If you terminated employment at a time when you did not have any vested interest and were gone for a period which equaled or exceeded the greater of (1) five years or (2) your period of service prior to your termination, your prior service was disregarded for purposes of determining your years of vesting service.

You continue to accrue vesting service after December 31, 1992. You also became fully vested, regardless of your number of years of service, if you:

- Retired from active service with Baker Hughes Oilfield Operations, Inc. at age 65 or later on or before December 31, 1992, or
- Were an active Plan participant on December 31, 1992.

Your Plan Benefit

The Plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code (the Code), and is funded by a trust. Your benefit under the Plan is based on your basic compensation and your years of accrual service as of December 31, 1992 or the date your employment with the Hughes Tool Company or Baker Hughes Oilfield Operations, Inc. ended, whichever was earlier.

Basic Compensation

Basic compensation equals the total compensation paid by Hughes Tool Company or Baker Hughes Oilfield Operations, Inc. for each month you were credited with accrual service, including vacation and holiday pay, shift differential pay and pay due to jury duty. Basic compensation does not include:

- Bonuses
- Commissions
- Overtime
- Per diem or premium pay or any other extra compensation
- Reimbursement for business expenses
- Group life insurance premiums or benefits under any employee benefit plan

The maximum amount of basic compensation that can be considered for Plan purposes each year is limited by the Code.

Accrual Service

For the period beginning January 1, 1989, your accrual service is equal to the amount of vesting service you earned, except that (1) you were credited with accrual service during certain authorized leaves of absence described in the Plan and (2) you were not credited with accrual service for any period during which you were not employed by Hughes Tool Company or Baker Hughes Oilfield Operations, Inc. or you were not covered under a collective bargaining agreement providing for participation in the Plan. You are also granted accrual service for any accrual service you earned prior to January 1, 1989 under the terms of the Hughes Tool Company Retirement Plan for Hourly Employees in effect at that time. You will not be credited with accrual service for service after December 31, 1992.

How Your Benefit is Determined

Your annual normal retirement benefit under the Plan payable at your normal retirement date is equal to 2% of your basic compensation for each month of accrual service you earned with Hughes Tool Company or Baker Hughes Oilfield Operations, Inc. This amount is divided by 12 to determine your monthly Plan benefit.

In no case, however, will your monthly Plan benefit be less than:

- $18 × your whole and fractional years of plant seniority (if your employment terminated before January 1, 1990 and you were a member of the Plan immediately before your termination of employment), or
- $19 × your whole and fractional years of plant seniority through December 31, 1992 or the date your employment with Hughes Tool Company or Baker Hughes Oilfield Operations, Inc. ended, whichever is earlier (if your employment terminated on or after January 1, 1990 and you were a member of the Plan immediately before your termination of employment).

Your minimum payment may be reduced if you previously received an annuity certificate.

The formula assumes benefits are paid under the single life annuity payment method. If you choose another payment method, your monthly benefit amount may be reduced. (See page 10 for more information on available payment methods.)

Your accrued benefit under the Plan was frozen on December 31, 1992.

When You Can Receive Benefits

You can receive your Plan benefit upon your normal, early or late retirement date under the Plan. Your spouse to whom you were married throughout the one-year period immediately preceding your death would receive a death benefit should you die before your benefits are payable.

Normal Retirement

Normal retirement age for the Plan is age 65. Plan payments normally begin on the first day of the month coincident with or next following the date you reach normal retirement age — this is your normal retirement date.

You must provide the Benefits Center with 90 days notice in advance of your intended retirement date.

If you do not file a claim for Plan benefits with the Plan administrator, you will be deemed to have elected to defer receipt of your Plan benefits.

Early Retirement

The date you qualify for early retirement benefits under the Plan differs, depending on when your employment with the company began:

- If your employment began on or before July 2, 1990, you are eligible for early retirement when you reach age 55.
- If your employment began after July 2, 1990, you are eligible for early retirement when you reach age 55 and have at least 12 years of vesting service (vesting service would include service after December 31, 1992).

This is your early retirement age.

At your election, early retirement benefit payments can begin on the first day of any month coincident with or after you reach early retirement age. The date Plan payments begin is your early retirement date.

Early retirement benefits are determined using the formula on page 6. However, if you choose to have payments begin before your normal retirement date, you'll receive a reduced benefit to account for the longer payment period:

If payments begin at this age:	You'll receive this percentage of your normal retirement benefit:
55	50.0%
56	53.3%
57	56.7%
58	60.0%
59	63.7%
60	68.2%
61	73.5%
62	80.0%
63	86.7%
64	93.3%
65	100.0%

You must provide the Benefits Center with 90 days notice in advance of your intended early retirement date.

Late Retirement

You may continue to work past age 65. In this case, your late retirement benefit is the actuarial equivalent of your normal retirement benefit (described earlier), increased according to Plan provisions. Your Plan payments will normally begin on the first day of the month on or after the date your employment with the Company ends unless you elect to defer receipt of your Plan benefits. If you do not file a claim for Plan benefits with the Plan administrator, you will be deemed to have elected to defer receipt of your Plan benefits.

Your benefit will be the greater of:

- The benefit calculated as of your late retirement date, or
- The benefit calculated as of age 65 actuarially adjusted for the delayed payment.

You must provide the Benefits Center with 90 days notice in advance of your intended late retirement date.

Deferred Vested Benefit

Generally, you are eligible for deferred vested Plan benefits if you terminated employment with five or more years of vesting service or you were an active Plan participant on December 31, 1992 and terminated your employment before normal retirement age.

You are eligible for a partial benefit of 25 percent if you had three years of vesting service prior to January 1, 1989, worked one hour on or after January 1, 1989 and terminated employment before normal retirement age and without five or more years of vesting service.

Your accrued benefit is determined using the normal retirement formula described on page 6.

Normally, Plan payments begin on your normal retirement date. However, by providing Baker Hughes with 90 days notice, you can choose to have payments begin as early as age 55 or on the first day of any month after that date but before you reach age 65. If you do so, your normal retirement benefit amount will be reduced in the same manner as an early retirement payment is reduced (see page 7 for more information), to account for the longer payment period.

If you do not file a claim for Plan benefits with the Plan administrator you will be deemed to have elected to defer receipt of your Plan benefits.

Required Payment Deadline

You must begin receiving Plan payments no later than April 1 of the calendar year following the later of (1) the calendar year in which you reach age 70½ or (2) the calendar year in which you terminate employment with the Company

If You Die

If You Die Before Your Scheduled Payment Date
If you are eligible for Plan benefits but die before payments are scheduled to begin, your surviving spouse can receive benefits from the Plan as long as you have been married for at least one year on the date of your death and have attained a vested interest in your Plan benefit before you die. No Plan benefit is payable if you are not married or have been married less than one year and die before your payments are scheduled to begin.

If you die prior to your scheduled payment date, your surviving spouse's benefit is equal to the amount he or she would be entitled to receive if you had terminated employment on the date of your death (or the date of your termination of employment, if earlier), lived to your early retirement date (if you have 12 or more years of vesting service or your employment with Hughes Tool Company or Baker Hughes Oilfield Operations, Inc. began on or before July 2, 1990) or your normal retirement date (in all other cases), chose to have payments made under the 50% qualified joint and survivor annuity described on page 10, and then died the next day.

If the value of your death benefit under the component plan, the Hughes Tool Company Retirement Plan for Hourly Employees, and all other component plans under the Plan does not exceed $1,000, your death benefit will be paid in a lump sum (or as a direct rollover) as soon as administratively practicable following the date of your death.

If You Die After Your Scheduled Payment Date
If you die on or after your scheduled payment date, the death benefit, if any, payable under the Plan will depend upon the payment method you selected, with the consent of your spouse (if any).

If the value of your death benefit under the component plan, the Hughes Tool Company Retirement Plan for Hourly Employees, and all other component plans under the Plan does not exceed $1,000, your death benefit will be paid in a lump sum as soon as administratively practicable following the date of your death.

Forms of Payment

When you are eligible to receive your benefits from the Plan, you will need to select your payment method. Distribution election forms describing your distribution options under the Plan will normally be sent to you at least 30 days prior to your normal retirement date under the Plan. If you want to receive your benefit before this, as early as your early retirement date, you may call the Benefits Center to request a distribution form. *Please note that you must provide the Benefits Center with notice of your intent to receive your benefits early at least 90 days prior to the date you wish to receive your benefits.*

If the value of your vested benefit under the Plan when you terminate employment is less than or equal to $1,000, you will automatically receive your benefit in the form of a lump sum payment (or a direct rollover). For this purpose, your vested benefits under the component plan, the Hughes Tool Company Retirement Plan for Hourly Employees, and all other component plans under the plan will be aggregated.

If you wish to have your distribution rolled into an IRA, Roth IRA, or another qualified plan, you should specify this instruction on the distribution form that you receive.

If the value of your vested benefit under the Plan when you terminate employment is greater than $1,000, you may elect one of the following payment forms once you are eligible to receive your benefit:

- Single life annuity option,
- 50%, 75%, or 100% joint and survivor annuity option,
- 5, 10, or 15-year certain and life annuity, or
- Level income option.

Single Life Annuity

A single life annuity provides a fixed monthly payment as long as you live. Upon your death, no further benefits are paid. The monthly annuity amount is computed using the formula on page 6. This is the default form of payment if you are not married.

Important!
If you are married **and** *the lump sum value of your benefit is greater than $1,000,* you **must** receive your benefit under the Plan in the form of a 50% joint and survivor annuity, unless your spouse consents in writing to another payment method.

50%, 75% or 100% Joint and Survivor Annuity

A joint and survivor annuity provides a fixed monthly payment as long as you live. After your death, 50%, 75%, or 100% (your choice) of the monthly payment amount you were receiving is paid to your beneficiary for his or her lifetime. The monthly annuity amount paid during your lifetime is reduced from a single life annuity amount to account for the continued payment to your beneficiary.

Certain and Life Annuity

A certain and life annuity provides a fixed monthly payment to you for your lifetime, with payments guaranteed for a period of 60, 120, or 180 months (your choice). If you die within the guaranteed period you elected, payments in the same amount you were receiving continue to your beneficiary for the balance of that period.

If you live longer than the selected period, your monthly payments continue for your life, but no additional benefits are payable after your death.

Level Income Option

The level income option adjusts your benefit so you receive approximately the same level of income before and after you are eligible to receive Social Security benefits. You receive a larger monthly benefit from the Plan before you begin receiving Social Security benefits. Then, when Social Security is available, you receive a smaller monthly benefit from the Plan.

Your monthly Plan benefit is based on your estimated Social Security benefit when your employment ends. However, you have the right to provide the Plan with your actual Social Security determination amount. If you do, the Plan will use your actual benefit amount, rather than an estimated amount, to determine your level benefit.

Your monthly Plan benefit is not affected by any future changes in your Social Security benefit.

This option is a single life annuity, so payments stop at your death.

Paying Federal Income Taxes

Any benefit you receive from the Plan is considered taxable income (ordinary income) in the year that you receive it unless the distribution is eligible for rollover and you actually make the rollover to an eligible retirement plan or IRA (other than a Roth IRA).

If you receive a lump sum distribution (because the value of your vested benefit is less than or equal to $1,000), you may defer your Federal income tax liability by rolling over your distribution into an IRA (other than a Roth IRA) or another eligible, tax-qualified plan (usually a new employer's pension or 401(k) plan).

You may also roll over all or part of an eligible rollover distribution to a Roth IRA. If you choose this option, you will not defer your Federal income tax liability but in certain circumstances you may be able to shelter from Federal income taxation certain earnings on your Roth IRA.

You should consult your tax advisor for specific information about rollovers.

Lump Sum Distribution Withholding and Rollovers

Generally, the Code requires that 20% of the taxable amount of your lump sum distribution that is rollover eligible be withheld unless your taxable amounts are directly rolled over to another eligible retirement plan, IRA or Roth IRA. This 20% withholding is credited to any Federal income tax that you may owe.

You can avoid the 20% withholding requirement by rolling the distribution over into an IRA, a Roth IRA or an eligible tax-qualified plan, which is usually the pension or 401(k) plan of another employer.

There are other types of plans that may also accept rollovers. Another plan is not legally required to accept rollovers, so be sure to check with the administrator of the other plan. If you do make a rollover, you would defer paying taxes until you make a taxable withdrawal from the new plan. If you plan to roll your benefits over into an IRA, Roth IRA or another plan, be sure to arrange for a direct transfer (the distribution should be payable to the new plan in the name of your own account, not to you personally) to avoid the 20% withholding. *If the check is made payable to you, 20% will be withheld, even if you roll the funds over.*

- **Direct Rollover** — In a direct rollover, all funds due to you are sent either to an IRA, a Roth IRA, or another qualified plan. The distribution should be payable to the new plan in the name of your account, not to you personally.

  By electing a direct rollover, you avoid the mandatory 20% withholding requirement and the 10% additional penalty tax imposed if you are either under age 55 or you do not complete a timely indirect rollover. Your payment will not be taxed until you take it out of the IRA (other than a Roth IRA) or qualified plan. You may defer paying tax on your distribution by electing a rollover distribution, for payments of $200 or more, instead of a payment directly to you.

- **Indirect Rollover** — In an indirect rollover, all funds are first paid to you. The Plan administrator is required by law to withhold 20% of the taxable portion of your lump sum distribution for Federal income taxes. The 20% withheld is credited to your taxes due when you file your income tax return. You may roll over the remaining 80% of the funds to an IRA, Roth IRA or another qualified plan within 60 days of the time you receive the distribution. Other than in the case of a rollover to a Roth IRA, you should not be taxed on the amount you rolled over until you take the money out of the IRA or qualified plan.

  If you wish to roll over the full 100% of the taxable portion of your payment, you will have to make up 20% of the payment from another source. If you only roll over the 80% that you actually received, you will be taxed on the 20% that was withheld but not rolled over.

The single life annuity, joint and survivor annuity options, certain and life annuity options, and the level income option are not subject to the 20% withholding rule and are not eligible for rollover.

10% Additional Tax

If you receive a lump sum distribution prior to reaching age 55, you may be required to pay an additional 10% Federal tax. A distribution of this kind could occur if you terminate employment, and your vested benefit is worth $1,000 or less.

You can avoid paying any penalty taxes on a lump sum distribution by rolling the distribution over into an IRA, Roth IRA, or an eligible retirement plan.

Applying for Benefits

Once you have terminated employment with the Company with a vested benefit, you may request a benefit as early as age 55. You have two options for requesting a distribution form that will show your optional forms of benefit:

Via telephone by calling the Benefits Center:

- 1-866-244-3539 (toll-free in the U.S.), or
- 1-847-883-0945 (worldwide)

Representatives are available Monday through Friday from 7 a.m. to 7 p.m. Central Time.

Via myRewards online:

- From your work computer: go/myrewards
- From a personal computer: go.bakerhughes.com/myrewards
  You will need your User ID and Password.

If you do not name a beneficiary or if your beneficiary is not living at the time of your death, any death benefits due under the Plan will be paid to your surviving spouse.

If You Defer Payment

You may also elect to defer your payment past your normal retirement age, but not later than your required payment deadline (see page 8).

Re-employment

- If you terminated employment after you were vested and you received your entire Plan benefit in a lump sum after you left, then you will have no further benefit under the Plan upon your rehire.
- If you terminated employment and commenced receipt of Plan benefits, your benefits shall continue without interruption even if you are rehired.

Claims Assistance

All decisions concerning payment of benefits under the Plan shall be at the sole discretion of the Plan administrator (or its designee). If you disagree with the way your claim is handled, you may apply for a formal review of your claim.

Claims Review Procedure

If you (or your beneficiary) disagree with the amount of your benefits or your interest in the Plan, there is a review procedure you or your beneficiary must follow. Under this procedure, you can get a second review of a benefit decision. There are three steps in the review procedure:

1. When an application for benefits is denied, in full or in part, you will normally receive a written verification of the denial from the Plan administrator within 90 days after requesting benefits. The notice will explain:

   - The reason for the denial,
   - The Plan provision(s) on which it is based,
   - Any additional information needed to make your application for benefits acceptable and the reason it is necessary, and
   - The procedure for requesting a review and the applicable time limits, including your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act of 1974, as amended (ERISA) following an adverse decision on review.

   If special circumstances require more than 90 days for processing your application, you will be notified of that fact, in writing, within 90 days of filing. The notice you receive will:

   - Explain what special circumstances make an extension necessary, and
   - Indicate the date a final decision is expected to be made.

   The extension may be for up to another 90 days. If you receive no response of any kind within 90 days after requesting benefits or by the end of an extension period, you should consider your application for benefits denied. You may proceed to Step 2, just as though you had received a denial notice.

2. Within 60 days after receiving a denial notice, you and/or your authorized representative may:

   - Submit a written request to the Plan administrator for review of the denial,
   - Look at and receive copies of relevant documents, and
   - Submit issues and comments in writing.

3. Within 60 days after the request for a review is received, a decision on the denial normally will be made. You will receive a copy of the decision, in writing, including the specific reasons for it and reference to the Plan provision(s) on which it is based, a statement that you may receive upon request and free of charge reasonable access to and copies of all relevant documents, records and other information relevant to your claim, and a statement of your right to bring a civil action under Section 502(a) of ERISA.

   If special circumstances require a review period longer than 60 days, the time for making a final decision may be extended, and you will be notified of the extension within 60 days after your requested review. However, the total review period cannot be longer than 120 days.

   Any questions about the process for requesting a review should be addressed to the Plan administrator.

   If you receive no response of any kind within 60 days of making a request for a review, or by the end of an extension period, you should consider your claim for benefits denied on review.

Managing Your Account

There are several ways for you to get account information. You will need a unique User ID and Password. You can create a User ID through myRewards or the Benefits Center.

Option 1

Online

There are two ways to access your myRewards account online:

- From your work computer: go/myrewards
- From a personal computer: go.bakerhughes.com/myrewards
  You will need your User ID and Password.

Option 2

Benefits Center
1-866-244-3539 (toll-free in the U.S.)
1-847-883-0945 (worldwide)

With your User ID and Password, you can access your personal account information. Please say "representative" at any time to speak with a Benefits Center representative.

General Information

This section contains general administrative information about the Plan and an explanation of your rights under ERISA.

Plan Documents

This Summary Plan Description summarizes the key features of the Plan. Complete details of the Plan can be found in the official Plan document, insurance contracts and trust agreements (if they apply) which govern the operation of the Plan. All statements in this Summary Plan Description are subject to the provisions and terms of those documents.

To receive a copy of the official Plan documents, the annual report of Plan operations, and additional copies of this Summary Plan Description via U.S. Mail, write to:

Baker Hughes Incorporated
P.O. Box 4740
Houston, Texas 77210-4740
Attn: Total Rewards (U.S. Financial Benefits)
(Please provide your name, mailing address, and telephone number.)

NOTE: In the event of a conflict between the descriptions in this Summary Plan Description and the official Plan documents, the official Plan documents will prevail.

Importance of a Current Address

Because benefit-related information is mailed to you, you need to notify the Company of your current address. Otherwise, you may not get important information about your benefits.

Remember, if you terminate employment and are entitled to benefits under the Plan, update your current address by accessing myRewards or by calling the Benefits Center. If not, the Company may not be able to find you to give you your benefits.

No Implied Rights to Employment

The adoption and maintenance of the Plan does not represent an employment contract between the Company and its employees. Nor does the adoption and maintenance of the Plan prohibit the Company from discharging any employee at any time, with or without cause, or interfere in any way with an employee's right to terminate employment at any time, in accordance with state and Federal law.

Amendment and Termination of the Plan

Baker Hughes or the Plan administrative committee may amend or modify the Plan for any reason at any time and from time to time. In addition the Board of Directors of Baker Hughes may terminate the Plan at any time. No Plan amendment or termination can deprive you of a benefit to which you are already entitled. Following any termination of the Plan, the affected assets of the trust fund will be liquidated and distributed or used to purchase group annuity contracts according to legal requirements.

Assignment of Benefits

Your Plan benefit cannot be pledged to another person or organization in any way except as provided by a Qualified Domestic Relations Order.

Qualified Domestic Relations Order (QDRO)

If you become divorced or separated, the court may assign part or all of your benefit to an alternate payee (such as your spouse, former spouse, child, or other dependent) through a domestic relations order. This is a court order that recognizes the alternate payee's right to part or all of your benefit.

A QDRO can force payment of benefits to an alternate payee even though the Plan prohibits distributions earlier than retirement, termination, death or disability. The law requires that a determination be made, within a reasonable amount of time, as to whether the domestic relations order is qualified. Specific procedures must be followed to ensure that your benefits are properly distributed. You and the alternate payee will be notified of the decision.

You and your beneficiaries can obtain a copy, without charge, of the procedures governing a QDRO from the Plan administrator.

Forfeitures by Missing Persons

If you are entitled to a distribution and cannot be located during a reasonable search after the administrative committee has initially attempted making payment, your accrued benefit will be forfeited. However, if at any time prior to the termination of the Plan and the complete distribution of the trust, you file a claim with the administrative committee for the forfeited accrued benefit, your forfeited accrued benefit will be reinstated.

Exhaustion of Administrative Remedies

Without limiting the Plan arbitration procedures, by accepting benefits or asserting a claim to benefits under the Plan, you, your spouse, your surviving spouse or beneficiary are affirmatively deemed to agree not to file suit in court or seek arbitration concerning a claim for benefits until you have exhausted the claims and appeals procedures under the Plan.

Arbitration

As described below, any controversy relating to the Plan must be resolved by arbitration on an individual basis in accordance with the Employee Benefit Plan Claim Arbitration Rules of the American Arbitration Association. You must exhaust the claims review and appeals procedures under the Plan before you may initiate an arbitration proceeding.

By accepting benefits under the Plan or seeking benefits under the Plan you agree to the Plan's arbitration procedures described below.

Except for any claim that is pending in a court as of December 31, 2016, any controversy arising out of or relating to the Plan, including without limitation, any and all disputes, claims (whether in contract, statutory or otherwise) or disagreements concerning the interpretation or application of the provisions of

the Plan, (each, a "Covered Claim") shall be resolved by arbitration in accordance with the Employee Benefit Plan Claims Arbitration Rules ("Rules") of the American Arbitration Association (the "AAA") in effect at the initiation of the arbitration.

All Covered Claims shall be arbitrated on an individual basis and you shall not have any right or authority to assert or pursue any Covered Claims as a class action or derivative action of any sort. In addition, notwithstanding anything to the contrary in the Rules (including Rule 12 entitled "Grouping of Claims for Hearing" or this rule's successor), a Covered Claim by one participant shall not be grouped or consolidated with a Covered Claim by another participant in a single proceeding.

No arbitration proceeding relating to the Plan may be initiated by either the Employer or you, unless the Plan claims review and appeals procedures have been exhausted.

The arbitration shall be administered by the AAA. Three arbitrators shall hear and determine the controversy. Within twenty (20) business days of the initiation of an arbitration hereunder, the Employer and you will each separately designate an arbitrator, and within twenty (20) business days of such selection, the appointed arbitrators will appoint a neutral arbitrator from the panel of AAA National Panel of Employee Benefit Plan Claims Arbitrators. All arbitrators shall be impartial and independent. The award (including a statement of finding of facts) shall be made promptly and no later than forty-five (45) days from the date of closing the hearings or, if the hearing has been on documents only, from the date of transmittal of the final statements and proofs to the arbitrator.

The arbitrators shall have the power to rule on their own jurisdiction, including any objections with respect to the existence, scope, or validity of the arbitration agreement or to the arbitrability of any claim or counterclaim, including a Covered Claim. The decision of the arbitrators selected hereunder will be final and binding upon both parties, and judgment on the award may be entered in any court having jurisdiction. This arbitration provision is expressly made pursuant to, and shall be governed by, the Federal Arbitration Act, 9 U.S.C. Sections 1-16 (or replacement or successor statute). Nothing in the Plan arbitration procedures will be construed to, in any way, limit the rights, powers, and authorities of the administrative committee. In any arbitration proceeding full effect shall be given to the rights, powers, and authorities of the administrative committee under the Plan.

Contractual Statute of Limitations for Benefit Claims Disputes

Without limiting the Plan arbitration procedures, you may not bring a claim for benefits (whether in litigation or arbitration) under the Plan after the earlier of the date that is (1) 365 days after the final denial of your claim for benefits, or (2) the expiration of the limitations period under Texas contract law (the applicable limitations period under ERISA).

Venue

Without limiting the Plan arbitration procedures, (1) venue for arbitration concerning any dispute relating to a claim for benefits under the Plan or any claim of breach of fiduciary duty under ERISA will be in Harris County, Texas and (2) venue for litigation concerning any dispute relating to a claim for benefits under the Plan or any claim of breach of fiduciary duty under ERISA will be in the United States District Court for the Southern District of Texas (Houston Division).

No Oral Modification

No person has the authority to orally modify the Plan. Therefore, you may not rely upon any oral representation of any person concerning the coverage or benefits provided under the Plan, and no separate contract will be created with any person as a result of the oral statement.

General Powers of the Administrative Committee

The administrative committee will have all rights and powers reasonably necessary to supervise and control the administration of the Plan. The determination of any fact by the administrative committee and the construction placed by the administrative committee upon the provisions of the Plan will be binding upon all participants under the Plan. The administrative committee will have the power and the duty to take all action and to make all decisions that will be necessary or proper in order to interpret and carry out the provisions of the Plan. Without limiting the generality of the foregoing, the administrative committee will have the powers and duties to make and enforce such rules and regulations as it will deem necessary or proper for the efficient administration of the Plan and the transaction of the administrative committee's business. Further, the administrative committee will have the exclusive right and discretionary authority to make any finding of fact necessary or appropriate for any purpose under the Plan including, but not limited to, the final determination of the eligibility for and the amount of any benefit payable under the Plan. The administrative committee will have the exclusive right and discretionary authority to interpret the terms and provisions of the Plan and to determine any and all questions arising under the Plan or in connection with the administration thereof, including, without limitation, the right to remedy or resolve possible ambiguities, inconsistencies, or omissions, by general rule or particular decision. All findings of fact, determinations, interpretations, and decisions of the administrative committee will be conclusive and binding upon all persons having or claiming to have an interest or right under the Plan and will be given the maximum possible deference allowed by law. In addition to the foregoing, the administrative committee will have all the rights, powers, duties and obligations granted or imposed upon it elsewhere in the Plan or trust agreement.

Determinations of the Administrative Committee Final and Binding

The final decision of the administrative committee will be conclusive and binding on all interested parties. This decision may only be reversed if an arbitrator (or, in limited circumstances as applicable, a court) finds that the administrative committee's decision was arbitrary and capricious.

Your Rights Under ERISA

As a participant in the Plan, you are entitled to certain rights and protections under ERISA, which provides that all Plan participants shall be entitled to:

- Receiving information about the Plan and your benefits.
- Examining, without charge, at the Plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtaining, upon written request to the Plan administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The administrator may make a reasonable charge for the copies.
- Obtaining a statement telling you whether you have a right to receive a pension at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. 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 pension benefit or exercising your rights under ERISA.

Enforcing Your Rights

If your claim for a pension benefit is denied, 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 a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court.

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

Assistance with Your Questions

If you have any questions about the Plan, you should contact the Plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in 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 Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also 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-EBSA(3272)**.

Administrative Information

The following information details the administration of the Plan described in this Summary Plan Description.

Plan Name
Baker Hughes Incorporated Pension Plan

Plan Number
050

Type of Plan
The Plan is a defined benefit plan.

Plan Sponsor and Administrator
Baker Hughes Incorporated
Thrift Plan Administrator
17021 Aldine Westfield Road
Houston, Texas 77073
Tel. 713-439-2000

The employer identification number (EIN) is 76-0207995.

The Plan administrator (or its designee as it relates to functions delegated by the Plan administrator) has complete and final discretionary authority to interpret the Plan and maintain control over the operation and administration of the Plan.

Plan Year
January 1 to December 31

Plan Trustee
The Northern Trust Company
50 South La Salle Street
Chicago, Illinois 60675

Agent for Service of Legal Process
Service of legal process may be made upon the Plan sponsor, the Plan administrator, or the Plan trustee.

Recovery of Excess Payments

As a condition of the Plan, the Company has the right to recover any excess benefit payments. Excess payments can occur if payments from the Plan exceed those due you, or if benefits were paid due to a mistake or incorrect information.

Funding Based Restrictions

The forms of payment and benefit accruals under the Plan may be limited if the Plan is determined to be underfunded within the meaning of the Code. Baker Hughes will notify you of any limitations if the Plan is determined to be underfunded.

Pension Benefit Guaranty Corporation

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

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

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

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

For more information about the PBGC and the benefits it guarantees, ask the Plan administrator or contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TTD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at www.pbgc.gov.