

Rockwell Automation

April 2017

To: Rockwell Automation Pension Plan Participants

Annual Funding Notice

Attached is a copy of the Annual Funding Notice for the Rockwell Automation Pension Plan (“Notice”) for your records. This Notice is for the plan year beginning January 1, 2016 and ending December 31, 2016. We are providing this Notice to all Rockwell Automation Pension Plan participants as required by the United States Department of Labor. This Notice does not mean that the plan is terminating and is for informational purposes; no action is required on your part.

Included on the last page of the Notice is a supplement that is required by the federal laws named Moving Ahead for Progress in the 21st Century Act (MAP-21), Highway and Transportation Funding Act of 2014 (HATFA), and the Bipartisan Budget Act of 2015. MAP-21 was passed into law in 2012 and changed how pension plans calculate their liabilities by requiring the use of a 25-year average of interest rates. HATFA and the Bipartisan Budget Act of 2015 were passed into law in 2014 and 2015, respectively, and extended the use of MAP-21 interest rates.

Commencing Your Benefit Payment(s)

As a reminder, participants no longer employed by Rockwell Automation can commence monthly benefits or request a lump sum optional form of distribution when they are eligible for early or normal retirement, or if they terminated employment on or after January 1, 2014. Note that the lump sum distribution option is *not* available to participants already receiving monthly payments, to participants in union sub-plans B001 or B002, or to terminated vested participants who reached their normal retirement date prior to January 1, 2011. To confirm your eligibility, you may call the Rockwell Automation Service Center at the number below.

Before making an election, participants should carefully consider their benefit commencement date, early reduction factors that apply, and the payment option, as several factors may affect payment options and benefit amounts. Employees may use the online tools to select various assumptions regarding employment termination, earnings and benefits commencement date to estimate your benefits. Former employees may select among various commencement dates.

For More Information and How to Obtain an Estimate of Your Benefits

You can find more details about your benefit in the Summary Plan Description for your sub-plan. At any time, you can obtain a copy of the Summary Plan Description, an estimate of your benefits, and more information by:

- visiting the Web site www.employeeconnect.rockwellautomation.com or
- calling the **Rockwell Automation Service Center** at 1.877.OUR.RASC (**1.877.687.7272**); representatives are available from 8 a.m. to 4 p.m. Central time, Monday through Friday -- say “pension” or “retirement” when prompted to reach a Pension Specialist.

Keep your Address Current

To provide you with timely and important plan information, keeping your address up to date is important. Please contact the Service Center promptly with any updates to your address and other contact information.

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ANNUAL FUNDING NOTICE

For the ROCKWELL AUTOMATION PENSION PLAN

Introduction

This notice includes important information about the funding status of your pension plan (“the Plan”). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation (“PBGC”), a federal insurance agency. All traditional pension plans (called “defined benefit pension plans”) must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is required by federal law. This notice is for the plan year beginning January 1, 2016 and ending December 31, 2016 (“Plan Year”).

Funding Target Attainment Percentage

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the “funding target attainment percentage”. This percentage is obtained by dividing the Plan’s Net Plan Assets by Plan Liabilities on the Valuation Date. In general, the higher the percentage, the better funded the plan. The Plan’s Funding Target Attainment Percentage for the Plan Year and each of the two preceding plan years is shown in the chart below, along with a statement of the value of the Plan’s assets and liabilities for the same period. The chart also shows you how the percentage was calculated.

| Funding Target Attainment Percentage | | | |
|--|-----------------|-----------------|-----------------|
| | 2016 | 2015 | 2014 |
| 1. Valuation Date | 1/1/2016 | 1/1/2015 | 1/1/2014 |
| 2. Plan Assets | | | |
| a. Total Plan Assets | \$2,604,690,687 | \$2,692,742,170 | \$2,534,275,971 |
| b. Funding Standard Carryover Balance | \$64,825,620 | \$65,706,081 | \$80,803,566 |
| c. Prefunding Balance | \$294,108,050 | \$298,102,625 | \$265,027,227 |
| d. Net Plan Assets (a) – (b) – (c) = (d) | \$2,245,757,017 | \$2,328,933,464 | \$2,188,445,178 |
| 3. Plan Liabilities | \$2,214,907,504 | \$2,229,917,487 | \$2,156,197,894 |
| 4. Funding Target Attainment Percentage (2d)/(3) | 101.39% | 104.44% | 101.49% |

Plan Assets and Credit Balances

Total Plan Assets is the value of the Plan's assets on the Valuation Date (see line 2a in the chart above). The chart above also shows certain "credit balances" called the Funding Standard Carryover Balance and Prefunding Balance. A plan might have a credit balance, for example, if in a prior year an employer contributed money to the plan above the minimum level required by law. Generally, an employer may credit the excess money toward the minimum level of contributions required by law that it must make in future years. Plans must subtract these credit balances from Total Plan Assets to calculate their Funding Target Attainment Percentage.

Plan Liabilities

Plan Liabilities in line 3 of the chart above is an estimate of the amount of assets the Plan needs on the Valuation Date to pay for promised benefits under the plan.

Year-End Assets and Liabilities

The asset values in the chart above are measured as of the first day of the Plan Year. They also are "actuarial values". Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock or other markets. Actuarial values smooth out those fluctuations and can allow for more predictable levels of future contributions. Despite the fluctuations, market values tend to show a clearer picture of a plan's funded status at a given point in time. As of December 31, 2016, the fair market value of the Plan's assets was estimated at \$2,557,677,343. On this same date, the Plan's liabilities, determined using market rates, were \$2,742,850,389.

Participant Information

The total number of participants and beneficiaries covered by the plan on the valuation date (January 1, 2016) was 22,357. Of this number, 5,315 were current employees, 8,654 were retired or separated receiving benefits, 1,344 were deceased participants whose beneficiaries are receiving or are entitled to receive benefits, and 7,044 were no longer working for the employer and have a right to future benefits.

Funding & Investment Policies

The law requires that every pension plan have a procedure to establish a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay promised benefits. The funding policy of the Plan is to fund the minimum amount required by applicable laws and governmental regulations. However, discretionary amounts in excess of the minimum amount required by laws and regulations may be funded into the Plan.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan is to provide a return, that when coupled with contributions, meets future benefit payments provided for under the Plan in accordance with the terms of the Plan and applicable laws and regulations.

In accordance with the Plan's the investment policy, the Plan's assets were allocated among the following categories of investments as of the end of the Plan Year (December 31, 2016). These allocations are percentages of total assets:

| <u>Asset Allocations</u> | <u>Percentage:</u> |
|-----------------------------------|---------------------------|
| Stocks | <u>28.5%</u> |
| Investment grade debt instruments | <u>33.3%</u> |
| High-yield debt instruments | <u>0.0%</u> |
| Real estate | <u>0.0%</u> |
| Other | <u>38.2%</u> |

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. This report is called the "Form 5500." These reports contain financial and other information. You may obtain an electronic copy of your Plan's annual report by going to www.efast.dol.gov and using the search tool. Annual reports are also available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 1.202.693.8673. You may also obtain a copy of the Plan's annual report by making a written request to the Rockwell Automation Service Center, P.O. Box 563939, Charlotte, NC 28256-3939, or calling the Rockwell Automation Service Center at 1.877.OUR.RASC (1.877.687.7272). Copies of this report are also available on-line after logging into your account on the web site www.employeeconnect.rockwellautomation.com. Annual reports do not contain personal information, such as the amount of your accrued benefits. You may call the Rockwell Automation Service Center at the number above if you want information about your accrued benefits, or refer to "Where to Get More Information" below.

Summary of Rules Governing Termination of Single-Employer Plans

If a plan terminates, there are specific termination rules that must be followed under federal law. A summary of these rules follows.

There are two ways an employer can terminate its pension plan. First, the employer can end a plan in a "standard termination" but only after showing the PBGC that such plan has enough money to pay all benefits owed to participants. Under a standard termination, a plan must either purchase an annuity from an insurance company (which will provide you with periodic retirement benefits, such as monthly for life or, if you elect, for a set period of time when you retire) or, if the plan allows and you elect, issue one lump-sum payment that covers your entire benefit. Your plan administrator must give you advance notice that identifies the insurance company (or companies) selected to provide the annuity. The PBGC's guarantee ends upon the purchase of an annuity or payment of the lump-sum. If the plan purchases an annuity for you from an insurance company and that company becomes unable to pay, the applicable state guaranty association guarantees the annuity to the extent authorized by that state's law.

Second, if the plan is not fully-funded, the employer may apply for a distress termination. To do so, however, the employer must be in financial distress and prove to a bankruptcy court or to the PBGC that the employer cannot remain in business unless the plan is terminated. If the application is granted, the PBGC will take over the plan as trustee and pay plan benefits, up to the legal limits, using plan assets and PBGC guarantee funds.

Under certain circumstances, the PBGC may take action on its own to end a pension plan. Most terminations initiated by the PBGC occur when the PBGC determines that plan termination is needed to protect the interests of plan participants or of the PBGC insurance program. The PBGC can do so if, for example, a plan does not have enough money to pay benefits currently due.

Benefit Payments Guaranteed by the PBGC

When the PBGC takes over a plan, it pays pension benefits through its insurance program. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. Most participants and beneficiaries receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits that are not guaranteed.

The amount of benefits that PBGC guarantees is determined as of the plan termination date. However, if a plan terminates during a plan sponsor's bankruptcy, then the amount guaranteed is determined as of the date the sponsor entered bankruptcy.

The PBGC maximum benefit guarantee is set by law and is updated each calendar year. For a plan with a termination date or sponsor bankruptcy date, as applicable in 2017, the maximum guarantee is \$5,369.32 per month, or \$64,431.84 per year, for a benefit paid to a 65-year-old retiree with no survivor benefit. If a plan terminates during a plan sponsor's bankruptcy, the maximum guarantee is fixed as of the calendar year in which the sponsor entered bankruptcy. The maximum guarantee is lower for an individual who begins receiving benefits from the PBGC before age 65 reflecting the fact that younger retirees are expected to receive more monthly pension checks over their lifetimes. Similarly, the maximum guarantee is higher for an individual who starts receiving benefits from PBGC after age 65. The guaranteed amount is also reduced if a benefit will be provided to a survivor of the plan participant. The maximum guarantee by age can be found on PBGC's website, www.pbgc.gov.

The PBGC guarantees "basic benefits" earned before a plan is terminated, which include:

- pension benefits at normal retirement age;
- most early retirement benefits;
- annuity benefits for survivors of plan participants; and
- disability benefits for a disability that occurred before the date the plan terminated, or the date the sponsor entered bankruptcy, if applicable.

The PBGC does not guarantee certain types of benefits:

- The PBGC does not guarantee benefits for which you do not have a vested right when a plan terminates, usually because you have not worked enough years for the company.
- The PBGC does not guarantee benefits for which you have not met all age, service, or other requirements.

- Benefit increases and new benefits that have been in place for less than one year are not guaranteed. Those that have been in place for less than five years are only partly guaranteed.
- Early retirement payments that are greater than payments at normal retirement age may not be guaranteed. For example, a supplemental benefit that stops when you become eligible for Social Security may not be guaranteed.
- Benefits other than pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay, are not guaranteed.
- The PBGC generally does not pay lump sums exceeding \$5,000.

In some circumstances, participants and beneficiaries still may receive some benefits that are not guaranteed. This depends on how much money the terminated plan has and how much the PBGC recovers from employers for plan underfunding.

For additional general information about the PBGC and the pension insurance program guarantees, go to the “General FAQs about PBGC” on PBGC’s website at www.pgbc.gov/generalfaqs. Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See “Where to Get More Information About Your Plan” below.

Where to Get More Information

For more information about this Notice and your pension benefit, you may contact the:

Rockwell Automation Service Center

P.O. Box 563939

Charlotte, NC 28256-3939

Telephone number: 1.877.OUR.RASC (1.877.687.7272)

For identification purposes, the official plan number is 002 and the plan sponsor’s employer identification number or “EIN” is 25-1797617.

For more information about the PBGC and benefit guarantees, go to PBGC’s website, www.pbgc.gov, or call PBGC toll-free at 1.800.400.7242 (TTY/TDD users may call the Federal relay service toll free at 1.800.877.8339 and ask to be connected to 1.800.400.7242).

**SUPPLEMENT TO ANNUAL FUNDING NOTICE
OF ROCKWELL AUTOMATION PENSION PLAN (PLAN) FOR
PLAN YEAR BEGINNING 1/1/2016 AND ENDING 12/31/2016 (“Plan Year”)**

This is a temporary supplement to your annual funding notice. It is required by the Moving Ahead for Progress in the 21st Century Act, the Highway and Transportation Funding Act of 2014 and the Bipartisan Budget Act of 2015. These federal laws changed how pension plans calculate their liabilities. The purpose of this supplement is to show you the effect of these changes. Prior to 2012, pension plans determined their liabilities using a two-year average of interest rates. Now pension plans also must take into account a 25-year average of interest rates. This means that interest rates likely will be higher and plan liabilities lower than they were under prior law. As a result, your employer may contribute less money to the plan at a time when market interest rates are at or near historical lows.

The “Information Table” compares the effect of using interest rates based on the 25-year average (the “adjusted interest rates”) and interest rates based on a two-year average on the Plan’s: (1) Funding Target Attainment Percentage, (2) Funding Shortfall, and (3) Minimum Required Contribution. The funding target attainment percentage of a plan is a measure of how well the plan is funded on a particular date. The funding shortfall is the amount by which liabilities exceed net plan assets. The minimum required contribution is the amount of money an employer is required by law to contribute to a plan for a given year. The following table shows this information determined with and without the adjusted interest rates. The information is provided for the Plan Year and for each of the two preceding plan years, if applicable.

| INFORMATION TABLE | | | | | | |
|--------------------------------------|---|--|---|--|---|--|
| | 2016 | | 2015 | | 2014 | |
| | With Adjusted Interest Rates | Without Adjusted Interest Rates | With Adjusted Interest Rates | Without Adjusted Interest Rates | With Adjusted Interest Rates | Without Adjusted Interest Rates |
| Funding Target Attainment Percentage | 101.39% | 81.35% | 104.44% | 81.50% | 101.49% | 76.64% |
| Funding Shortfall | \$0 | \$514,837,742 | \$0 | \$517,930,074 | \$0 | \$655,485,683 |
| Minimum Required Contribution | \$22,126,704 | \$144,284,121 | \$0 | \$148,637,440 | \$22,387,776 | \$173,792,114 |