REHABILITATION PLAN FOR THE
PACE INDUSTRY UNION-MANAGEMENT PENSION FUND

INCLUDING ALL UPDATES AND AMENDMENTS THROUGH DECEMBER 31, 2017

I. Introduction

Under the Employee Retirement Income Security Act ("ERISA") as amended by the Pension Protection Act of 2006 ("PPA"), on March 31, 2010, the Fund's actuary certified that the Fund is in Critical Status for the Plan Year beginning January 1, 2010.

As required by law, the Board of Trustees sent a Notice of Critical Status ("Notice") to the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union and its affiliated local unions and other unions that represent Fund participants employed by an employer that has an obligation to contribute to the Fund ("Union") and the employers participating in the Fund ("Employers") (referred to collectively as the "bargaining parties"), participants, beneficiaries, the Pension Benefit Guaranty Corporation and the Department of Labor. The Notice advised that (1) the Fund is in Critical Status for the 2010 Plan Year; (2) all non-level benefits previously available under the Fund's plan of benefits ("Plan"), including certain lump sum benefits or any other payments in excess of the monthly amount paid under a single life annuity, are not payable in that form, effective as of the date of the Notice; and (3) Employers were obligated to pay a 5% contribution surcharge to the Fund, effective for work performed on and after June 1, 2010. The 5% surcharge increased to 10% beginning with contributions for work performed in January, 2011 and will continue until the earlier of (1) the date the Fund emerges from Critical Status or (2) the effective date of a collective bargaining agreement ("CBA") between the Employer and the Union, or other agreement pursuant to which the Employer is required to contribute to the Fund, that includes terms consistent with the schedule of contribution increases and benefit reductions attached to this Rehabilitation Plan ("Schedule") and the Fund's governing documents and policies.

Notwithstanding the paragraph above, if a CBA that provided for automatic renewal with the same terms and conditions (a) was in effect on the date the Schedule was provided to the bargaining parties and (b) automatically renewed with the same terms and conditions for a successive period before June 17, 2011, the 10% surcharge will cease as of the date the contribution increases described below become effective with respect to the Employer as a result of the bargaining parties failing to adopt a CBA or other agreement in compliance with the Rehabilitation Plan within the time period required by Section 305(e)(C)(ii) of ERISA. Notwithstanding the foregoing, such Employer will be obligated to pay the 10% surcharge beginning on December 14, 2011 and continuing until the earlier of (1) the date the Fund emerges from Critical Status or (2) the effective date of a CBA between the Employer and the Union, or other agreement pursuant to which the Employer is required to contribute to the Fund, that includes terms consistent with the Schedule and the Fund's governing documents and policies.

Under ERISA, the Fund generally will be considered to have emerged from Critical Status when the Fund actuary certifies that the Fund is not projected to have an accumulated funding deficiency for the Plan Year, or any of the next nine Plan Years, using specified actuarial assumptions. Generally, the Fund must emerge from Critical Status by the end of its ten year Rehabilitation Period, as defined under ERISA. The Fund's Rehabilitation Period will begin on January 1, 2013 and end on December 31, 2022. However, the Fund's Board of Trustees has determined that based on reasonable actuarial assumptions, and upon exhaustion of all reasonable measures, the Fund cannot be reasonably expected to emerge from critical status by the end of the Rehabilitation Period. Therefore, the Board of Trustees adopted a Rehabilitation Plan described under ERISA Section 305(e)(3)(A)(ii) that consisted of reasonable measures to forestall the date of the Fund's possible insolvency (as defined by ERISA Section 4245).

The schedule of contribution increases and benefit reductions attached to this update to the Rehabilitation Plan ("Schedule") will be provided to the bargaining parties. Any new CBA entered into by the bargaining parties or any other agreement calling for participation in the Fund after it is so provided must reflect the terms of the most recently issued Schedule. In the case of an Employer that contributes to the Fund only with respect to employees who are not covered by a CBA, the Employer's agreement with the Fund providing for contributions to the Fund will be treated as a CBA that expires on the first day of the Plan Year after the Employer is provided the Schedule. If the bargaining parties cannot reach an agreement concerning the adoption of the Schedule, the Schedule is to be treated as the default Schedule and will become effective on the date specified in ERISA Section 305(e)(3)(C)(ii).

This update to the Rehabilitation Plan is based on Fund information as of January 1, 2012 and on reasonable assumptions about how the Fund's assets and liabilities will change in the coming years, particularly as a result of changes in the Fund's investment returns, which are dependent on the financial markets. The Board of Trustees will review the Fund's Rehabilitation Plan and will update the Rehabilitation Plan as required by law to the extent necessary for the Fund to continue to forestall possible insolvency. In addition, the Board of Trustees will continue to consider all options available to the Fund, including but not limited to reducing Fund expenditures, taking advantage of any changes in law, or exploring a merger with another plan. The Board of Trustees has the sole discretion to amend and construe the Rehabilitation Plan.

II. Alternatives Considered for Emerging From Critical Status During the Rehabilitation Period

Prior to the initial adoption of the Rehabilitation Plan, the Board of Trustees considered reasonable measures for emerging from Critical Status during the Rehabilitation Period. The alternatives considered included projections by the Fund's actuary that are based on reasonable actuarial assumptions. For instance, in connection with the initial adoption of the Rehabilitation Plan, the Fund's actuary determined that, with no changes to the Fund's current plan of benefits ("Plan"), for the Fund to emerge from Critical Status by the end of the Rehabilitation Period, Employer contribution rates would have to be increased by 24% annually for each of the next ten years, ultimately increasing to a rate that is more than 859% of the current contribution rate. The Fund's actuary also determined that, with a 50% reduction in future benefit accruals, ten annual increases in Employer contribution rates of approximately 20% per year would be needed for the Fund to emerge from Critical Status by the end of the Rehabilitation Period. Alternatively, the Fund's actuary determined that, if all early retirement benefits were subject to a full actuarial reduction, and a 50% reduction in future accruals was implemented, there would need to be ten annual increases of approximately 16% in Employer contribution rates to emerge from Critical Status by the end of the Rehabilitation Period. The Fund's actuary determined that, if all adjustable benefits were eliminated and future benefit accruals are reduced to zero, the Fund would still require significant Employer contribution rate increases each year for ten years, to emerge from Critical Status by the end of the Rehabilitation Period.

The Board determined that any of these and similar measures were not reasonable. Previous experience has indicated that many of the groups participating in the Fund will not continue to participate in the Fund when presented with increases in contribution rates with no corresponding increases in future benefit accruals. The Fund's Board of Trustees previously took action to address the Fund's funding issues by requiring, for all CBAs effective January 1, 2006 or later, that groups participating in the Fund increase their contribution rates by 10% with no corresponding increase in future benefit accruals, or else a 25% reduction in participants' future benefit accrual rates would be implemented. Following this action, as of April 28, 2008, approximately 21% of the Employers withdrew from the Fund. They are unlikely to be agreed upon by the bargaining parties, and therefore the likely outcome of collective bargaining over these types of alternatives would be negotiated withdrawals from the Fund.

In connection with the initial adoption of the Rehabilitation Plan, the Fund's actuary determined that, if a mass withdrawal were to occur, and all withdrawal liability payments were collected (which is very unlikely), the Fund would not emerge from Critical Status and would become insolvent (as defined by ERISA Section 4245) in the year 2026. The Fund's actuary also determined that, if a mass withdrawal were to occur, and no withdrawal liability payments were collected, the Fund would not emerge from Critical Status and would become insolvent (as defined by ERISA Section 4245) in the year 2019. Based on the January 1, 2017 actuarial valuation, these dates are now 2030 and 2027, respectively. The Board understands that the Fund's ability to collect the full amount of withdrawal liability determined under Section 4211 of ERISA is limited to the scheduled payments under Section 4219 of ERISA, and is further impacted by the risk of non-payment due to withdrawn employers' insolvency. Based on reasonable expectations, the Fund is projected to become insolvent in September 2028.

In connection with the initial adoption of the Rehabilitation Plan, the Fund retained the services of an independent economic consultant to analyze data concerning the Fund's Employers, as well as data regarding the industries of the Fund's Employers, to determine whether it would be reasonable to expect groups participating in the Fund to negotiate the increased Employer contributions necessary for the Fund to emerge from Critical Status prior to the end of the Rehabilitation Period. The consultant concluded that a Rehabilitation Plan that increases contribution rates or decreases future benefit accruals by the amount necessary for the Fund to emerge from Critical Status during the Fund's Rehabilitation Period would likely result in withdrawals by the Fund's Employers.

The Board of Trustees has determined that the alternatives available to attempt to emerge from Critical Status by the end of the Rehabilitation Period would rather likely result in a mass withdrawal under ERISA. Therefore, the Board determined that, based on reasonable actuarial assumptions, and upon exhaustion of all reasonable measures, the Fund cannot reasonably be expected to emerge from Critical Status by the end of the Rehabilitation Period. Therefore, the

Trustees have adopted a Rehabilitation Plan described under Section 305(e)(3)(A)(ii) of ERISA that consists of reasonable measures to forestall the date of the Fund's possible insolvency.

III. **Schedule of Reasonable Measures to Emerge From Critical Status at a Later Time Or Forestall the Date of Insolvency**

The Board of Trustees has determined that all combinations of benefits reductions and contribution increases designed to have the Fund emerge from Critical Status at a later time, as contemplated by ERISA Section 305(e)(3)(A)(ii), would likely have the same impact as the alternatives considered to emerge by the end of the Rehabilitation Period – negotiated withdrawals from the Fund. The Trustees looked at a variety of decreases in benefit accruals, and they only affected the projected date of insolvency by a few months. Thus, rather than emerging from Critical Status at a later time, adoption of any of these alternatives by the Fund would likely only hasten the date of insolvency due to a mass withdrawal as discussed above. Instead, the Board of Trustees has agreed to implement a Schedule of future contribution rates and benefit levels that it believes are most likely to result in continued participation in the Fund. It believes that higher required contributions and lower benefits than called for by the Schedule are more likely to result in withdrawals from the Fund. If, instead of withdrawing, groups continue to participate in the Fund, this will forestall insolvency as compared to the level of contributions and benefits in effect prior to the adoption of the Rehabilitation Plan on July 19, 2010, and the Fund would avoid a mass withdrawal and thus forestall insolvency as compared with the effect of a mass withdrawal. Therefore, the Board is adopting reasonable measures to forestall possible insolvency.

The contribution rate increases required by the attached Schedule are unchanged from the contribution rate increases required by the Schedule updated by the Trustees in November 2016, which in turn were unchanged from the rate increases required by the Schedule update by the Trustees in November 2015, 2014, 2013, 2012, and 2011 and the Schedule of the original Rehabilitation Plan adopted on July 19, 2010. Under the Schedule, the Fund is currently projected to become insolvent in the year 2031. This projected insolvency date, which is based on current economic conditions and the current legal framework that applies to the Fund, reflects that the Schedule forestalls the September 2028 insolvency date for the Fund that is projected to occur in the event of a mass withdrawal, based on the Board of Trustees' reasonable expectations regarding the collection of withdrawal liability. The Board of Trustees expects that changes will occur between now and 2031 and it is hoped that those changes will avoid the current projected date of insolvency.

The Schedule will also be treated as the default schedule for the purposes of ERISA Section 305(e)(3)(C)(iii) since the default schedule described in Section 305(e)(1) would not be a reasonable measure. As such, following the date the bargaining parties receive this Schedule, if the Schedule is not adopted by the bargaining parties within 180 days after the CBA (or other agreement, as applicable) providing for an Employer's contributions to the Fund that was in effect when the Fund entered Critical Status expires, the contribution increases set forth in the Schedule will apply beginning 180 days after the date on which the CBA expires, or as otherwise permitted by applicable law.

In addition, in the event an Employer withdraws during a Plan Year when the Fund has an accumulated funding deficiency, as determined under Section 304 of ERISA, the Employer shall be responsible for its pro rata share of such deficiency in addition to any withdrawal liability determined under Section 4211 of ERISA. The pro rata share is determined by multiplying the accumulated funding deficiency and subsequent changes in that accumulated funding deficiency that arose in any Plan Year prior to the year in which the Employer withdraws, by the ratio of the withdrawn Employer's contributions made to the Fund to the total Employer contributions received by the Fund, in each applicable Plan Year prior to the Plan Year of withdrawal.

IV. Standards for Meeting the Requirements of this Rehabilitation Plan

The Fund will make adequate progress, to the extent reasonable based on financial markets activity and other relevant factors, toward enabling the Fund to forestall insolvency past the projected insolvency date set forth in Section II and in connection with this goal, the Board of Trustees will monitor the Fund's required contribution rate increases and benefits.

V. Application of Rehabilitation Plan to Future Agreements

Notwithstanding any other provision of this Rehabilitation Plan, if a CBA providing for contributions to the Plan in accordance with the Rehabilitation Plan schedule expires while the Plan is still in critical status and the bargaining parties fail to adopt a contribution schedule with terms consistent with the updated Rehabilitation Plan and its schedules, then the contribution schedule under the expired CBA, as updated and in effect on the date the CBA expires, is implemented 180 days after the date on which the CBA expires.

REHABILITATION PLAN FOR THE
PACE INDUSTRY UNION-MANAGEMENT PENSION FUND
SCHEDULE

All capitalized terms below, not otherwise defined, have the meaning in the PACE Industry Union-Management Pension Plan ("Plan").

I. Schedule of Contribution Increases

Contribution rates will increase as follows, with no corresponding increase in Benefit Level or Pension Accrual Rate. The Board of Trustees of the Fund shall determine what benefit increases, if any, will be provided to Participants covered by a collective bargaining agreement ("CBA") that provides for contributions in excess of those required by this Schedule. For the purpose of this Schedule, in the case of an employer participating in the Fund ("Employer") that contributes to the Fund only with respect to employees who are not covered by a CBA, the Employer's agreement with the Fund providing for contributions to the Fund will be treated as a CBA that expires on the first day of the Plan Year beginning after the Employer is provided this Schedule.

A. The following applies to CBAs that expire after July 30, 2010. For this purpose, if a CBA provides for automatic renewal with the same terms and conditions for successive periods, the CBA will be treated as having expired at the end of the term in effect on July 30, 2010.

1. Effective for contributions for work performed on and after the first day of the month immediately following the earlier of—

   (a) the date on which the CBA in effect as of July 30, 2010 expires; or

   (b) the effective date of any successor CBA negotiated after the CBA in effect as of July 30, 2010, but in no event earlier than July 30, 2010,

   the contribution rate shall increase by 10% over the last rate(s) in effect under the CBA in effect as of July 30, 2010.

2. Effective for contributions for work performed after December 31, 2015, the contribution rate shall increase by an additional 5% of the last rate in effect under the CBA in effect on July 30, 2010, resulting in a cumulative increase of 15% over the last rate in effect under the CBA in effect as of July 30, 2010.

3. This Schedule shall be imposed in the absence of an agreement by the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, or one of its affiliated local unions, other unions that represent Plan participants employed by an employer that has an obligation to contribute to the Fund ("Union"), and the Employers, (all referred to collectively as the "bargaining parties") 180 days after the expiration of a CBA that was in effect when the Fund entered Critical Status. In such an event, the

effective date of the first contribution increase shall be 180 days after the date on which the CBA in effect as of the date this Schedule is provided to the bargaining parties expires, or as otherwise permitted by applicable law. The amount of the first contribution increase will be actuarially adjusted to a rate that is actuarially equivalent to that which the Employer would have contributed under this Schedule had the contribution increase become effective for work performed on and after the first day of the month after the CBA in effect as of the date this Schedule is provided to the bargaining parties expired. If, after the date this Schedule is imposed pursuant to this Section I(A)(3), the collective bargaining parties adopt a CBA or other agreement consistent with Sections I(A)(1) and (2) that includes a retroactive effective date for the contribution increases described in Sections I(A)(1) and (2), this Section I(A)(3), including the actuarial increase described herein, shall not apply, retroactive to the date this Schedule was imposed.

B. Notwithstanding Section I(A) above, the following applies to CBAs of bargaining parties that had a CBA in effect at the time the Fund was certified in Critical Status on March 31, 2010 that expired prior to July 30, 2010 and no successor agreement had been entered into as of July 30, 2010. For this purpose, if a CBA expired prior to March 31, 2010 and no successor agreement had been entered into as of July 30, 2010, the CBA will be treated as in effect on March 31, 2010.

1. Effective for contributions for work performed after July 31, 2010, the contribution rate shall increase by 10% over the last rate in effect under the last CBA that expired prior to July 30, 2010.

2. Effective for contributions for work performed after December 31, 2015, the contribution rate shall increase by an additional 5% of the last rate in effect under the last CBA that expired prior to July 30, 2010, resulting in a cumulative increase of 15% over the last rate in effect under the last CBA that expired prior to July 30, 2010.

3. This Schedule shall be imposed in the absence of an agreement by the bargaining parties 180 days after the expiration of a CBA that was in effect when the Fund entered Critical Status. In such an event, the effective date of the first contribution increase shall be 180 days after the expiration of a CBA that was in effect when this Schedule is provided to the bargaining parties, or as otherwise permitted by applicable law. The amount of the first contribution increase shall be actuarially adjusted to a rate that is actuarially equivalent to that which the Employer would have contributed under this Schedule had its contribution increase become effective for work performed on and after the first day of the month after the CBA in effect as of the date this Schedule is provided to the bargaining parties expired. If, after the date this Schedule is imposed pursuant to this Section I(B)(3), the collective bargaining parties adopt a CBA or other agreement consistent with Sections I(B)(1) and (2) that includes a retroactive effective date for the contribution increases described in Sections I(B)(1) and (2), this Section I(B)(3), including the actuarial increase described herein, shall not apply, retroactive to the date this Schedule was imposed.

C. For an employer that is not an Employer as of the date this Schedule is provided to the bargaining parties and that negotiates a CBA that first provides for contributions to the Fund on or after the date this Schedule is provided to the bargaining parties, the Board of Trustees will make a determination regarding the applicable contribution rates and Benefit Levels or Pension Accrual Rates that will apply with respect to such group prior to accepting a CBA that provides for contributions to the Fund.

D. In the event an Employer withdraws during a Plan Year when the Fund has an accumulated funding deficiency, as determined under Section 304 of ERISA, the Employer shall be responsible for its pro rata share of such deficiency in addition to any withdrawal liability determined under Section 4211 of ERISA. The pro rata share is determined by multiplying the accumulated funding deficiency and subsequent changes in that accumulated funding deficiency that arose in any Plan Year prior to the year in which the Employer withdraws, by the ratio of the withdrawn Employer's contributions made to the Fund to the total Employer contributions received by the Fund, in each applicable Plan Year prior to the Plan Year of withdrawal.

II. Benefit Reductions

Participants with a Pension Starting Date before September 1, 2010, who do not return to Covered Employment, and their Beneficiaries and Spouses, will not be affected by the benefit reductions set forth below.

A. Effective for Pension Starting Dates on or after September 1, 2010, for all Participants, including participants who accrued benefits under a plan that merged into the Fund, regardless of when they terminated Covered Employment or otherwise ceased to be active Participants:

Elimination of Non-Social Security Disability Pension. If a Participant does not receive a disability award issued by the Social Security Administration, he or she will not be entitled to retire on a disability pension, including the Disability Pension described in Article IV, Sections 11 and 12 of the Plan, Appendix A, Article III, and Appendix B, Section 3.03 or a disability pension offered under the terms of a prior version of the Plan or a plan that merged into the Fund.

B. Effective for Pension Starting Dates on or after January 1, 2011, for all Participants, including participants who accrued benefits under a plan that merged into the Fund, regardless of when they terminated Covered Employment or otherwise ceased to be active Participants:

1. Reduction of Early Retirement Pension and Deferred Pension. The Early Retirement Pension under Article IV, Sections 7 and 8 and the Deferred Pension that starts before a Participant's Normal Retirement Age under Article IV, Sections 9 and 10 of the Plan, and any prior versions of the Plan, shall be in an amount determined based on the Regular Pension (described under Article IV, Sections 3 and 4 of the Plan) to which the Participant would be entitled if he had attained his Normal Retirement Age at the time of his retirement, reduced by ½ of 1% for each month by which the Participant is younger than age 65 on the day his

Early Retirement Pension or Deferred Pension starts. For an Age Pension under Appendix B, Section 3.02, in addition to the reductions applied for a Participant who has not attained age 60 on or before the Participant's Pension Starting Date, if the Participant has not attained age 65 on or before the Participant's Pension Starting Date, the amount of the Participant's Age Pension shall be reduced by ½ of 1% for each month by which the Participant is younger than age 65 and older than age 60. If a Participant commences his pension benefit with an effective date on or after January 1, 2011 and receives an early retirement benefit under the terms of a plan that merged into the Fund, the Participant will receive the lesser of the benefit calculated under the terms of the merged plan or the benefit calculated based on the benefit the Participant would receive at normal retirement age, reduced by ½ of 1% for each month by which the Participant is younger than age 65.

A group that

(a) formerly participated in Programs A or D; and

(b) on or after January 1, 2008, subsequently commenced participation in Programs B, C, E or F on behalf of Covered Employees,

may enter into a CBA before January 1, 2011 that provides for recommencement of participation in Program A or D on behalf of Covered Employees, effective January 1, 2011, if the contribution rate provided for in such a CBA under Program A or D results in the same Benefit Level or Pension Accrual Rate as when the CBA provided for participation in Program B, C, E or F. In the event such transfer occurs, the employer shall continue to contribute at the rate specified in its CBA for Program B, C, E, or F, as applicable, but the required 10% and 5% contribution increases under Section I (A) shall not apply.

2. Elimination of Service Pension. The provisions of the Plan, set forth in Article IV, Sections 5 and 6, and any prior versions of the Plan, that provide for a Service Pension to Participants in Programs D, E, or F who are age 62 or older and have earned at least 20 or more years of Vesting Credit or Pension Credit, or who at any age have earned 30 or more years of Vesting Credit or Pension Credit, shall not apply. Any similar provision in a plan that merged into the Fund that provides that, prior to normal retirement age, a participant will receive the same monthly amount he would receive at normal retirement age provided that specified service requirements are met, shall not apply.

3. Elimination of Normal Pension for Program G covered Participants covered by Plan 62 who are under age 65. The provisions of the Plan, set forth in Appendix A, Exhibit 1, Section 6, and any prior versions of the Plan, that provide for a Normal Pension for Program G covered Participants covered by Plan 62 who have attained age 62 and have at least 5 years of Pension Credit (including one year of Future Service Credit), shall not apply. Any similar provision in a plan that merged into the Fund that provides that, prior to normal retirement age, a participant will receive the same monthly amount he would receive at normal

retirement age provided that specified service or pension credit requirements are met, shall not apply to benefits accrued on or after January 1, 2011.

4. Elimination of Post-Retirement Payment Guarantees. The 60 and 120 certain payments guarantees in Article IV, Sections 13, 19 and 21 and Appendix A, Sections 6.1 and 6.2 of the Plan, and any prior versions of the Plan, shall not apply. Effective for benefit commencement dates on or after January 1, 2011, all other subsidized post-retirement payment guarantees offered under a plan that merged into the Fund, shall not apply. For the purpose of this paragraph, a post-retirement payment guarantee is considered "subsidized" unless, under the terms of the applicable Plan or merged plan, the life annuity associated with the post-retirement payment guarantee is actuarially reduced so that the actuarial value of the life annuity and post-retirement payment guarantee is equal to, or less than, the actuarial value of the life annuity under the terms of the applicable Plan or merged plan without a post-retirement payment guarantee. In addition, if a plan that merged into the Fund did not offer a life annuity form of benefit without a post-retirement payment guarantee, all post-retirement payment guarantees under such prior merged plan are considered "subsidized" for the purpose of this paragraph.

   Because the payment guarantees specified above will not apply, the actuarial value of the normal form of benefit for Programs A-G is reduced. Therefore, all optional forms of benefit payment that are determined based on the value of the normal form of benefit for Programs A-G will be similarly reduced. All optional forms of benefit payment that are determined based on the actuarial value of a normal form of benefit under a plan that merged into the Fund that was reduced under this subsection 4, will be similarly reduced.

5. Elimination of Subsidized "Pop-Up" Benefit. The subsidized "pop-up" benefit in Article IV, Section 15(a)(v)(B) of the Plan, and any prior versions of the Plan, providing that Participants who are receiving a Husband and Wife form of benefit payment and whose spouse predeceases them will receive an unreduced single life annuity, shall not apply. Any similar subsidized "pop-up" benefit under a plan that merged into the Fund shall not apply. However, Participants who elect a Husband and Wife form of benefit, 100% Surviving Spouse payment form, or other applicable form benefit offered under a prior merged plan, will be offered the opportunity to elect an unsubsidized "pop-up" benefit that will result in a reduction in their monthly benefit to account for the "pop-up" feature. For the purpose of this paragraph, a "pop-up" benefit offered under the applicable Plan or merged plan is considered "subsidized" unless the form of benefit associated with the "pop-up" is actuarially reduced so that the actuarial value of the form of benefit with the "pop-up" is equal to, or less than, the actuarial value of the same form of benefit offered without the "pop-up."

C. Effective for Hours of Service earned on and after January 1, 2011:

1. Future Benefit Accruals. For all Participants in Programs A-G, rather than the rules in Article IV, Sections 1 and 2(b) and Appendix A, Section 3.3 of the Plan,

future benefit accruals will be based on the contribution rate(s) in effect for the Plan Year in which the benefit is accrued, in the same manner as set forth in Article IV, Section 2(a) of the Plan.

For Participants in Programs A-G, for purposes of determining a Participant's accrued benefit as of December 31, 2010, the applicable Benefit Level under Article IV, Section 1(a)(ii) and Pension Accrual Rate under Appendix A, Section 3.3 shall be determined as of December 31, 2010.

2. <u>Increase in Hours of Service Required to Treat Highest Contribution Rate as Average Hourly Contribution Rate</u>. The provisions of the Plan in Article IV, Section 2(a)(ii) providing that, if a Participant is credited with at least 1,760 Hours of Service at the highest contribution rate in any calendar year, then such highest contribution rate shall be considered his Average Hourly Contribution Rate for that calendar year, shall require at least 2,040 Hours of Service, rather than 1,760.

Notwithstanding the above, upon a determination by the Board of Trustees after July 30, 2010 that facts and circumstances warrant an exception from this provision based on the particular facts and circumstances, the Board of Trustees may provide for such an exception in an existing or future amendment to the Plan.

3. <u>Increase in Hours of Service Required for Pension Credit for Accrual Purposes</u>. Rather than the rules in Article III, Section 2 and Appendix A, Section 4.4 of the Plan, Participants will receive credit for Future Service as follows:

Hours of Service for Which Contributions Are Due in Calendar Year	Quarters of Credit
2,040 or more	4
1,530 – 2,039	3
1,020 – 1,529	2
510 – 1,019	1
Less than 510	0

Notwithstanding the above, upon a determination by the Board of Trustees after July 30, 2010 that facts and circumstances warrant an exception from this provision based on the particular facts and circumstances, the Board of Trustees may provide for such an exception in an existing or future amendment to the Plan.

4. <u>Elimination of Credit for Periods of Absence from Covered Employment Due to Disability</u>. Participants will no longer be credited for periods of absence from Covered Employment due to disability as if they were periods of work in Covered Employment, as provided in Article III, Section 5(a)(ii) and Article IV, Section 11(a)(iv), except to the extent such periods of absence from Covered Employment constitute Hours of Service for paid non-working time under Article I, Section 12(b).

5. <u>Elimination of Partial Years of Vesting Service</u>. In a calendar year after the Contribution Date, a Participant must complete 1,000 Hours of Service in Covered Employment to receive one year of Vesting Service. There shall be no partial years of Vesting Service as previously provided under Appendix A, Section 4.6 of the Plan.

6. <u>Elimination of "90 Day Rule."</u> The provisions of the Plan, set forth in Article IV, Section 1(a)(ii), that result in a Participant's eligibility for a higher Benefit Level, corresponding to an increased Employer contribution rate, if the Participant was credited with an Hour of Service during the ninety (90) day period immediately preceding the change in Benefit Level and certain additional requirements are met, shall not apply.

7. <u>Increase in Hours Required to Receive Higher Benefit Level</u>. The provisions of the Plan, set forth in Article IV, Section 1(a)(iii), that result in a Participant's eligibility for a higher Benefit Level if the Participant was credited with at least 880 hours for which contributions were required to be made to the Pension Fund under that Benefit Level over a period of two consecutive calendar years, shall not apply.

D. Effective on and after January 1, 2011 for all Participants, including participants under a plan that merged into the Fund, regardless of when they terminated Covered Employment or otherwise ceased to be active Participants:

1. <u>Elimination of Preretirement Lump Sum Death Benefit</u>. The preretirement lump sum death benefits for beneficiaries of single Participants in Article IV, Section 17 and Appendix A, Section 5.4 of the Plan and the preretirement lump sum death benefit for beneficiaries of Participants in Program H who continue to be credited with an Account Balance at the time of their death in Appendix B, Section 6.03 of the Plan in effect prior to February 1, 2011, shall not apply.

2. <u>Elimination of 60 Month Preretirement Death Benefit</u>. The 60 month preretirement death benefit for beneficiaries of single Participants in Appendix A, Section 5.4 of the Plan shall not apply.

E. Effective February 1, 2011, for all Program H Participants, the non-Vested Withdrawal Benefit in Appendix B, Section 3.13(a) of the Plan in effect prior to February 1, 2011, is eliminated.

F. The following benefit reductions shall apply to all benefits payable to a participant who has accrued a benefit under a plan that merged into the Fund ("Merged Plan") and whose Pension Starting Date is on or after the date that is 30 days following the date that the Plan provides the participant with a notice of the reductions ("Merged Plan Participants"):

1. For all Merged Plan Participants whose accrued benefit under the Plan is attributable to service both before and after the date on which the Merged Plan merged into the Fund:

- The only optional forms of benefit will be those set forth in Article IV, Section 12 of the Plan.

2. For all Merged Plan Participants whose only accrued benefit under the Plan is attributable to service under a Merged Plan:

    - The only optional forms of benefit will be those set forth in Article IV, Section 12 of the Plan.
    - The only death benefit payable will be the death benefit available under the Plan (that is, a survivor annuity payable pursuant to the qualified preretirement survivor annuity and qualified joint and survivor annuity).
    - All optional forms of benefit will be determined using the actuarial factors set forth in Article IV, Section 12 of the Plan, unless using the actuarial factors set forth in the applicable Merged Plan would result in a lower benefit.
    - The early retirement pension will be reduced as provided in subsection (B) of this Article II, unless using the actuarial factors set forth in the applicable Merged Plan would result in a lower benefit.
    - Any actuarial increase for delayed retirement will be determined in accordance with the provisions of Article V, Section 1(e) of the Plan, unless using the actuarial factors set forth in the applicable Merged Plan would result in a smaller increase.