IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	Chapter 11
YELLOW CORPORATION, et al.,	)	
	)	Case No. 23-11069 (CTG)
Debtors.	)	
	)	**Related Docket No. 1322**

CENTRAL STATES FUNDS' RESPONSE TO
DEBTORS' OBJECTIONS TO THE FUNDS' PROOFS OF CLAIMS

Central States, Southeast and Southwest Areas Pension Fund ("Central States Pension Fund") and Central States, Southeast and Southwest Areas Health and Welfare Fund ("Central States Health Fund," collectively "Central States Funds") by and through their undersigned counsel, ask this Court to abstain from resolving Debtors' objections to Central States Pension Fund's proofs of claim for withdrawal liability, Claims Numbers 4312 through 4335, and grant Central States Pension Fund's motion to compel arbitration (Dkt. 1655).[1] Alternatively, Central States Pension Fund requests that this Court allow the Fund's withdrawal liability claims in their entirety. Furthermore, Central States Funds ask this Court to deny Debtors' objections to the Funds' remaining proofs of claim, which include Central States Pension Fund's claim for breach of contract, and Central States Funds' claims for unpaid pension and health and welfare contributions. In support of their response to Debtors' claims objections (Dkt. 1322), Central States Funds set forth the following.

[1] Although Debtors claim they are objecting only to Central States Pension Fund's claims, Debtors in their Claim Objections also assert arguments with respect to claims filed by Central States Health Fund. Accordingly, Central States Health Fund joins in with Central States Pension Fund in responding to certain of Debtors' objections.

INTRODUCTION

1. Debtors had one goal in mind in objecting to Central States Pension Fund's claims, particularly the Fund's withdrawal liability claims: eliminate the claims by invalidating Pension Benefit Guaranty Corporation ("PBGC") regulations enacted pursuant to Congress' express authority granted to the PBGC in 29 U.S.C. § 1432(m)(1) (which would also assist Debtors in erasing the withdrawal liability claims of other multiemployer pension plans in these cases), thereby aiding MFN Partners, LP ("MFN") and its investors in cashing in on the lottery tickets (*i.e.*, stock) MFN purchased just before these bankruptcy cases were filed. Debtors' goal is the antithesis of what Congress had in mind when enacting and amending the Multiemployer Pension Plan Amendments Act over the last forty years (*i.e.*, to secure workers' pensions), and serve no legitimate purpose. That is, by objecting to Central States Pension Fund's claims, Debtors are not promoting the reorganization of the companies, the creation or the maintenance of jobs, or the payment of hard-earned pension benefits to Debtors' former employees, but instead only serve to ensure that hedge fund MFN and its investors receive massive payouts. This Court should not indulge Debtors' or MFN's efforts.

2. In any event, and as Central States Pension Fund established in its separately filed motion to compel arbitration, or alternatively, for relief from the automatic stay to initiate arbitration (Dkt. 1655), arbitration is the appropriate forum for resolving Debtors' disputes concerning the withdrawal liability claims. Nevertheless, if this Court were to consider Debtors' objections to Central States Pension Fund's withdrawal liability claims, this Court should overrule them and allow the Fund's withdrawal liability claims in the amount asserted.

3. Debtors' primary argument with respect to the withdrawal liability claims is that certain special financial assistance ("SFA") that Central States Pension Fund received pursuant to

the American Rescue Plan Act ("ARPA") should have been taken into account in calculating Debtors' withdrawal liability, and regulations issued by the PBGC pursuant to the express authority granted to it by Congress under ARPA should be disregarded. Debtors' argument ignores not only Congressional intent, but also the precise language of the statute, in which Congress specifically instructed the PBGC to enact regulations related to SFA to be received by multiemployer pension plans under ARPA, including specifically, regulations related to withdrawal liability. Debtors' argument also contravenes the regulations enacted by the PBGC pursuant to that Congressional grant of authority, which regulations specify how SFA is to be phased in for purposes of calculating withdrawal liability.

4. Moreover, Debtors' catch-all estoppel argument is both legally and factually flawed, and Debtors' other challenges to the withdrawal liability claims similarly cannot be sustained.

5. Debtors' attempt to invalidate an agreement they reached with Central States Pension Fund in 2014 fares no better. Debtors claim the agreement is merely another attempt by Central States Pension Fund to collect withdrawal liability. Yet, unlike Central States' claim for withdrawal liability, a statutory claim which was calculated in accordance with the precise formula set forth in the statute, this claim is simply one for a breach of contract, and the calculation of the damages owed pursuant to the contract is entirely different and is calculated specifically as set forth in the agreement reached by the parties. Further, and contrary to Debtors' assertion, the agreement does not include an improper penalty provision.

6. Finally, this Court should reject Debtors' objections to Central States Pension Fund and Central States Health Fund's respective pension and health and welfare contributions claims.

The claims are properly supported and to a large extent reflect Debtors' own calculations of what they owe Central States Funds.

FACTUAL BACKGROUND

7. Central States Funds are multiemployer pension and health and welfare plans covered by the Employee Retirement Income Security Act of 1974 ("ERISA"). Central States Funds are primarily funded by contributions remitted by multiple participating employers pursuant to negotiated collective bargaining agreements with local unions affiliated with the International Brotherhood of Teamsters ("IBT") on behalf of employees of those same employers. All principal and income from such contributions and investments thereof is held and used for the exclusive purpose of providing pension and health and welfare benefits to participants and beneficiaries of Central States Pension Fund and Central States Health Fund, respectively, and paying the Funds' administrative expenses.

8. There are presently approximately 950 employers that participate in Central States Pension Fund, representing more than 32,000 active participants. Moreover, there are approximately 350,000 participants and beneficiaries of Central States Pension Fund entitled to pension benefits, and that includes the more than 190,000 participants and beneficiaries currently receiving pension payments. There are approximately 900 employers that participate in Central States Health Fund, representing more than 210,000 active participants.

9. Pre-petition, Central States Pension Fund provided pension and health and welfare credit to thousands of union employees of Debtors YRC Inc. ("YRC") and USF Holland LLC ("USFH"), both being wholly owned subsidiaries of Yellow Corporation ("Yellow"). Under collective bargaining agreements and participation agreements applicable to Debtors YRC and

USFH, YRC and USFH's obligations to Central States Funds and its union members included regular payments of pension and health and welfare contributions to Central States Funds.

10. Debtors cast considerable blame on others for their current predicament and engage in a fictional accounting to explain how they ended up in bankruptcy. For instance, in support of their claims objections, Debtors argue that Central States Pension Fund was poorly managed and had difficulty managing its assets. (Dkt. 1322, ¶ 2.) But Debtors' support for this statement is merely a magazine opinion editorial, and the opinions expressed in the editorial cannot at all be squared with conclusions reached by the Government Accountability Office ("GAO") and a federal district court judge in the Northern District of Illinois, which conclusions squarely rebut Debtors' bald claims that Central States Pension Fund has been mismanaged.

11. More specifically, in response to Central States Funds' Independent Special Counsel's ("ISC") recommendation that Consent Decrees under which Central States Funds had been operating since the 1980s be dissolved, the Department of Labor ("DOL") opposed the ISC's recommendation. *Su v. Estate of Frank E. Fitzsimmons*, No. 78 C 00342, No. 78 C 04075, No. 82 C 07951, 2023 WL 3916304, at *1 (N.D. Ill. June 9, 2023). In ordering that the Consent Decrees be dissolved over the DOL's objection, the court explained why it was agreeing with the ISC's recommendation:

> "[Central States Pension [and Health and Welfare] Funds have also complied perfectly with the Consent Decrees since they were entered. As the Department [of Labor], the ISC, and GAO have all acknowledged, there has been no indication or hint of wrongdoing or ERISA violations since the entry of the Consent Decrees. Such a record is almost incredible, given that it has been 41 years since the first Consent Decree was entered in *Fitzsimmons*."

Id. at *4 (N.D. Ill. June 9, 2023). The court also cited to GAO investigative reports from 2018 which found that, as of 2016:

> • The Pension Fund's investment returns (4.9%) were in line with those of comparable pension plans (4.8%);

> • The Pension Fund's average investment expense fee ratio was 9% lower than comparable pension plans;
>
> • The Pension Fund's administrative expenses were 16% lower than comparable pension plans . . . .

Id. at *1.

12. In the referenced GAO report (which covered the period of 1982 through 2016), the GAO identified several conditions outside of Central States Pension Fund's control that led to the Fund's severe financial problems. (*See* U.S. Gov't Accountability Office, GAO-18-105, *Central States Pension Fund: Department of Labor Activities under the Consent Decree and Federal Law* (June 2018), https://www.gao.gov/assets/gao-18-105.pdf.) For instance, the GAO noted significant declines in union membership and deregulation of the trucking industry and the resulting bankruptcies of numerous unionized trucking companies, and the withdrawals of numerous employers. (*Id.* at 23-26.) This meant that Central States Pension Fund had far fewer participants on whose behalf it was receiving pension contribution payments, and more participants and beneficiaries receiving pension payments. (*Id.* at 24-27.) Under these circumstances, multiemployer pension plans have limited opportunities to recoup investment losses. (*Id.* at 28-30.) And Central States Pension Fund was adversely affected by the market downturns of 2001 and 2008. (*Id.* at 32.) The GAO also cited as a significant factor the combination of the UPS withdrawal from Central States Pension Fund, UPS' payment of withdrawal liability, and the Fund's investment of that payment immediately before the 2008 severe market downturn. (*Id.* at 34.) The GAO also noted that there had been discussions between Central States Pension Fund and the DOL as far back as 2002 concerning whether to dissolve the consent decree, and that in 2011 Central States Pension Fund's ISC wrote that "the plan was well-run and the role of the independent special counsel was no longer necessary." (U.S. Gov't Accountability Office, GAO-

18-105, *Central States Pension Fund: Department of Labor Activities under the Consent Decree and Federal Law*, at 37–38 (June 2018), https://www.gao.gov/assets/gao-18-105.pdf.)

13. Debtors' strained accounting continues with their recitation of how they were "forced" to file for bankruptcy protection. Debtors note that in the early 2000s, Yellow acquired a number of other trucking companies. (Aug. 7, 2023 Declaration of Brian A. Doheny, Dkt. 14, ¶¶ 32-36.) And while Yellow admits that in 2006 it "faced a series of financial and operational headwinds," it notes that it ultimately reached "a consensual agreement with its stakeholders to place the company on stronger financial footing." (*Id.* at ¶¶ 35-36.) Debtors then fast forward to shortly before the bankruptcy was filed, pretending that the ship had been sailing smoothly for years until the company was purportedly upended by the IBT. (*See*, *e.g.*, *id.* at ¶ 2.)

14. Obviously missing from Debtors' accounting is how in 2009, Yellow was suffering financially when on June 17, 2009, certain of the Debtors entered into a Contribution Deferral Agreement (the "Original CDA") with Central States Pension Fund and the other multiemployer pension funds to which they contributed, whereby the pension funds agreed to defer more than $100 million in contribution payments that Debtors had failed to make in 2009 to such pension funds. (*See* Second Amended and Restated Contribution Deferral Agreement (Jan. 31, 2014), https://www.sec.gov/Archives/edgar/data/716006/000119312514031213/d667949dex101.htm, (the "2014 CDA"),[2] at 1 (recitals), and at 10, § 2.01 (describing "Deferred Pension Payments")).

15. Also missing from Debtors' accounting is any acknowledgement that their dire financial problems resulted in YRC and USFH temporarily ceasing participation in Central States Pension Fund from 2009 into 2011, meaning that their IBT-represented employees who had participated in Central States Pension Fund were not accruing any pension credit during this

[2] A copy of the 2014 CDA is attachment 6 to Claim No. 4337.

period. Debtors' IBT-represented employees were also forced to accept 15% wage cuts to help keep the company afloat. (YRC Worldwide Inc., Quarterly Report for the period ending September 30, 2009 (Form 10-Q), at 11 (Nov. 9, 2009), https://investors.myyellow.com/static-files/d1b9e0bb-5754-418b-b576-24f5d9618422.) And while YRC and USFH ultimately resumed participation in Central States Pension Fund, they did so at only a small fraction of the contribution rate that they had previously paid, meaning that their IBT-represented employees who participated in Central States Pension Fund were not only suffering from reduced wages, but they were also receiving a significantly reduced pension benefit accrual. (*See* YRC Worldwide Inc., 2011 Annual Report (Form 10-K), at 14 (Feb. 28, 2012), https://investors.myyellow.com/static-files/9f661029-8450-4964-8064-bf6154140bb1.)

16. At the same time, Yellow's continuing financial troubles resulted in Debtors seeking to extend their contribution deferral. (2014 CDA, recitals.)[3] Upon receiving the request for the continued deferral in 2014, and having already deferred payment of the 2009 contributions obligations for nearly five years (and having separately agreed to accept contributions from YRC and USFH at a rate significantly lower than that required for other employers pursuant to the National Master Freight Agreement), Central States Pension Fund informed Debtors in 2014 that

[3] Debtors' blasé statement that "Indeed, the Proofs of Claim and attached exhibits clearly acknowledge that the Debtors had paid all outstanding contributions to CSPF in full on January 3, 2023 and were not delinquent at all" is thus severely misleading. (Dkt. 1322, ¶ 49.) In support of their statement, Debtors cite to Central States Pension Fund's proof of claims for the proposition that "there was a 'January 3, 2023 payoff of the [contribution] balance." (*Id.* (insertion in original)). But Debtors' bracketed insertion of the word "[contribution]" completely changes the meaning of the original sentence in Central States Pension Fund's proof of claim, which actually stated that there was a January 3, 2023 payoff of the "CDA," or the balance owed under the Original CDA and its successors, as amended. (Claim No. 4336 at p. 4.) The amounts due under the contribution deferral agreements are specifically those delinquent contributions beginning in 2009 in connection with the Original CDA, not all contributions arising thereafter, as the agreements themselves make clear. (*See* 2014 CDA, at p. 1 (recitals) ("WHEREAS, pursuant to that certain [Original CDA] . . . each of the Funds agreed to defer one or more payments otherwise due to the Funds from the [Debtors] . . . for services rendered by certain employees . . . during certain periods in 2009.")).

Debtors would therefore need to agree to one of two potential alternatives in order to induce Central States Pension Fund to agree to the 2014 CDA:

> The execution of a side letter whereby the company guaranties the continued participation in the Central States Pension Fund ("CSPF") for a period of 10 years after the date upon which the CDA balance is repaid in full and there is no other outstanding indebtedness to the CSPF. In the alternative, [Yellow Corporation] agrees that for purposes of computing withdrawal liability, the contribution rate used for purposes of computing the payment schedule will be deemed to be the published contribution rate under the National Master Freight Agreement [rather than Debtors' discounted rate] for each year until the CDA is paid in full.

(Letter Agreement Re: Guarantee of Continued Participation (the "2014 Letter Agreement"), attached hereto as Exhibit A, at p. 1.) Debtors YRC and USFH (the "Primary Obligors") preferred and chose the former option. (*Id.*) Accordingly, the parties entered into the 2014 Letter Agreement, which provided that:

> The undersigned Primary Obligors, and each of them (jointly and severally), hereby agree and guarantee that they will continue to participate in and pay contributions to the [Central States] Pension Fund pursuant to collective bargaining agreements for a period of not less than 10 (ten) full years after all balances (including all principal, interest and any applicable expenses or fees) owed to the Pension Fund under the [2014] CDA . . . are completely and fully paid and satisfied by all such Primary Obligors.

(2014 Letter Agreement, Ex. A, ¶ 1(a)). The 2014 Letter Agreement then provided that, if the Primary Obligors breached their guarantee to continue participating in Central States Pension Fund for 10 years after repayment of the 2014 CDA, they and certain Guarantors[4] would be required to pay damages in an amount that corresponds to the amount that would have been paid had the Primary Obligors continued to participate as promised. (2014 Letter Agreement, Ex. A, ¶ 2). Specifically, the 2014 Letter Agreement states, in relevant part:

[4] The "Guarantors" are the following Debtors: Yellow Corporation; Express Lane Services, Inc.; New Penn Motor Express LLC; Roadway Express International, Inc.; Roadway LLC; Roadway Next Day Corporation; USF Bestway Inc.; USF Dugan Inc.; USF RedStar LLC; USF Reddaway Inc.; YRC Association Solutions, Inc.; YRC Enterprise Services, Inc.; YRC Logistics Services, Inc.; YRC Mortgages, LLC; and YRC Regional Transportation, Inc.

> (2) To the extent that the Primary Obligors, or any of them, are in breach of the Participation Guarantee, or other obligations and undertakings set forth in Paragraph 1. above, the Primary Guarantors, and each of them (jointly and severally), shall be required to pay damages in the following amounts to the Pension Fund, and subject to the following procedures:
>
> > a) In the event of a breach involving a complete failure by one or more of the Primary Obligors to have a contribution obligation to the Pension Fund during the Guarantee Period (or any portion thereof), the Primary Obligors, and each of them, will be required (as an obligation for which they are jointly and severally liable) to pay to the Pension Fund, in addition to any other contribution amounts and obligations owed to the Pension Fund, an amount for each month during the continuation of such breach (payable on or before the 15th day of the following month) that is equivalent to the greater of (i) the amount of contributions that would be owed to the Pension Fund based upon current levels and periods of work and compensation during each month of continuation of the breach, calculated as if the last collective bargaining agreement (including the last agreed contribution rate) requiring contributions to the Pension Fund by the breaching Primary Obligor(s) were still in effect, or (ii) the amount of contributions that would be owed to the Pension Fund based upon the highest monthly levels and periods of work and compensation for which pension contributions were owed measured by CBUs that the breaching Primary Obligor(s) experienced during the period of July 2009 through and including December 2019, but calculated as if the last collective bargaining agreement requiring contributions on the part of the breaching Primary Obligor(s) to the Pension Fund (including the last contribution rate) were still in effect.
> >
> > [. . .]
> >
> > e) The remedies, damages and procedures set forth in Subparagraphs 2.a), 2.b), 2.c) and 2.d) above are non-exclusive in nature and do not preclude any other remedies at law or in equity that may be available to the Pension Fund in the event of a breach of this letter-agreement.

(2014 Letter Agreement, Ex. A, ¶ 2). The 2014 Letter Agreement also provides that it is governed by Illinois law. (*Id.*, ¶ 2(f).) Furthermore, each of the Guarantors agreed to "fully guarantee . . . the Participation Guarantee and other obligations under this letter-agreement of the Primary Obligors." (*Id.* ¶ 3(a)). Following the Debtors' entry into certain amendments to the 2014 CDA, the amounts due to Central States Pension Fund under the 2014 CDA (but not necessarily those contributions

owed for periods after 2009) were fully paid by the Primary Obligors on or around January 3, 2023.

17. Despite having finally paid the amounts due to Central States Pension Fund under the 2014 CDA in early 2023, Debtors then failed to pay their pension contributions due to the Fund for June 2023 (that is, the payment due by July 15, 2023) and also informed the Fund that they would not pay their contributions due for July 2023 (that is, the payment due by August 15, 2023). (*See* Aug. 7, 2023 Declaration of Brian A. Doheny, Dkt. 14, ¶ 11.) Central States Pension Fund's Board of Trustees decided[5] on July 17, 2023 to conditionally terminate YRC and USFH's participation in Central States Pension Fund, effective July 23, 2023, unless they paid their required pension contributions. (July 18, 2023 letter, attached hereto as Exhibit E.) YRC and USFH failed to pay the required contributions, and accordingly directly caused the termination of their participation in Central States Pension Fund. In any event, Debtors permanently ceased all covered operations prior to the August 6, 2023 petition date. (Aug. 7, 2023 Declaration of Brian A. Doheny, Dkt. 14, ¶ 17.) Because YRC and USFH stopped paying contributions and permanently ceased all covered operations following their July 2023 shutdown, they were in breach of Paragraph 1(a) of the 2014 Letter Agreement, and the damages owed under the Agreement include the remaining 113 months of the guarantee period under Paragraph 2(a) of the Agreement (that is, August 2023 through December 2032).

18. When Debtors YRC and USFH permanently ceased to have an obligation to contribute to Central States Pension Fund, they and the other Debtors effected a complete

[5] Pursuant to participation agreements entered at various times, both YRC and USFH agreed to be bound by the Trust Agreement of Central States Pension Fund (and all amendments thereto), including deference to the decisions of the Pension Fund's Board of Trustees, including the decision of July 17, 2023. (*See, e.g.,* July 29, 2008 Participation Agreement of USFH, attached hereto as Exhibit B, ¶ 1; March 11, 2021 Participation Agreement of USFH, attached hereto as Exhibit C, ¶ 1; March 11, 2019 Participation Agreement of YRC, attached hereto as Exhibit D, ¶ 1.)

withdrawal from Central States Pension Fund pursuant to 29 U.S.C. § 1383, and incurred withdrawal liability, jointly and severally, pursuant to 29 U.S.C. §§ 1301(b)(1) and 1381, and the regulations thereunder.

19. Debtors' version of the events leading to its bankruptcy filing also overlooks the findings set forth in a July 2020 report of a Congressional Oversight Commission, which noted that Yellow had been rated non-investment grade for more than a decade when it obtained its $700 million loan from the United States Treasury ("Treasury") in 2020 and had suffered financially for years. (Congressional Oversight Commission, *Third Report of the Congressional Oversight Commission*, at 15 (July 20, 2020), https://coc.senate.gov/report/the-third-report-of-the-congressional-oversight-commission-2/.) And despite Yellow having received the $700 million loan from Treasury, Debtors having paid their employees lower wages, and Debtors having received a discount on their overall pension contribution obligations to Central States Pension Fund of more than $2 billion (based upon both the period of temporary withdrawal and Debtors' reduced contribution rate), Debtors nonetheless managed to fail. And in its final report addressing the appropriateness of the $700 million UST loan, the Congressional Oversight Commission noted that "Yellow's very high credit risk was not a new development but instead a product of decades of mismanagement by Yellow, evidenced by Yellow's financial restructurings in both 2009 and 2011." (Congressional Oversight Commission, *A Special Report of the Congressional Oversight Commission*, at 12 (June 27, 2023), https://coc.senate.gov/report/the-yellow-report-final/.) The Commission also concluded that the Treasury loan to Yellow exposed United States taxpayers to risk. And as of June 22, 2023, Treasury's 15.9 million shares of Yellow's common stock (representing approximately 29.6% of such stock) was valued at approximately $21 million. (*Id.* at 15.)

20. Nonetheless, as Yellow drew closer to a bankruptcy filing and reports of Yellow's anticipated demise were widespread, MFN was not dissuaded by the findings of the Congressional Oversight Commission's June 27, 2023 report, and began fervently buying Yellow stock, beginning approximately July 10, 2023 and continuing through July 31, 2023. (Yellow Corp., Schedule 13D (Amendment No. 1), at 12 (Aug. 1, 2023), https://investors.myyellow.com/static-files/5e86f107-2814-4800-bbbc-25100ef3f123.) Indeed, MFN was purchasing the stock even after Yellow had informed the White House that it was on the verge of shutting down. (John D. Schulz, *Yellow is 'on verge of closing,' company tells Biden in plea for mediation*, Logistics Management (July 3, 2023), https://www.logisticsmgmt.com/article/yellow_is_on_verge_of_closing_company_tells_biden_in_plea_for_mediation.) By July 31, 2023, MFN had amassed 22,067,795 of the 51,983,126 shares of common stock outstanding for Yellow (approximately 42.5% of such total stock). (Yellow Corp., Schedule 13D (Amendment No. 1), at 2 (Aug. 1, 2023), https://investors.myyellow.com/static-files/5e86f107-2814-4800-bbbc-25100ef3f123.) MFN paid a total of $22,926,265.97 (including commissions) for this stock. (*Id.* at 8.)

21. And in September 2023, MFN succeeded in getting two additional persons appointed to Yellow's board of directors. (Yellow Corp., Current Report (Form 8-K), at 2 (Sept. 11, 2023), https://investors.myyellow.com/static-files/d7eea490-7549-4766-a1d9-ea51fbad5c94.)

22. Pursuant to this Court's bar date order, Central States Pension Fund timely filed proofs of claim that included claims for statutory withdrawal liability (Claims Nos. 4312 through 4335) and claims pursuant to the 2014 Letter Agreement, under which Debtors guaranteed the payment of certain pension contributions to Central States Pension Fund (Claims Nos. 4336-4352).

23. Central States Funds also filed claims for unpaid pension and health and welfare contributions (Claims Nos. 4303-4306).

24. On December 8, 2023, Debtors filed their objections to the proofs of claims filed by Central States Funds in these cases (Dkt. 1322).

STATUTORY BACKGROUND

25. Congress enacted ERISA to provide comprehensive regulation for private pension plans. *Connolly v. Pension Benefit Guar. Corp.*, 475 U.S. 211, 214 (1986). In enacting ERISA, Congress sought to guarantee that workers would receive the pension benefits they were promised. *Concrete Pipe & Prods. of Cal., Inc. v. Constr. Laborers Pension Trust for S. Cal.*, 508 U.S. 602, 607 (1993).

26. Soon after ERISA was enacted, Congress became concerned about the debilitating effect that employer withdrawals were having on multiemployer pension plans. *Connolly*, 475 U.S. at 215. Specifically, employers were incentivized to withdraw from financially troubled plans rather than remain and potentially be required to pay a share of the plan's underfunding if the plan later became insolvent. *Milwaukee Brewery Workers' Pension Plan v. Jos. Schlitz Brewing Co.*, 513 U.S. 414, 416-17 (1995). This created the possibility that there would be an employer stampede for the exits, thus ensuring that the plan would fail. *Id.* If left unmanaged, this would lead to increased taxpayer expenses because the PBGC, a government corporation, must ultimately cover the shortfall between the benefits a plan owes to its participants and the benefits an insolvent plan is able to pay. *Trs. of the Chi. Truck Drivers, Helpers & Warehouse Workers Union (Indep.) Pension Fund v. Leaseway Transp. Corp.*, 76 F.3d 824, 837 (7th Cir. 1996).

27. Congress therefore asked the PBGC to recommend possible solutions to the multiemployer pension plan crisis. *Connolly*, 475 U.S. at 215. The PBGC recommended that withdrawing employers pay their share of the plan's unfunded vested benefits ("UVBs"), i.e., withdrawal liability. *Id.* at 216. In recommending this approach, PBGC Executive Director Matthew Lind explained as follows:

> "We think that such withdrawal liability would, first of all, discourage voluntary withdrawals and curtail the current incentives to flee the plan. Where such withdrawals nonetheless occur, we think that withdrawal liability would cushion the financial impact on the plan."

Id. at 217 (quoting Pension Plan Termination Insurance Issues: Hearings before the Subcommittee on Oversight of the House Committee on Ways and Means, 95th Cong., 2nd Sess., 22 (1978) (statement of Matthew M. Lind, at 23)).

28. Congress enacted the Multiemployer Pension Plan Amendments Act of 1980 ("MPPAA"), an amendment to ERISA, 29 U.S.C. §§ 1301–1461, to address these concerns. *Connolly*, 475 U.S. at 217. Withdrawal liability, created pursuant to MPPAA, acts as this safeguard, ensuring that the costs associated with a plan paying vested pension benefits does not then get shifted to the employers that remain in the pension plan, or to the PBGC. *Cent. States, Se. & Sw. Areas Pension Fund v. Bomar, Nat'l, Inc.*, 253 F.3d 1011, 1014-15 (7th Cir. 2001).

29. Notably, Congress was concerned that employers would attempt to withdraw from multiemployer pension plans while the legislation was under consideration, which would further negatively impact the stability of such plans, so Congress applied the statute retroactively to ensure that the purpose of the legislation would be achieved. *Gray*, 467 U.S. at 723.

30. In enacting MPPAA, Congress determined that imposing withdrawal liability upon employers that exit multiemployer pension plans was the best means of ensuring both that employers remain in these plans, and that the burdens otherwise created by employers withdrawing from these plans would not be passed onto the employers that remained in the plans, and ultimately to taxpayers. *Peick v. PBGC*, 724 F.2d 1247, 1267 (7th Cir. 1983). As the Third Circuit has noted, even where withdrawing employers have made all their required contributions to the plan, those contributions may not have been in an amount sufficient to fund the employer's share of the

benefits the plan will ultimately be obligated to pay. *In re Marcal Paper Mills, Inc.*, 650 F.3d 311, 315-16 (3d Cir. 2011).

31. Even with the enactment of MPPAA, multiemployer pension plans continued to struggle, including for reasons set forth by the GAO in analyzing Central States Pension Fund. In furtherance of its decades-long effort to improve the health of multiemployer pension plans and ensure that workers receive the retirement benefits they have been promised, Congress passed ARPA in 2021. As part of ARPA, Congress authorized the PBGC to provide SFA to certain multiemployer pension plans. 29 U.S.C. § 1432(a)(1).

32. As part of ARPA, Congress also authorized the PBGC, acting in consultation with Treasury, to issue regulations that place reasonable conditions upon multiemployer pension plans that receive SFA, including specifically, conditions that relate to withdrawal liability:

> The corporation, in consultation with the Secretary of the Treasury, may impose, by regulation or other guidance, reasonable conditions on an eligible multiemployer plan that receives special financial assistance relating to increases in future accrual rates and any retroactive benefit improvements, allocation of plan assets, reductions in employer contribution rates, diversion of contributions to, and allocation of expenses to, other benefit plans, and withdrawal liability.

29 U.S.C. § 1432(m)(1). Conversely, in 29 U.S.C. § 1432(m)(2), Congress declared that the PBGC "shall not" impose conditions related to prospective benefit reductions, plan governance or funding rules.

33. Congress also imposed restrictions on how SFA may be used, stating that "[SFA] received under [29 U.S.C. § 1432] and any earnings thereon may be used by an eligible multiemployer plan to make benefit payments and pay plan expenses." 29 U.S.C. § 1432(l). Consequently, SFA may not be used by a plan to subsidize an employer's contribution or withdrawal liability payment requirements.

34. Relying on the authority specifically granted to it by Congress, the PBGC imposed such conditions in 29 C.F.R. § 4262.16, including but not limited to conditions related to withdrawal liability. Among the conditions the PBGC imposed are requirements regarding when SFA is to be recognized as a plan asset, how SFA is to be phased in for purposes of calculating a plan's UVBs (for purposes of calculating a withdrawing employer's withdrawal liability), and the interest assumptions plans must use in calculating their UVBs. 29 C.F.R. § 4262.16(g)(1-2).

35. For purposes of determining a plan's UVBs, SFA is gradually phased in over the number of years over which it is projected to be exhausted. 29 C.F.R. § 4262.16(g)(2). Furthermore, under 29 C.F.R. § 4262.16(g)(2)(xiii), SFA is excluded from the determination of a plan's UVBs (which are determined as of the last day of the plan year preceding the year of withdrawal) until the SFA has been paid to the plan regardless of when the PBGC approves the SFA application.

36. When the PBGC issued its final rule, it explained that it was enacting regulations regarding the recognition of SFA as an asset, as well as certain interest assumptions to be used in valuing a plan's liabilities, "[t]o ensure that SFA is not used to subsidize employer withdrawals rather than to make benefit payments and pay plan expenses." Special Financial Assistance by PBGC, 87 Fed. Reg. 40968, 40996 (July 8, 2022). Regarding the phasing in of SFA for purposes of calculating a plan's UVBs, the PBGC cited to 29 U.S.C. § 1432(j)(1) and (l) as support for the conditions and explained that "[r]equiring phased recognition of SFA as a plan asset is a reasonable condition because SFA does not result from employer contributions, but is a transfer of taxpayer funds to eligible financially distressed plans for the purpose of enabling these plans to pay benefits and expenses . . . . Without the condition, the payment of SFA could instead result in indirect

transfers of SFA to withdrawing employers from plans by reducing their withdrawal liability." (*Id.* at 40997.)

37. Indeed, Congress' grant of authority to the PBGC to craft regulations related to the SFA, including regulations relating to withdrawal liability, fit within the precise objectives Congress sought to achieve when it created the PBGC in the first place, *i.e.*, to encourage the continuation of multiemployer pension plans, and to ensure the payment of pensions to the participants and beneficiaries of such plans. 29 U.S.C. § 1302(a)(1-2). Similarly, the PBGC's explanation that the phase-in rules were designed to ensure that there was not a rush by employers to withdraw from such pension plans is tailored to both Congress' purpose in creating the PBGC, as well as the goals Congress sought to achieve when it first established withdrawal liability and made it retroactive, *i.e.*, to prevent an employer stampede for the exits of such plans. *See Gray*, 467 U.S. at 723. The PBGC had projected that absent these phase-in rules, more than one-third of employers would withdraw from such pension plans, and the PBGC (and therefore, taxpayers) would have had to pay an additional $15-20 billion in SFA. Special Financial Assistance by PBGC, 86 Fed. Reg. 36598, 36617 (July 12, 2021) (Interim Rule).

38. Moreover, and as the PBGC noted, the gradual phasing in of SFA for purposes of calculating a plan's UVBs is similar to the method for calculating a plan's minimum funding requirements under the Treasury's regulation, *i.e.*, 26 CFR 1.412(c)(2)–1(b), under which multiemployer pension plans are permitted to smooth plan asset values by averaging the value of plan assets over as many as five years instead of simply using the current fair market value of such assets. Special Financial Assistance by PBGC, 87 Fed. Reg. at 40997. The PBGC also compared the phase-in requirement to the gradual recognition of SFA for purposes of determining minimum funding under the Internal Revenue Code. *Id.* Specifically, under 26 U.S.C. § 432(k)(2)(D), SFA

is disregarded in determining contributions owed pursuant to 26 U.S.C. § 431, but under IRS Notice 2021–38, the SFA is recognized over time in that "any benefit or plan expense paid from the [SFA] account in a plan year will be included in the actuarial gain or loss for that plan year and amortized over 15 years in accordance with [26 U.S.C.] § 431(b)(3)(B)(ii)."

39. Returning to the provisions of MPPAA, an employer effects a complete withdrawal from a multiemployer pension fund when it "(1) permanently ceases to have an obligation to contribute under the plan, or (2) permanently ceases all covered operations under the plan." *Concrete Pipe*, 508 U.S. at 610-11; 29 U.S.C. § 1383(a). The employer then becomes liable for withdrawal liability, which represents the employer's proportionate share of the plan's UVBs, which is the difference between the present value of a pension plan's assets and the present value of the benefits it will be obligated to pay in the future.[6] *Connolly*, 475 U.S. at 217; 29 U.S.C. §§ 1381, 1391. This liability is a joint and several obligation of the employer that had the obligation to contribute to the plan and all commonly owned trades or businesses. *Steelworkers Pension Trust by Bosh v. Renco Group, Inc.*, 694 Fed. Appx. 69, 71-2 (3d Cir. 2017); 29 U.S.C. § 1301(b)(1); 26 C.F.R. 1.414(c)-2(b)(2).

40. To collect withdrawal liability, the plan calculates the employer's withdrawal liability, notifies the employer of the amount of the liability, the schedule of payments, and sends the employer a demand for payment. 29 U.S.C. § 1399(b)(1). In calculating an employer's withdrawal liability, Central States Pension Fund uses the modified presumptive method, set forth in 29 U.S.C. § 1391(c)(2), which calculation focuses on the employer's proportional share of the Fund's UVBs measured "as of the end of the plan year preceding the plan year in which the

[6] Technically, for a plan like Central States Pension Fund that uses the modified presumptive method allowed by 29 U.S.C. § 1391(c)(2), an employer's withdrawal liability is based on its allocable share of the "Net Change Value," which is the UVBs less the sum of all outstanding claims for withdrawal liability that can reasonably be expected to be collected. 29 U.S.C. § 1391(c)(2)(C).

employer withdraws," and based upon the most recent 10 years of contributions pursuant to 29 U.S.C. § 1391(c)(5)(C). *Milwaukee Brewery Workers' Pension Plan*, 513 U.S. at 418; *Cent. States, Se. & Sw. Areas Pension Fund v. Safeway, Inc.*, 229 F.3d 605, 608 (7th Cir. 2000). The notice and demand for payment of the withdrawal liability need not take any specific form, and a notice and demand filed in a Chapter 11 bankruptcy constitutes one recognized means of satisfying the notice and demand requirements of 29 U.S.C. § 1399(b)(1). *Chi. Truck Drivers, Helpers & Warehouse Workers Union (Indep.) Pension Fund v. El Paso CGP Co.*, 525 F.3d 591, 598 (7th Cir. 2008).

41. If the employer disputes the withdrawal liability, it must then request review of the withdrawal liability assessment and, if dissatisfied with the response to that request, initiate arbitration. 29 U.S.C. §§ 1399(b)(2), 1401(a)(1). *Flying Tiger Line v. Teamsters Pension Tr. Fund of Phila.*, 830 F.2d 1241, 1244 (3d Cir. 1987). Under 29 U.S.C. § 1401(a), the employer and the plan are both entitled to separately initiate arbitration, or the employer and the plan may jointly initiate arbitration.

RELIEF REQUESTED

42. As set forth in Central States Pension Fund's motion to compel arbitration with respect to Debtors' objections to the Fund's withdrawal liability claims (Dkt. 1655), Central States Pension Fund requests that this Court defer resolving those objections since arbitration is the appropriate forum for resolving those disputes. Central States Funds further request that this Court reject Debtors' remaining objections to the Funds' claims, including Central States Pension Fund's claims related to Debtors' breach of the 2014 Letter Agreement, and Central States Funds' claims for unpaid pension and health and welfare contributions.

ARGUMENT

I. This Court should abstain from resolving Debtors' disputes with Central States Pension Fund's claims for withdrawal liability and should defer the dispute to arbitration.

43. Initially, and as noted in Central States Pension Fund's motion to compel arbitration (Dkt. 1655), the disputes concerning Central States Pension Fund's withdrawal liability proofs of claim (Claims Nos. 4312 through 4335) should be referred to arbitration. Specifically, 29 U.S.C. § 1401(a)(1) provides that "[a]ny dispute between an employer and the plan sponsor of a multiemployer plan concerning a determination made under sections 1381 through 1399 of this title *shall* be resolved through arbitration." (emphasis added.) Courts have vigorously enforced this requirement. As explained by the Supreme Court, if the employer requests review to dispute the withdrawal liability, and if the employer and pension fund are unable to resolve the dispute, then the matter "shall be referred to arbitration." *Concrete Pipe*, 508 U.S. at 611.

44. United States Courts of Appeals, including the Third Circuit, have enforced Congress' arbitration mandate where the employer was subject to MPPAA, and where the dispute falls within the MPPAA sections subject to arbitration, declaring that MPPAA's arbitration procedures "must be followed." *See, e.g.*, *Flying Tiger Line*, 830 F.2d at 1247. The requirement that withdrawal liability disputes be arbitrated was upheld by the bankruptcy court in *In re BFW Liquidation, LLC*, 459 B.R. 757 (Bankr. N.D. Ala. 2011). After conducting an extensive analysis of the reasons Congress established the arbitration requirement, as embodied in case law from the various United States Courts of Appeals, the court concluded that objections to withdrawal liability claims filed in bankruptcy are the "perfect" subject for arbitration under MPPAA. *Id.* at 778. Specifically, the court found that it was appropriate to defer to arbitration and allow an arbitrator with expertise in withdrawal liability matters to resolve the dispute, and because abstaining from

resolving the issue would conserve judicial resources. *Id.* at 779, 785-794. Ultimately, the court determined that arbitration of the withdrawal liability dispute would not only satisfy Congressional intent but would also serve the purpose of the bankruptcy claims dispute resolution process. *Id.* at 799.

45. Debtors purport to challenge 29 U.S.C. §§ 1381, 1391, 1393, 1432(m)(1), as well as PBGC regulations enacted pursuant to the express authority granted to the PBGC by Congress under 29 U.S.C. § 1432(m)(1), *i.e.*, 29 C.F.R. § 4262.16(g)(2), that addresses the phasing in of certain SFA that Central States Pension Fund received pursuant to that statute and regulation. (Dkt. 1322, ¶¶ 59-69.)

46. And to be clear, Debtors' objections concerning the SFA Central States Pension Fund received, and the effect if any upon Debtors' withdrawal liability, implicate and arise under 29 U.S.C. §§ 1381, 1391 and 1393, which sections are all within the range of MPPAA sections for which Congress provided that arbitration of disputes is mandatory under 29 U.S.C. § 1401. Indeed, Debtors make clear in their objections to Central States Pension Fund's withdrawal liability claims (including their challenge to 29 C.F.R. § 4262.16(g)(2), which dictates how funds are to phase in SFA for purposes of calculating their UVBs) that their principal objection concerns Central States Pension Fund's determination of its UVBs under 29 U.S.C. § 1391 (Dkt. 1322, ¶¶ 43-47, 59-61), which dispute falls within the MPPAA sections reserved for arbitration (*i.e.*, sections 1381 through 1399). Accordingly, and as Central States Pension Fund requested in its separately filed motion (Dkt. 1665), this Court should either order Debtors to initiate arbitration to contest Central States Pension Fund's claims for withdrawal liability (Claims Nos. 4312-4335) or grant Central States Pension Fund relief from the automatic stay to initiate arbitration.

47. Indeed, the invalidation of these regulations could have a catastrophic, nationwide impact upon multiemployer pension funds, not to mention the PBGC. Given that more than 65 multiemployer pension plans have been approved to receive SFA (Pension Benefit Guaranty Corporation, *Special Financial Assistance Applications Under Review* (Jan. 12, 2024), https://www.pbgc.gov/sites/default/files/documents/sfa-application-status-current.xlsx (last visited Jan. 18, 2024)), and further given that most of those plans have no claims in this case, the effects of a ruling invalidating the PBGC's regulation would reach nationwide and far beyond the confines of this bankruptcy case. That is, Debtors seek to invalidate and overturn a PBGC rule enacted under authority granted to the PBGC by Congress providing how SFA is to be phased in, and which ruling, if issued, would entirely frustrate the intent of Congress and the PBGC, respectively, in enacting the statute and the regulations.

II. Even if not deferred to arbitration, Debtors' challenges to Central States Pension Fund's withdrawal liability claims should be rejected.

A. Debtors' challenges to Central States Pension Fund's withdrawal liability claims ignore both the statutory language and PBGC regulations.

48. Even if this Court were to consider Debtors' challenges to Central States Pension Fund's withdrawal liability claims, those challenges must be rejected. First, Debtors argue that the approximate $35.8 billion Central States Pension Fund received in SFA should have been factored into the calculation of Debtors' withdrawal liability. But Debtors' position ignores and runs afoul of both 29 U.S.C. § 1432 and the underlying PBGC regulations, 29 C.F.R. § 4262.16(g)(2). As noted above, under these regulations, enacted by the PBGC pursuant to express authority granted to it by Congress under 29 U.S.C. § 1432(m)(1), there are two provisions that directly impact the calculation of Central States Pension Fund's UVBs for purposes of the Fund's withdrawal liability assessment against Debtors.

49. First, pursuant to 29 C.F.R. § 4262.16(g)(2)(xiii), "[SFA] assets must be excluded from the determination of unfunded vested benefits until the date that special financial assistance is paid to the plan." Thus, since Debtors concede that Central States Pension Fund did not receive its SFA until January 2023 (Dkt. 1322, ¶ 36), the SFA Central States Pension Fund received is excluded from Debtors' 2023 withdrawal liability calculation, which as discussed above, is calculated based upon Central States Pension Fund's UVBs at the end of 2022. 29 U.S.C. § 1391(c)(2); *Milwaukee Brewery Workers' Pension Plan*, 513 U.S. at 418. That is, Central States Pension Fund's plan year is the same as a calendar year. (Central States Pension Fund plan document, copy attached hereto as Exhibit F, at Appendix E, § 2.2(h).)

50. Second, even if 29 C.F.R. § 4262.16(g)(2)(xiii) were to be ignored, as discussed above, 29 C.F.R. § 4262.16(g)(2) also provides that SFA is to be phased in over time, specifically the time over which the SFA is projected to be exhausted, beginning with the year *after* the year in which the plan receives such SFA. 29 C.F.R. § 4262.16(g)(2). In other words, under 29 C.F.R. § 4262.16(g)(2), no portion of the SFA is phased in for purposes of calculating Central States Pension Fund's UVBs prior to the end of the 2024 plan year, meaning that Debtors' withdrawal liability assessment would remain unaffected by Central States Pension Fund's receipt of SFA, even absent the separate restriction set forth in 29 C.F.R. § 4262.16(g)(2)(xiii).

51. And to be clear, Debtors do not contend that Central States Pension Fund has misapplied 29 U.S.C. § 1432 or 29 C.F.R. § 4262.16(g)(2) in calculating Debtors' withdrawal liability. Rather, Debtors make clear that they believe the statute and regulation should be ignored, arguing that the regulations are absurd. (Dkt. 1322, ¶¶ 59-61.)

52. And yet, both the statute and regulations are entirely consistent with MPPAA, the specific goals Congress sought to achieve in enacting the statute more than 40 years ago, and the

efforts Congress has taken in the past 40 years to ensure that multiemployer pension plans survive and are able to pay pensions to the workers who have earned these retirement benefits. Again, Congress was expressly concerned with the effects that employer withdrawals were having upon multiemployer pension plans and enacted MPPAA to ensure that workers' pensions were protected. *Connolly*, 475 U.S. at 217. Moreover, Congress went even further and made MPPAA's application retroactive to ensure that employers anticipating the enactment of MPPAA could not seek to exploit any delay in enacting the statute to further harm the financial soundness of multiemployer pension plans by withdrawing from them while the legislation was under consideration. *Gray*, 467 U.S. at 723. Finally, Congress enacted ARPA and authorized the payment of SFA to financially troubled multiemployer pension plans, and Congress made clear that such "[SFA] received under [29 U.S.C. § 1432] and any earnings thereon may be used by an eligible multiemployer plan to make benefit payments and pay plan expenses." 29 U.S.C. § 1432(l).

53. In authorizing the PBGC, acting in consultation with Treasury, to enact regulations relating to SFA, including conditions related to withdrawal liability, Congress understood precisely the type of regulations the PBGC would enact. Remember that Congress created the PBGC to encourage the continuation of multiemployer pension plans, and to ensure the payment of pensions to the participants and beneficiaries of such plans. 29 U.S.C. § 1302(a)(1-2). Accordingly, and consistent with Congress' directive in 29 U.S.C. §1432(l) regarding how SFA is to be used, the PBGC explained that the phase-in rules were designed to ensure that the SFA is used to pay pension benefits and plans' administrative expenses, and that the SFA is not used to indirectly subsidize employers' withdrawals from such plans. Special Financial Assistance by PBGC, 87 Fed. Reg. at 40996. This was a reasonable and obvious condition that the PBGC placed

upon multiemployer pension plans receiving SFA, to ensure that the SFA is used to meet Congress' objective, *i.e.*, being used to pay pension benefits and plans' administrative expenses.

54. In addition to Debtors' challenges to 29 U.S.C. § 1432 and 29 C.F.R. § 4262.16, Debtors also contend they are entitled to the 20-year limitation on payments set forth in 29 U.S.C. § 1399(c)(1)(B). However, Debtors are in default under 29 U.S.C. § 1399(c)(5)(B) and therefore are not entitled to the limitation on payments. *See*, *e.g.*, *GCIU-Emp'r Ret. Fund v. Lillie Suburban Newspapers, Inc.*, No. 17-cv-7372, 2018 WL 6137603, at *4 (C.D. Cal. Feb. 20, 2018). That is, their withdrawal liability is owed in a single payment, such that the 20-year payment limitation is not implicated.

55. Furthermore, even if Debtors were not in default and were entitled to pay the present value of a 20-year payment schedule, the calculation of the present value of that schedule is controlled by 29 U.S.C. §§ 1399(c)(1)(A)(ii) and 1432(m)(1), and 29 C.F.R. § 4262.16(g)(1). Thus, Debtors' arguments concerning how the present value should be calculated (Dkt. 1322, ¶¶ 68-69) ignores the underlying statute.

B. Central States Pension Fund is not equitably estopped from recovering on its withdrawal liability claims.

56. Debtors also argue that Central States Pension Fund should be equitably estopped from recovering on its withdrawal liability claims based solely on the Fund's projection in its revised SFA application (dated August 11, 2022) that Debtors would likely be collectible for only a "de minimis" amount of withdrawal liability. (Dkt. 1322, ¶¶ 54-56.) As an initial matter, courts have cast serious doubt on whether it is ever appropriate to apply equitable estoppel against multiemployer pension plans (like Central States Pension Fund). Unlike single employer pension plans, multiemployer pension plans are funded by—and provide benefits to employees of—multiple employers. Applying equitable estoppel to benefit certain employers of a multiemployer

plan would have the inequitable result of depleting "plan assets to benefit one employer and its employees at the expense of others." *Durham v. Laborers' Benefits St. Louis, Inc*., No. 18-cv-1184, 2020 WL 4049891, at *7 (E.D. Mo. July 20, 2020) (quoting *Slice v. Sons of Norway*, 34 F.3d 630, 633 (8th Cir. 1994)). Further, such depletion of plan assets is detrimental to multiemployer plans' solvency and actuarial soundness. *See, e.g.*, *Black v. TIC Inv. Corp*., 900 F.2d 112, 115 (7th Cir. 1990); *see also Russo v. Health, Welfare & Pension Fund, Local 705, Int'l Bhd. of Teamsters,* 984 F.2d 762, 767 n.4 (7th Cir. 1993) ("our concerns about actuarial soundness expressed in *Black* would argue against applying estoppel to a multi-employer funded pension plan").[7]

57. This result would be especially inequitable given that the purpose of MPPAA is to ensure that multiemployer pension plans have sufficient assets to pay pension benefits to the workers who rely on them, so as to avoid the "great personal tragedy" that occurs when such benefits are reduced or eliminated. *Cent. States, Se. & Sw. Areas Pension Fund v. Johnson*, 991 F.2d 387, 392 (7th Cir. 1993). Debtors ignore this purpose and, instead, assert that any distribution to Central States Pension Fund on its withdrawal liability claims would be a "windfall" because of the Fund's receipt of SFA. (Dkt. 1322, ¶ 7.)

58. Debtors also claim that Treasury (and therefore, taxpayers) would suffer if Central States Pension Fund's withdrawal liability claims were allowed because that would result in a reduced distribution to Treasury (which holds approximately 30% of Yellow's stock) (Dkt. 1322,

[7] Debtors cite three cases in support of their estoppel argument (Dkt. 1322, ¶ 56), but none of those cases support their argument. As an initial matter, none of those cases applied equitable estoppel in relation to an ERISA claim, let alone in relation to a claim of a multiemployer plan. And in *In re Vebeliunas*, 332 F.3d 85, 94 (2d Cir. 2003), the court declined to apply equitable estoppel, finding (like here) that the party that equitable estoppel was being asserted against had not made any misrepresentation, let alone a misrepresentation relied upon by the party arguing for equitable estoppel.

¶ 56). Of course, Debtors conveniently ignore the fact that if the PBGC had not acted on Congress' directive to ensure that the SFA is used solely to pay pension benefits and plan administrative expenses, and had the PBGC not implemented the phase-in regulation, that would have cost taxpayers another $15-20 billion according to the PBGC's estimate. Special Financial Assistance by PBGC, 86 Fed. Reg. at 36617. This amount dwarfs any reasonable estimate of the value of the stock Treasury holds. Furthermore, the PBGC, in following Congress' directive and enacting these conditions related to withdrawal liability, did so in consultation with Treasury. *See* 29 U.S.C. § 1432(m)(1). Thus, Debtors' assertion that they are acting on behalf of Treasury is laughable.

59. Clearly, Debtors are working to help MFN and its investors cash in on the lottery tickets MFN purchased shortly before Yellow's bankruptcy filing. That is, in the month leading up to the bankruptcy filing, when the entire world knew Yellow was on the verge of filing for bankruptcy protection and going out of business, MFN paid $22,926,265.97 to acquire an approximate 42.5% interest in Yellow, hoping only to turn its purchases of Yellow's stock into massive gains for MFN's investors. (Yellow Corp., Schedule 13D (Amendment No. 1), at 2, 8, 12 (Aug. 1, 2023), https://investors.myyellow.com/static-files/5e86f107-2814-4800-bbbc-25100ef3f123.) MFN then succeeded in having two additional persons named to Yellow's board of directors (Yellow Corp., Current Report (Form 8-K), at 2 (Sept. 11, 2023), https://investors.myyellow.com/static-files/d7eea490-7549-4766-a1d9-ea51fbad5c94.)

60. Eliminating the withdrawal liability claims asserted against Debtors by Central States Pension Fund and other multiemployer pension plans (which claims represent the overwhelming majority of Yellow's unsecured debt) could result in MFN and its investors achieving that goal, and a tenfold (or greater) return on its purchases of Yellow's stock. Although Debtors assert that allowing Central States Pension Fund's withdrawal liability claims will result

in a windfall, this so-called windfall would be used by the Fund solely to pay pension benefits to the Fund's participants and to cover the Fund's administrative expenses. The real windfall in this matter is the windfall sought by MFN, who gambled on buying stock in a company they knew was heading into bankruptcy. Debtors and MFN express no concern, and Debtors fail to even note, the havoc that invalidating the PBGC regulations would have on the more than 65 other multiemployer plans that have received SFA.

61. In support of their estoppel argument, Debtors also claim that any recovery by Central States Pension Fund on its withdrawal liability claims would result in a windfall since the Fund projected in its application for SFA that it would only collect a de minimis amount of withdrawal liability in the event Yellow were to file for bankruptcy.

62. However, the amount of SFA that Central States Pension Fund received was based in part upon the validity of the PBGC regulations, which were designed to ensure that participating employers would continue to participate as the SFA was gradually phased in for purposes of calculating an employers' withdrawal liability, rather than allowing employers to withdraw in the short term while paying little or no withdrawal liability. In short, the amount of SFA that Central States Pension Fund received was based on the assumption that the Fund would continue to receive pension contributions from employers.

63. This last point is critical, as Debtors conveniently ignore the portion of the SFA application where Central States Pension Fund projected that even by 2051, the likelihood that Yellow would be in default (and therefore need to file for bankruptcy) was only 44.07% (Central States, Southeast and Southwest Areas Pension Fund, *Revised Special Financial Assistance Application of the Cent. States, Se. & Sw. Areas Pension Fund*, Dkt. 1322-2, (the "Revised SFA Application") at 14 (Aug. 12, 2022)). Thus, Central States Pension Fund assumed that it was more

likely than not that YRC and USFH would continue to contribute to the Fund at least through 2051. Debtors YRC and USFH remitted more than $60 million in pension contributions to Central States Pension Fund in 2022 (the last full year for which they remitted pension contributions), and the Fund projected that YRC and USFH would most likely continue contributing through at least 2051, with the Fund presuming that YRC and USFH would remit hundreds of millions of dollars in additional pension contributions through 2051 (*See* Claim No. 4312 at 4; Revised SFA Application at 14.).

64. As such, Debtors' argument that any distribution on Central States Pension Fund's withdrawal liability claims would constitute a windfall is baseless. And to suggest that monies used solely to pay vested pension benefits and plan administrative expenses (indeed, administrative expenses which the GAO found are substantially lower than that of similar plans) would constitute a windfall is preposterous. Furthermore, based upon the PBGC's estimate that absent the phase-in regulation, $15-20 billion in additional SFA would have been required, it is obvious that far from providing a windfall, the PBGC regulations resulted in the need to pay less taxpayer monies to multiemployer plans. Put another way, the funded status of multiemployer plans that receive SFA presumes the validity of the PBGC regulations because otherwise the funded status of such plans changes for the worse.

65. Additionally, the Third Circuit has held that equitable estoppel may be applied in ERISA cases only in exceptional circumstances. And, the cases in which the Third Circuit has held this have overwhelmingly involved single employer plans, and none have involved claims for withdrawal liability. *See, e.g.*, *Hozier v. Midwest Fasteners, Inc.*, 908 F.2d 1155, 1156 (3d Cir. 1990) (involving single employer plan); *Gridley v. Cleveland Pneumatic Co.*, 924 F.2d 1310, 1311 (3d Cir. 1991) (same); *Araujo v. Kraft Foods Global, Inc.*, 387 F. App'x 212, 213 (3d Cir. 2010)

(same). Moreover, the types of extraordinary circumstances that the Third Circuit has recognized as overcoming the presumption against considering equitable estoppel in ERISA cases "generally involve acts of bad faith . . . , attempts to actively conceal a significant change in the plan, or commission of fraud." *Burstein v. Ret. Account Plan for Emps. of Allegheny Health Educ. & Research Found*., 334 F.3d 365, 383 (3d Cir. 2003).

66. Further, even assuming equitable estoppel could apply to a withdrawal liability claim, Debtors cannot come close to establishing either (let alone both) of the requirements for applying equitable estoppel: (1) a material misrepresentation by Central States Pension Fund; and (2) Debtors' reasonable and detrimental reliance upon the representation. *See, e.g.*, *Int'l Union, United Auto., Aerospace & Agric. Implement Workers of Am., U.A.W. v. Skinner Engine Co*., 188 F.3d 130, 151 (3d Cir. 1999). First, there was not a misrepresentation. Central States Pension Fund's assumption that any withdrawal liability collected from Debtors would be de minimis is merely a prediction about what the Fund believed was likely to occur in the future. An incorrect prediction about future events is not a misrepresentation. *Siemens Fin. Servs., Inc. v. Robert J. Combs Ins. Agency, Inc.*, 166 F. App'x 612, 617 (3d Cir. 2006); *see also, e.g.*, *Alexander v. CIGNA Corp.*, 991 F. Supp. 427, 435 (D.N.J. 1998), *aff'd*, 172 F.3d 859 (3d Cir. 1998) ("[s]tatements as to future or contingent events, to expectations or probabilities, or as to what will or will not be done in the future, do not constitute misrepresentations, even though they may turn out to be wrong.").

67. Second, Debtors do not even allege that they relied on the statement that the Pension Fund's recovery on the withdrawal liability would likely be de minimis. Instead, Debtors baldly assert that equity holders, including Treasury, relied on the Pension Fund's representations in the revised SFA application. (Dkt. 1322, ¶ 56.) Initially, Debtors cannot raise an estoppel defense for

other parties. Regardless, in both its 2019 and 2020 annual reports (Yellow obtained the loan from Treasury in 2020), Yellow was projecting that its contingent withdrawal liability was in the cumulative amount of approximately $8 billion. (Yellow Corp., Annual Report (Form 10-K), at 11 (March 11, 2020) https://investors.myyellow.com/node/27841/html; Yellow Corp., Annual Report (Form 10-K), at 11 (Feb. 11, 2021) https://investors.myyellow.com/node/28441/html). Thus, any suggestion that Treasury believed Yellow would not have withdrawal liability if it were to withdraw from its multiemployer pension plans defies common sense. Accordingly, Debtors' estoppel defense cannot be sustained.

III. Central States Pension Fund's claims based upon Debtors' breach of the 2014 Letter Agreement should be allowed.

A. Debtors breached the contribution guarantee set forth in the 2014 Letter Agreement.

68. Debtors' argument that Central States Pension Fund's contribution guarantee claim based upon the 2014 Letter Agreement is not "cognizable" because Debtors were expelled from the Fund fails for at least three reasons. (*See* Dkt. 1322, ¶ 51.) First, Debtors' argument that they did not breach the 2014 Letter Agreement because they were expelled is based on an absurd twisting of the facts. In the 2014 Letter Agreement, Debtors agreed that they would continue to participate and pay contributions every month for the ten-year period after the repayment of their obligations under the 2014 CDA. (2014 Letter Agreement, Ex. A, ¶ 1(a).). Yet Debtors do not dispute that they withheld the payment of pension contributions due on July 15, 2023, that they unequivocally told Central States Pension Fund that they would similarly withhold the contributions due on August 15, 2023, and that they failed to provide any concrete date by which these obligations would actually be paid. Put differently, Debtors promised they would contribute, they did not contribute, and they therefore breached. (2014 Letter Agreement, Ex. A, ¶1(a).)

Against this background, Debtors' description of events is willfully obtuse: Debtors argue that they did not breach the 2014 Letter Agreement's contribution guarantee *because* they failed to pay the contributions they guaranteed and forced their own expulsion from the plan. But it cannot be the case that the 2014 Letter Agreement allows a party to insulate itself from damages by breaching.

69. Second, Central States Pension Fund did not unilaterally or definitively "evict" Debtors (Dkt. 1322, ¶ 51), but instead Debtors themselves chose to terminate their own participation by withholding the payment of contributions that were indisputably owed to the Fund. As communicated by letter dated July 18, 2023 to Mr. Daniel Olivier, Debtors' Chief Financial Officer, Central States Pension Fund's Trustees determined that YRC and USFH's participation in Central States Pension Fund would cease effective July 23, 2023 so long as they failed to "fully pay[] the required contributions." (July 18, 2023 Letter, Ex. E.) Furthermore, the July 18, 2023 letter also provided that Debtors' participation in Central States Pension Fund would be reinstated upon Debtors' payment of the past-due pension contributions. (*Id.*) Accordingly, Debtors' participation in Central States Pension Fund terminated as of July 23, 2023, as a direct result of their decision to continue to withhold required pension contributions following receipt of this letter, not as a result of any unilateral action by Central States Pension Fund.

70. Third, prior to and after their entry into the 2014 Letter Agreement, YRC and USFH entered into participation agreements whereby, among other things, they agreed to be bound by Central States Pension Fund's Trust Agreement and by the decisions of the Fund's Board of Trustees. (*See, e.g.,* July 29, 2008 Participation Agreement of USFH, attached hereto as Exhibit B, ¶ 1; March 11, 2021 Participation Agreement of USFH, attached hereto as Exhibit C, ¶ 1; March 11, 2019 Participation Agreement of YRC, attached hereto as Exhibit D, ¶ 1.)

71. The Trust Agreement, in turn, provides that Central States Pension Fund's Board of Trustees is empowered to terminate an employer who "is engaged in one or more practices or arrangements that threaten to cause economic harm to, and/or impairment of the actuarial soundness of, the Fund," including the practice of unilaterally and indefinitely withholding lawfully required contributions. (Trust Agreement, Ex. G, Art. III, § 1, at 8–9; Art. IV, § 20, at 20.) The Trust Agreement further provides that the Trustees have discretion to construe the Trust Agreement (*Id.*, Art. IV, § 17, at 19) and to decide questions or controversies involving the participation of employers (*Id.*, Art. V, § 2, at 21), and that these determinations are binding on employers.

72. Therefore, through their participation agreements, YRC and USFH agreed and understood that their participation in Central States Pension Fund was subject to the governance of Central States Pension Fund's Board of Trustees, who were empowered to police the participation of employers in the Fund for the benefit of the Fund as a whole. Notably, Central States Pension Fund's Board of Trustees is comprised of representatives of both employers and unions. (Trust Agreement, Ex. G, Art. II, § 2.) Accordingly, this was not an "eviction" as Debtors contend, but rather Central States Pension Fund's diligent exercise of a right conferred upon them by YRC and USFH through their participation agreements and the Trust Agreement. (*See also* 2014 Letter Agreement, Ex. A, ¶ 2(e) ("The remedies, damages and procedures set forth . . . above are non-exclusive in nature and do not preclude any other remedies at law or in equity that may be available to the Pension Fund . . . ").)

73. Indeed, Central States Pension Fund is obligated to provide pension benefits to the workers who have earned those benefits, even if the employers fail to pay the corresponding

contributions. *Cent. States, Se. & Sw. Areas Pension Fund v. Gerber Truck Serv., Inc.*, 870 F.2d 1148, 1151 (7th Cir. 1989). As the Seventh Circuit explained in *Gerber*:

> Multi-employer plans are defined-contribution in, defined-benefit out. Once they promise a level of benefits to employees, they must pay even if the contributions they expected to receive do not materialize—perhaps because employers go broke, perhaps because they are deadbeats, perhaps because they have a defense to the formation of the contract. If some employers do not pay, others must make up the difference in higher contributions, or the workers will receive less than was promised.

Id.

B. *The contribution guarantee claims are breach of contract claims, and not claims for withdrawal liability.*

74. Debtors' argument that the contribution guarantee claims under the 2014 Letter Agreement are really withdrawal liability claims also fails. (Dkt. 1322, ¶ 51.) Tellingly, despite objecting to the contract, Debtors do not reference—much less interpret—the text of the 2014 Letter Agreement at any time. The text itself provides:

> Primary Obligors' obligations to make payments specified under this Paragraph 2 shall not be excused by any withdrawal incurred by the Primary Obligors from the Pension Fund and shall be due in addition to (and not in place of) any withdrawal liability payments owed to the Pension Fund. . . .
>
> The remedies, damages and procedures set forth in Subparagraphs 2.a), 2.b), 2.c) and 2.d) above are non-exclusive in nature and do not preclude any other remedies at law or in equity that may be available to the Pension Fund in the event of a breach of this letter – agreement.

(2014 Letter Agreement, Ex. A, ¶¶ 2(c), 2(e)). This unambiguous language conclusively disposes of Debtors' vague and unsupported argument that the 2014 Letter Agreement is actually coterminous with withdrawal liability.

75. For the avoidance of doubt, the 2014 Letter Agreement's unambiguous language accurately reflects the law. Withdrawal liability is a creature of statute. *Milwaukee Brewery Workers' Pension Plan*, 513 U.S. at 417. Debtors' obligations under the contribution guarantee

originate in a contract, *i.e.*, the 2014 Letter Agreement. Thus, not only does Paragraph 2 of the 2014 Letter Agreement make clear that the damages set forth therein are not withdrawal liability, as a legal matter the 2014 Letter Agreement claims categorically cannot be construed as claims for withdrawal liability because Central States Pension Fund's right to relief arises under contract rather than under MPPAA provisions like 29 U.S.C. § 1399.

76. This is further reinforced by the mechanics of the 2014 Letter Agreement itself. As Debtors themselves stress repeatedly (albeit misleadingly), withdrawal liability is to be calculated by reference to a number of factors including (but not limited to) a plan's UVB's as of the end of the year preceding withdrawal. The 2014 Letter Agreement, however, speaks to damages measured by the contributions YRC and USFH had remitted, not UVBs, and the obligation of Debtors under the 2014 Letter Agreement is the obligation to "continue to participate . . . and pay contributions," not the obligation to pay the employers' proportionate share of Central States Pension Fund's UVBs. (2014 Letter, Ex. A, ¶ 1(a).) Furthermore, the calculation of the amounts owed by Debtors under the 2014 Letter Agreement is performed in a manner similar to how Debtors' contribution obligations had been calculated, *i.e.*, by multiplying the amount of work that had been performed by the contribution rate that was in effect. (*Id.*, ¶ 2(a).) Accordingly, the amounts owed under the 2014 Letter Agreement not only have a separate legal basis from claims for withdrawal liability, but as a factual matter they are also calculated in a different manner.

C. This Court should enforce the parties' agreement as to the damages for breach of the 2014 Letter Agreement.

77. Debtors' argument that the 2014 Letter Agreement is unenforceable as a penalty similarly lacks any basis in fact or law. (Dkt. 1322, ¶¶ 52–53.) The question of whether a contractual provision is an unenforceable penalty clause or a reasonable liquidated damages clause

is a question of law.[8] *Smart Oil, LLC v. DW Mazel, LLC,* 970 F.3d 856, 863 (7th Cir. 2020). Under Illinois law,[9] a damages provision is enforceable if: "(1) the parties intended to agree in advance to the settlement of damages that might arise from the breach; (2) the amount of liquidated damages was reasonable at the time of contracting, bearing some relation to the damages which might be sustained; and (3) actual damages would be uncertain in amount and difficult to prove." *Id.* (citing *Karimi v. 401 N. Wabash Venture, LLC*, 952 N.E.2d 1278, 1285 (Ill. App. 1st Dist. 2011)). The burden of persuasion "rests on the party resisting enforcement of a liquidated damages clause to show that the agreed-upon damages are clearly disproportionate to a reasonable estimate of the actual damages likely to be caused by a breach." *XCO Int'l, Inc. v. Pac. Sci. Co.*, 369 F.3d 998, 1003 (7th Cir. 2004). Despite having the burden on this purely legal question, Debtors provide no arguments as to why the agreement should be disallowed beyond vague fairness considerations. (*See* Dkt. 1322, ¶ 53 ("This is 'free money' that CSPF does not need.")).

78. In any event, and putting aside Debtors' failure to meet their burden, the 2014 Letter Agreement is enforceable under Illinois law. As to the first element, whether the parties intended to agree in 2014 to the settlement of damages that might arise from the breach, "the courts of Illinois give effect to such damage provisions and do not treat them as penalties where the parties have expressed their agreement in clear and explicit terms." *Pierce v. B & C Elec., Inc.*, 432 N.E.2d 964, 966 (Ill. App. 1st Dist. 1982) (citing *Burnett v. Nolen*, 84 N.E.2d 155 (Ill. App. 4th Dist. 1949)). Indeed, the tendency to enforce "clear and explicit terms" is especially strong where, as here, both parties are highly sophisticated: "[w]here both parties are substantial commercial

[8] For this reason, Debtors' expansive discovery requests are inappropriate to the extent that they relate to Central States' Pension Fund's contribution guarantee claim.

[9] As noted above, the 2014 Letter Agreement provides that it is governed by Illinois law (2014 Letter Agreement, Ex. A, ¶ 2(f).)

enterprises, it is difficult to see why the law should take an interest in whether the estimate of harm underlying the liquidation of damages is reasonable. Courts don't review the other provisions of contracts for reasonableness; why this one?" *Smart Oil, LLC*, 970 F.3d at 863 (citation and ellipsis omitted); *see Zerjal v. Daech & Bauer Constr., Inc.*, 939 N.E.2d 1067, 1074 (Ill. App. 5th Dist. 2010) ("Illinois courts give effect to liquidated-damages provisions so long as . . . there is no evidence of fraud or unconscionable oppression, a legislative directive to the contrary, or a special social relationship between the parties of a semipublic nature." (citation omitted)).

79. Here, the 2014 Letter Agreement sets forth the consequences for the breach of the contribution guarantee in clear and explicit terms, showing that Debtors and Central States Pension Fund indeed intended to agree in advance to the settlement of damages that might arise from the breach. (2014 Letter Agreement, Ex. A, ¶ 2.) Moreover, indications of consent are particularly strong here, not only because Debtors were represented by sophisticated counsel in connection with the 2014 Letter Agreement, but also because the Debtors themselves selected the contribution guarantee provision that Debtors now claim is unenforceable. (2014 Letter Agreement, Ex. A at p. 1.)[10] Accordingly, the parties to the 2014 Letter Agreement clearly and explicitly agreed to be bound by the damages provision in question.

80. The second element, whether the amount of liquidated damages was reasonable at the time of contract, also favors enforcing the 2014 Letter Agreement. As an initial matter, Debtors' main argument—that the provision is an unenforceable penalty because Central States Pension Fund is well-funded in 2023 (Dkt. 1322, ¶ 53)—misses the point entirely. Instead, the question is whether the provision was "reasonable at the time of contract." *Smart Oil, LLC*, 970

[10] If anything, Debtors are estopped from now arguing that the provision is unenforceable, because they are the parties that chose to include that provision in the 2014 Letter Agreement. (2014 Letter Agreement, Ex. A, at 1.)

F.3d at 863. Indeed, "whether [a party] ultimately incurred any actual damages is not relevant to the reasonableness decision, and actual damages are not required under Illinois law before liquidated damages can be assessed." *Id.* at 864. "[T]he predetermined amount may or may not exceed the actual damages and both parties agree to accept this inherent risk." *Id.* at 863 (internal citation omitted). Accordingly, the Court should look past Debtors' ad hoc complaints and instead focus on whether the parties' estimate of damages was reasonable in 2014.

81. An examination of the relevant provision itself reflects a reasonable and mutual judgment by the parties. In this case, the amount to be paid is to be calculated in one of two ways: (a) looking to the actual amount of work performed by the employer during the breach, or (b) by multiplying a month of the breaching employer's contribution history during the period that Debtors were repaying their contribution deferral obligation (through December 31, 2022) by the last contribution rate in effect. (2014 Letter Agreement, Ex. A, ¶ 2(a)). And, in either event, damages are only to be paid for the duration of the breach. *Id.* Agreeing to a damages formula that awards Central States Pension Fund with an amount roughly equivalent to the amount of contributions that would have been paid absent a breach is thus reasonable, especially when one considers the sophistication of the parties. *XCO Int'l Inc.*, 369 F.3d at 1004 ("The element common to most liquidated damages clauses that get struck down as penalty clauses is that they specify the same damages regardless of the severity of the breach.")

82. It bears noting that this damages calculation is not a windfall, because it does not compensate Central States Pension Fund for other harms caused by Debtors' breach. Depriving a multiemployer fund of contributions, for example, leaves the fund more exposed to economic volatility. *Ganton Techs., Inc. v. Natl. Indus. Group Pension Plan*, 865 F. Supp. 201, 207 (S.D.N.Y. 1994), *aff'd*, 76 F.3d 462 (2d Cir. 1996) (citations omitted). Withholding contributions

also causes administrative expenses resulting from collection costs and from increased difficulty in financial forecasting. *United Or. of Am. Bricklayers & Stone Masons Union No. 21 v. Thorleif Larsen & Son, Inc.*, 519 F.2d 331, 333 (7th Cir. 1975). As a result, tying damages under the 2014 Letter Agreement to past contribution levels was a reasonable way to protect Central States Pension Fund from the harm that would be caused by Debtors' breach, which includes the loss of contributions themselves, increased exposure to economic volatility, and increased administrative costs.

83. Even putting aside that Debtors focus on the present rather than 2014 and do not consider the harms caused by their breach, Debtors' argument that Central States Pension Fund is not entitled to damages under the 2014 Letter Agreement because "any plan benefits for those employees stopped accruing" has been repeatedly rejected by courts. (Dkt. 1322, ¶ 52.) Indeed, the fundamental premise of this argument is simply wrong: "Nothing depends on proof that a given plan will be unable to satisfy its obligations if a given employer avoids payment." *Gerber Truck Serv., Inc.*, 870 F.2d at 1155. As the Supreme Court has recognized, "[a]n employer's contributions are not solely for the benefit of its employees or employees who have worked for it alone." *Concrete Pipe*, 508 U.S. at 638. Accordingly, an employer like Debtors cannot escape obligations to a pension plan by claiming that the plan is already fully funded or that the payment will not result in a benefit payment to specific employees. The Third Circuit, for example, has noted that benefits are not a predicate for an ERISA plan to be entitled to payment of contributions, stating:

> In essence, [the employer] claims that, because there is no evidence that the Fund provided coverage for any new employees for whom [the employer] did not pay [contributions] . . . the Fund should not receive the delinquent funds. However, a welfare fund is not unjustly enriched simply because it has received benefit payments on behalf of particular employees who have not made claims, . . . a lack of actual claims is irrelevant. Furthermore, the welfare fund expected to have those funds at hand for payout of benefits on behalf of other employees, including

> employees of other employers who are members of the multiemployer Welfare Fund.

Cent. Pa. Teamsters Pension Fund v. McCormick Dray Line, Inc., 85 F.3d 1098, 1109 (3d Cir. 1996); *see also Gerber Truck Serv., Inc.*, 870 F.2d at 1155 ("The [multiemployer pension] scheme works only if the plan receives contributions on behalf of persons who will not get benefits."). Thus, the parties' decision in 2014 to tie damages to work history remains reasonable notwithstanding Debtors' protests that they laid off their employees in 2023 and in so doing deprived those employees of future benefit accruals. (Dkt. 1322, ¶ 52.)

84. The third element, whether future damages would have been uncertain in amount and difficult to prove from the parties' perspective in 2014, also favors enforcing the 2014 Letter Agreement's provisions. Indeed, "[t]here is no way to estimate in dollar terms the harm which results when an employer submits late contributions," or, by extension, when the employer fails to submit contributions altogether. *Pierce,* 432 N.E.2d at 967. In addition to the lost contribution base itself, *Ganton Techs., Inc.*, 865 F. Supp. at 207, a failure to contribute causes administrative expenses resulting from collection costs as well increased difficulty in financial forecasting, both of which are difficult to estimate. *Thorleif Larsen & Son, Inc.*, 519 F.2d at 333. Accordingly, the 2014 Letter Agreement's damages provision represents the parties' mutual answer in 2014 to the uncertain estimation of future damages, and thus should be upheld.

85. Debtors' objections contains at least one more misstatement of the law with respect to Central States Pension Fund's enforcement of the 2014 Letter Agreement. (Dkt. 1322, ¶ 53.) Even if the Court were to find the damages provision of the 2014 Letter Agreement unenforceable as a penalty, the remedy would not be invalidation of the agreement as a whole or disallowance of the guarantee claims. Instead, "the proper judicial remedy would be to reform the clause to limit it to . . . a reasonable specification of damages. There would be no reason to invalidate the clause in

its entirety." *XCO Int'l Inc.*, 369 F.3d at 1005. Accordingly, to the extent the Court finds that the provision is unenforceable, it should nonetheless award Central States Pension Fund an amount to be determined based on a reformation of the clause to a reasonable specification of damages.

IV. Debtors do not have any viable objections to Central States Funds' contributions claims.

86. As noted above, Debtors object not only to Central States Pension Fund's contributions claims (Claims Nos. 4303 and 4305), but also to Central States Health Fund's contributions claims (Claims Nos. 4304 and 4306). Debtors argue that these claims should be rejected as unidentifiable. (Dkt. 1322, ¶¶ 70-71.)

87. By way of background, Debtors YRC and USFH, on the one hand, and certain local unions affiliated with the IBT on the other hand, entered into collective bargaining agreements requiring YRC and USFH to contribute to Central States Funds on behalf of their covered employees. These collective bargaining agreements were comprised of the YRC National Master Freight Agreement ("NMFA") (the April 1, 2019 through March 31, 2024 version of which is attached hereto as Exhibit H) and supplements thereto. YRC and USFH on the one hand and the local unions on the other hand also entered participation agreements required by Central States Funds, which agreements set forth additional terms regarding YRC and USFH's participation in the Funds. (*See, e.g.*, July 29, 2008 Participation Agreement of USFH, attached hereto as Exhibit B, ¶ 1; March 11, 2021 Participation Agreement of USFH, attached hereto as Exhibit C, ¶ 1; March 11, 2019 Participation Agreement of YRC, attached hereto as Exhibit D, ¶ 1.)

88. Central States Funds rely on contributing employers (like YRC and USFH) to self-report the work history of the employees for whom pension and health and welfare contribution are owed. Central States Funds then calculate the contributions owed from such employers based on the work history that those employers submit (as well as any audits conducted). Indeed, the

contributions claims asserted by Central States Pension Fund here (Claims Nos. 4303 and 4305) exclusively seek contributions that are owed (but were not paid) based on the work history submitted by (and the audits conducted of) YRC and USFH. Specifically, Claim No. 4303 seeks $3,199,507.90 in such delinquent contributions (including pre-petition interest) from USFH, and Claim No. 4305 seeks $5,722,810.92 in such delinquent contributions (including pre-petition interest) from YRC.

89. Debtors' sole objection to Central States Pension Fund's contributions claims—that they are unidentifiable—is odd given that YRC and USFH identified those claims in their schedules, listed very similar amounts to what Central States Pension Fund asserts is owed, and listed the claims as undisputed. (*See* Schedule of Assets and Liabilities of YRC, Dkt. 473, at p. 3084 (identifying undisputed Pension Fund contributions claim in amount of $6,070,387.89); Schedule of Assets and Liabilities of USFH, Dkt. 470, at p. 1287 (identifying undisputed Pension Fund contributions claim in amount of $3,429,640.88)). In fact, the amounts scheduled by YRC and USFH are even slightly higher than the amounts sought by Central States Pension Fund in its proofs of claim.

90. As for Central States Health Fund's contributions claims against YRC (Claim No. 4306) and USFH (Claim No. 4304), each of those claims consist of two categories. First, as with Central States Pension Fund's contributions claims, there are contributions—including pre-petition interest—that are owed (but were not paid) based on the work history submitted by (and the audits conducted of) YRC (Claim No. 4306) and USFH (Claim No. 4304). For USFH (Claim No. 4304), that first category of Central States Health Fund claims equals $13,900,182.95 and consists of all amounts for "Contribution Periods" of "7-2023" and earlier listed on the "Breakdown of Contributions Outstanding" attachment to the proof of claim. For YRC (Claim No.

4306), that first category of Central States Health Fund claims equals $27,031,891.21 and, likewise, consists of all amounts for "Contribution Periods" of "7-2023" and earlier listed on the "Breakdown of Contributions Outstanding" attachment to the proof of claim.

91. As with Central States Pension Fund's contributions claims, Debtors' sole objection to this first category of Central States Health Fund claims—that they are unidentifiable—is demonstrably false, as USFH and YRC identified those claims in their schedules, listed very similar amounts to what Central States Health Fund is now seeking in its Proofs of Claim, and identified the claims as undisputed. (*See* Schedule of Assets and Liabilities of USFH, Dkt. 470, at p. 1287 (identifying undisputed Central States Health Fund contributions claim in amount of $13,756,524.88); Schedule of Assets and Liabilities of YRC, Dkt. 473, at p. 3084 (identifying undisputed Central States Health Fund contributions claim in amount of $26,500,032.05).) That said, the amounts scheduled by USFH and YRC are slightly lower than the amounts sought by Central States Health Fund in this first category of claims. Debtors have submitted discovery relating to the amounts of these claims, and Central States Health Fund is providing information and documents to show that the Health Fund's claims amounts are correct.

92. The second category of Central States Health Fund claims against YRC and USFH consists of contributions for periods for which YRC and USFH were obligated to pay compensation to their covered employees—specifically, pay for time off due to on-the-job injuries, pay for accrued vacation days, and payments resulting from the employees' WARN Act claims. For YRC (Claim No. 4306), that second category of Central States Health Fund claims equals $50,631,468.42 and, likewise, consists of all amounts for "Contribution Periods" of "8-2023" and later listed on the "Breakdown of Contributions Outstanding" attachment to the proof of claim. For USFH (Claim No. 4304), that second category of Central States Health Fund claims equals

$26,546,694.40 and consists of all amounts for "Contribution Periods" of "8-2023" and later listed on the "Breakdown of Contributions Outstanding" attachment to the proof of claim.[11]

93. With respect to this second category of Central States Health Fund contributions claims, YRC and USFH entered into participation agreements, pursuant to which they agreed "to remit contributions" to Central States Health Fund "on behalf of each Covered Employee for any period he/she receives, or is entitled to receive, compensation (regardless of whether the employment relationship is terminated), including . . . disability or illness pay, layoff/severance pay, [and] vacation pay." (*E.g.*, March 11, 2021 Participation Agreement of USFH, Ex. C, ¶ 8; March 11, 2019 Participation Agreement of YRC, Ex. D, ¶ 8.).) Accordingly, pursuant to these participation agreements (as well as certain provisions of the NMFA and the supplements thereto), Central States Health Fund seeks contributions for any covered employees during the periods in which those employees were entitled to vacation pay or pay for on-the-job injuries. (See first page of "Breakdown of Contributions Outstanding" attachment to Claims Nos. 4304 and 4306.)

94. Also, in this second category of contributions claims, Central States Health Fund seeks contributions for YRC and USFH's covered employees for the period those employees were entitled to receive compensation under the WARN Act, 29 U.S.C. § 2101 *et seq*. More specifically, on or about July 31, 2023, YRC and USFH effected a series of plant closings and/or mass layoffs within the meaning of 29 U.S.C. § 2101(a). Pursuant to 29 U.S.C. § 2104(a)(1)(A), YRC and USFH were required to pay compensation to their covered employees for 60 days after these plant closings/mass layoffs because YRC and USFH failed to provide the notice required by 29 U.S.C. § 2102(a). Under 29 U.S.C. § 2104(a)(1)(B), YRC and USFH were also required to pay benefits

[11] Central States Health Fund notes that this second category of contributions claims is based on the limited information regarding YRC and USFH's covered employees that was available to Central States Health Fund at the time it filed its proofs of claim. Central States Health Fund reserves the right to conduct discovery relating to these claims.

to ERISA benefit funds (such as Central States Health Fund) on the affected employees' behalf. These contributions are also owed pursuant to the participation agreements' requirement that YRC and USFH pay contributions for covered employees during any period those employees are entitled to compensation.

95. Central States Health Fund estimates the relevant WARN Act 60-day period ran from Monday, July 31, 2023 through Thursday, September 28, 2023. Accordingly, Central States Health Fund seeks contributions for each of the nine weeks that the covered employees were entitled to WARN ACT pay. (See the claims identified as "USF WARN Act/Coverage – 7-30/23 – 8/5/23", "USF (LU 89B)/ WARN ACT / Coverage – 7/30/23 – 8/5/23," "USF WARN ACT / Coverage – 7/30/23 – 8/5/23," "YRC WARN Act/Coverage – 7-30/23 – 8/5/23," "USF WARN Act – 8/6/23 – 9/30/23," and "YRC WARN Act – 8/6/23 – 9/30/23" on first page of "Breakdown of Contributions Outstanding" attachment to Claims Nos. 4304 and 4306.)

96. Finally, even if contributions were not otherwise owed by YRC and USFH to Central States Health Fund for the period of July 31, 2023 to September 28, 2023, the contributions are owed for the first week of such period by virtue of the fact that Central States Health Fund provided health coverage to YRC and USFH's covered employees for such week. Specifically, Central States Health Fund provided an extension of health coverage to YRC and USFH's covered employees through August 5, 2023, which the Fund provided in an attempt to allow the IBT, YRC and USFH additional time to attempt to resolve their issues in labor negotiations. As such, YRC and USFH would be unjustly enriched if they were not required to pay Central States Health Fund for this period during which the Fund provided health coverage to YRC and USFH's covered employees.

CONCLUSION

For the reasons set forth in this response, and the reasons separately set forth in Central States Pension Fund's motion to compel arbitration, Central States Pension Fund requests that this Court grant its motion and order Debtors to initiate arbitration as provided for under Appendix E to Central States Pension Fund's plan document with respect to the Central States Pension Fund's withdrawal liability claims (Claim Nos. 4312 through 4335). Alternatively, Central States Pension Fund requests that this Court grant Central States Pension Fund relief from the automatic stay pursuant to 11 U.S.C. § 362(d)(1) so that Central States Pension Fund may initiate arbitration with respect to Debtors' objections to Central States Pension Fund's withdrawal liability claims (Claims Nos. 4312 through 4335). Alternatively, Central States Pension Fund requests that this Court deny Debtors' objections to the withdrawal liability claims and hold that such claims are allowed in the amounts as filed.

Central States Funds further request that this Court deny Debtors' remaining objections to Central States Funds' claims (Claims Nos. 4303-4306 and 4336-4352) for the reasons set forth in this response and hold that all such claims are allowed in the amounts set forth in the respective proofs of claim.

Dated: January 19, 2024
Wilmington, DE

SULLIVAN · HAZELTINE · ALLINSON LLC

/s/ William D. Sullivan

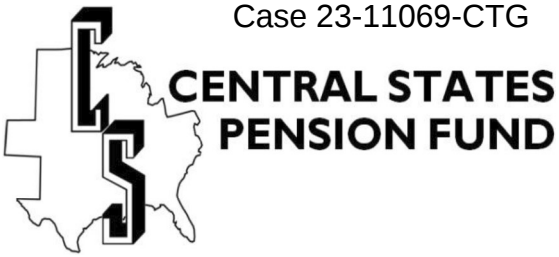
William D. Sullivan (No. 2820)
William A. Hazeltine (No. 3294)
919 North Market Street, Suite 420
Wilmington, DE 19801
Tel: (302) 428-8191
Fax: (302) 428-8195
Email: bsullivan@sha-llc.com
whazeltine@sha-llc.com

and

Brad R. Berliner, Esq.
Andrew J. Herink, Esq.
Daniel Sullivan, Esq.
Central States Funds
8647 W. Higgins Road
Chicago, IL 60631
(847) 939-2478 - Office
bberliner@centralstatesfunds.org
aherink@centralstatesfunds.org
dsulliva@centralstatesfunds.org

Attorneys for Central States, Southeast and Southwest Areas Pension Fund

EXHIBIT A



Thomas C. Nyhan
Executive Director and General Counsel

January 29, 2014

Via Electronic Mail and First Class Mail
Mr. Jaimie Pierson
Chief Financial Officer
YRC Worldwide, Inc.
10990 Roe Avenue
Overland Park, KS 66211

RE: Guarantee of Continued Participation

Dear Mr. Pierson:

As reflected in my e-mail to Harry Wilson dated January 21, 2014, the Trustees of the Central States, Southeast and Southwest Areas Pension Fund (the "Pension Fund" or the "Fund") have approved certain revisions to the Amended and Restated Contribution Deferral Agreement dated July 22, 2011 ("CDA"), subject to the conditions stated in my e-mail and subject to the Fund's review and approval of final documentation reflecting the revised CDA terms. One of the conditions precedent to the Pension Fund's agreement to the CDA revisions set forth in my January 21 e-mail offered two alternative options to the YRC Worldwide, Inc. ("YRCW") companies:

> The execution of a side letter whereby the company guaranties the continued participation in the Central States Pension Fund ("CSPF") for a period of 10 years after the date upon which the CDA balance is repaid in full and there is no other outstanding indebtedness to the CSPF. In the alternative, YRCW agrees that for purposes of computing withdrawal liability, the contribution rate used for purposes of computing the payment schedule will be deemed to be the published contribution rate under the National Master Freight Agreement for each year until the CDA is paid in full.

I understand that the YRCW companies who are designated as Primary Obligors under the CDA prefer the option of providing a side letter - agreement to the Pension Fund guaranteeing participation in the Pension Fund for ten years after the CDA balance is repaid to the Pension Fund in full.

The purpose of this correspondence is to serve as the side letter – agreement (or this "Agreement") setting forth (1) the obligations under the above-referenced participation guarantee option of the Primary Obligors who are listed below and requested to sign this letter, and (2) the obligations of YRCW and all trades or businesses under common control with YRCW, within the meaning of 29 U.S.C. sec. 1301(b)(1), to act as guarantors of the obligations and undertakings of the Primary Obligors set forth in this letter – agreement.

1. PARTICIPATION GUARANTEE

a) The undersigned Primary Obligors, and each of them (jointly and severally), hereby agree and guarantee that they will continue to participate in and pay contributions to the Pension Fund pursuant to collective bargaining agreements for a period of not less than 10 (ten) full years after all balances (including all principal, interest and any applicable expenses or fees) owed to the Pension Fund under the CDA (and any amendments or restatements of the CDA hereafter agreed to) are completely and fully paid and satisfied by all such Primary Obligors (the "Guarantee Period").

b) Further, the undersigned Primary Obligors, and each of them (jointly and severally), agree that the scope and categories of work, job classifications, periods of employment and other conditions triggering each Primary Obligors' obligations to pay contributions to the Pension Fund, as each such category of work, job classification, period of employment and other condition triggering each Primary Obligor's obligation to contribute to the Pension Fund is specified under the Primary Obligors' current collective bargaining agreement(s) or participation agreement(s), will not be reduced or lessened under any future collective bargaining agreements or participation agreements in ways that result in fewer contribution dollars being paid to the Pension Fund during the Guarantee Period.

c) For the sake of clarity and the avoidance of doubt, in the event any of the Primary Obligors at any time prior to the expiration of the Guarantee Period ceases to be under common control with any of the other Primary Obligors or with YRCW (within the meaning of 29 U.S.C.

1301(b)(1)), the above-described participation guarantee ("Participation Guarantee") and all other obligations under this Agreement will continue to attach to such Primary Obligor, notwithstanding any transaction breaking such controlled group relationship.

2. REMEDIES AND DAMAGES FOR BREACH OF THE PARTICIPATION GUARANTEE

To the extent that the Primary Obligors, or any of them, are in breach of the Participation Guarantee, or other obligations and undertakings set forth in Paragraph 1. above, the Primary Guarantors, and each of them (jointly and severally), shall be required to pay damages in the following amounts to the Pension Fund, and subject to the following procedures:

a) In the event of a breach involving a complete failure by one or more of the Primary Obligors to have a contribution obligation to the Pension Fund during the Guarantee Period (or any portion thereof), the Primary Obligors, and each of them, will be required (as an obligation for which they are jointly and severally liable) to pay to the Pension Fund, in addition to any other contribution amounts and obligations owed to the Pension Fund, an amount for each month during the continuation of such breach (payable on or before the 15th day of the following month) that is equivalent to the greater of (i) the amount of contributions that would be owed to the Pension Fund based upon current levels and periods of work and compensation during each month of continuation of the breach, calculated as if the last collective bargaining agreement (including the last agreed contribution rate) requiring contributions to the Pension Fund by the breaching Primary Obligor(s) were still in effect, *or* (ii) the amount of contributions that would be owed to the Pension Fund based upon the highest monthly levels and periods of work and compensation for which pension contributions were owed measured by CBUs that the breaching Primary Obligor(s) experienced during the period of July 2009 through and including December 2019, but calculated as if the last collective bargaining agreement requiring contributions on the part of the breaching Primary Obligor(s) to the Pension Fund (including the last contribution rate) were still in effect.

b) In the event of a breach under Subparagraph 1.b) above involving a reduction or lessening in the scope or categories of work, job classifications, periods of employment or other conditions triggering an obligation to contribute to the Pension Fund of one or more of the Primary Obligors as compared to their contribution obligations under their current collective bargaining agreement, the Primary Obligors, and each of them, will be required (as an obligation for which they are jointly and severally liable) to pay to the Pension Fund an amount for each month during the continuation of such breach (payable on or before the 15th day of the following month) that is equivalent to the amount of contributions, calculated as if the breaching Primary Obligor's last collective bargaining agreement (including the contribution rate) requiring contributions to the Pension Fund prior to such breach by the Primary Obligor was still in effect, that would have been owed to the Pension Fund if such reduction or lessening in the scope of work, periods of employment, job classifications or other conditions triggering Primary Obligor(s)' obligation to contribute to the Pension Fund had not occurred.

c) Further, until such time as there has been a complete withdrawal of the Primary Obligors from the Pension Fund within the meaning of 29 U.S.C. sec. 1383(a), any amounts owed by the Primary Obligors under Subparagraphs 2.a) and 2.b) above shall be treated as contributions owed under a collective bargaining agreement by the Primary Obligors for purposes of calculating and assessing any withdrawal liability under the Multiemployer Pension Plan Amendment Act of 1980 owed by the Primary Obligors and all trades or businesses under common control with them (within the meaning of 29 U.S.C. sec. 1301 (b)(1)). However, the Primary Obligors' obligations to make payments specified under this Paragraph 2 shall not be excused by any withdrawal incurred by the Primary Obligors from the Pension Fund and shall be due in addition to (and not in place of) any withdrawal liability payments owed to the Pension Fund.

d) In addition, in order to ascertain and to verify the Primary Obligors' obligations to make any payments specified in Subparagraphs 2.a) and 2.b) above, the Pension Fund shall be entitled to

audit the payroll and other operations of the Primary Obligors with respect those payment obligations to the same extent, and subject to the same terms, conditions and remedies for to non-compliance with audit requests, as currently apply to the Pension Fund's right to audit the Primary Obligors with respect to their pension contribution obligations arising under collective bargaining agreements.

e) The remedies, damages and procedures set forth in Subparagraphs 2.a), 2.b), 2.c) and 2.d) above are non-exclusive in nature and do not preclude any other remedies at law or in equity that may be available to the Pension Fund in the event of a breach of this letter – agreement.

f) The undersigned parties incorporate by reference as if fully set forth in this letter - agreement sections 11.05 to 11.14 of the CDA, except that for purposes of this letter-agreement (i) the references to "New York" in sec. 11.12 ("Governing Law") of the CDA shall be deleted and replaced in each instance with the word "Illinois," and first sentence of the sec. 11.13 of the CDA shall be deleted and the following sentence inserted in its place:

> Each of the parties submits to the nonexclusive jurisdiction of the United States District Court for the Northern District of Illinois and the Circuit Court of Cook County, Illinois, in any action or proceeding arising out of or relating to this letter agreement or the transactions contemplated herein and agrees that all claims in respect of such action or proceeding may be heard and determined in any such court.

g) All parties signatory to this letter – agreement acknowledge that it has been entered for good and valuable consideration and they represent and warrant that they are authorized to enter into and execute this letter – agreement. Further, YRCW and each of its affiliates that have executed this letter-agreement, either as a Primary Obligor or as a Guarantor (collectively, the "YRCW Companies"), acknowledge that they will receive reasonably equivalent value for the Participation Guarantee of the Primary Obligors, the Guarantee of the Guarantors (see Paragraph 3 below) and other undertakings they have given and made hereunder, in that, among other items of value provided by this letter-agreement to each of the YRCW Companies, this letter-agreement is a necessary component and condition of a debt restructuring that, if not

effectuated, would create substantial risks negatively impacting the financial viability of all the YRCW Companies.

3. OBLIGATIONS OF GUARANTORS

a) YRCW, as Primary Guarantor listed below, and each of the parties listed below as Additional Guarantors agree, jointly and severally, to fully guarantee (the "Guarantee") the Participation Guarantee and other obligations under this letter-agreement of the Primary Obligors (the "Guaranteed Obligations"). YRCW also represents and warrants that the Primary and Additional Guarantors listed below together constitute all the trades or businesses that are under common control with the Primary Obligors and YRCW within the meaning of 29 USC sec. 1301(b)(1), with the exception of entities that YRCW represents to be special purpose vehicles or companies incorporated under foreign (non-U.S.) law.

b) The Primary and Additional Guarantors listed below further agree to the undertakings set forth in Appendix A hereto ("Guarantor Undertakings/Guarantee") with respect to the Guaranteed Obligations and the Guarantee.

Sincerely,

AGREED:

CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS PENSION FUND

By: _____

Thomas C. Nyhan
Executive Director
and General Counsel

PRIMARY OBLIGORS

AGREED:

YRC INC. (AS PRIMARY OBLIGOR)

By: _____ Date: January 31, 2014

Name and title: Mark D. Boehmer, Vice President

AGREED:

USF HOLLAND INC. (AS PRIMARY OBLIGOR)

By: _____ Date: January 31, 2014

Name and title: Mark D. Boehmer, Vice President

AGREED:

NEW PENN MOTOR EXPRESS, INC. (AS PRIMARY OBLIGOR)

By: _____ Date: January 31, 2014

Name and title: Mark D. Boehmer, Vice President

AGREED:

USF REDDAWAY INC. (AS PRIMARY OBLIGOR)

By: _____ Date: January 31, 2014

Name and title: Mark D. Boehmer, Vice President

PRIMARY GUARANTOR

AGREED:

YRC WORLDWIDE INC. (AS GUARANTOR)

By:_____ Date: January 31, 2014

Name and title: Jamie Pierson, Executive Vice President and Chief Financial Officer

ADDITIONAL GUARANTORS

AGREED (AS GUARANTORS):

EXPRESS LANE SERVICE, INC.

By: _____ Date: January 31, 2014

Name and title: Mark D. Boehmer, Vice President

ROADWAY EXPRESS INTERNATIONAL, INC.

By: _____ Date: January 31, 2014

Name and title: Mark D. Boehmer, Vice President

ROADWAY REVERSE LOGISTICS, INC.

By: _____ Date: January 31, 2014

Name and title: Phil J. Gaines, Sr. Vice President, Finance

ROADWAY LLC

By: _____ Date: January 31, 2014

Name and title: Mark D. Boehmer, Vice President

ROADWAY NEXT DAY CORPORATION

By: _____ Date: January 31, 2014

Name and title: Mark D. Boehmer, Vice President

YRC ASSOCIATION SOLUTIONS, INC.

By: _____ Date: January 31, 2014

Name and title: Mark D. Boehmer, Vice President

YRC MORTGAGES, LLC

By: _____ Date: January 31, 2014

Name and title: Mark D. Boehmer, Vice President

YRC REGIONAL TRANSPORTATION, INC.

By: _____ Date: January 31, 2014

Name and title: Mark D. Boehmer, Vice President

USF BESTWAY INC.

By: _____ Date: January 31, 2014

Name and title: Mark D. Boehmer, Vice President

USF DUGAN INC.

By: _____ Date: January 31, 2014

Name and title: Mark D. Boehmer, Vice President

USF GLEN MOORE INC.

By: _____ Date: January 31, 2014

Name and title: Mark D. Boehmer, Vice President

USF REDSTAR LLC

By: _____ Date: January 31, 2014

Name and title: Mark D. Boehmer, Vice President

YRC LOGISTICS SERVICES, INC.

By: _____ Date: January 31, 2014

Name and title: Mark D. Boehmer, Vice President

YRC ENTERPRISE SERVICES, INC.

By: _____ Date: January 31, 2014

Name and title: Mark D. Boeher, Vice President

EXHIBIT B

EXHIBIT C

TEAMCARE®
A CENTRAL STATES HEALTH PLAN

PARTICIPATION AGREEMENT

CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS
PENSION FUND/HEALTH AND WELFARE FUND
8647 WEST HIGGINS ROAD
CHICAGO, ILLINOIS 60631-2803
PHONE: (847) 518-9800

EMPLOYER NAME: USF HOLLAND
ACCOUNT NUMBER: 8071400-0202-823B OFFICE

THIS AGREEMENT sets forth the terms under which the Employer will participate in the Central States, Southeast and Southwest Areas Pension Fund ("Pension Fund") and/or the Central States, Southeast and Southwest Areas Health and Welfare Fund ("Health and Welfare Fund") in accordance with its collective bargaining agreement with the Union covering the following job classification(s): NEW OFFICE STAFF

and any other job classification covered by the collective bargaining agreement.

1. The Union and Employer agree to be bound by the Trust Agreement(s) of the Pension Fund and/or the Health and Welfare Fund and all amendments subsequently adopted as well as all rules and regulations presently in effect or subsequently adopted by the Trustees of the Fund(s) and accept the respective Employer and Employee Trustees and their successors.

2. The Employer shall contribute to the Pension Fund for each Covered Employee at the following rates:

Effective Date:	4-4-21	Rate:	$21.31 per day
Effective Date:	08/01/2021	Rate:	$21.31 per day
Effective Date:		Rate:	
Effective Date:		Rate:	
Effective Date:		Rate:	

3. The Employer shall contribute to the Health and Welfare Fund for each Covered Employee at the following rates:

			Family			
Effective Date:	4-4-21	Rate:	$433.86			
Effective Date:	08/01/2021	Rate:	$451.86			
Effective Date:		Rate:				
Effective Date:		Rate:				
Effective Date:		Rate:				

4. Contribution rate changes after the last Effective Date set forth in paragraphs 2 and 3 shall be determined by each new collective bargaining agreement and such rate changes shall be incorporated into this Agreement. The parties may execute an interim agreement establishing contribution rates during the periods when a new collective bargaining agreement is being negotiated. In the absence of an interim agreement, the contribution rate required to be paid after termination of a collective bargaining agreement and prior to either the execution of a new collective bargaining agreement or the termination of this Agreement, shall be the rates in effect on the last day of the terminated collective bargaining agreement. However, the Trustees reserve the right to reduce benefit levels if the contribution rate is or becomes less than the then published rate for the applicable benefit plan or class.

5. This Agreement and the obligation to pay contributions to the Fund(s) will continue after the termination of a collective bargaining agreement except no contributions shall be due during a strike unless the Union and the Employer mutually agree in writing otherwise. This Agreement and the Employer's obligation to pay contributions shall not terminate until a) the Trustees decide to terminate the participation of the Employer and provide written notice of their decision to the Employer specifying the date of termination of participation or b) the Employer is no longer obligated by a contract or statute to contribute to the Fund(s) and the Fund(s) have received a written notice directed to the Fund(s)' Contracts Department at the address specified above sent by certified mail with return receipt requested which describes the reason why the Employer is no longer obligated to contribute or c) the date the NLRB certifies the result of an election that terminates the Union's representative status or d) the date the Union's representative status terminates through a valid disclaimer of interest. In the event the Employer participates in both the Pension

Fund and the Health and Welfare Fund and the termination referred to in a) or b) relates to only one Fund, then this Agreement shall remain in effect with respect to the other Fund. In the event an NLRB election or disclaimer of interest referred to in c) or d) relates to only part of the bargaining unit, this Agreement shall remain in effect with respect to the remainder of the bargaining unit.

6. When a new collective bargaining agreement is signed or the Employer and the Union agree to change the collective bargaining agreement, the Employer shall promptly submit the entire agreement or modification to the Fund(s)' Contracts Department by certified mail (return receipt requested) at the address specified above. Any agreement or understanding which affects the Employer's contribution obligation which has not been submitted to the Fund(s) as required by this paragraph, shall not be binding on the Trustees and this Agreement and the written agreement(s) that has been submitted to the Fund(s) shall alone remain enforceable. The following agreements shall not be valid: a) an agreement that purports to retroactively eliminate or reduce the Employer's statutory or contractual duty to contribute to the Fund(s); b) an agreement that purports to prospectively reduce the contribution rate payable to the Pension Fund or c) an agreement that purports to prospectively eliminate the duty to contribute to the Pension Fund during the stated term of a collective bargaining agreement that has been accepted by the Pension Fund.

7. For purposes of this Agreement, the term "Covered Employee" shall mean any full-time or part-time employee covered by a collective bargaining agreement requiring contributions to the Fund(s) and includes casual employees (i.e. short term employees who work for uncertain or irregular duration) except a casual employee shall not be a Covered Employee with respect to the Health and Welfare Fund if the collective bargaining agreement explicitly excludes casual employees from participation in the Health and Welfare Fund. Covered Employee shall not include any person employed in a managerial or supervisory capacity or any person employed for the principal purpose of obtaining benefits from the Fund(s).

8. The Employer agrees to remit contributions on behalf of each Covered Employee for any period he/she receives, or is entitled to receive, compensation (regardless of whether the employment relationship is terminated), including show up time pay, overtime pay, holiday pay, disability or illness pay, layoff/severance pay, vacation pay or the payment of wages which are the result of any National Labor Relations Board proceeding, grievance/arbitration proceeding or other legal proceeding or settlement. If the collective bargaining agreement states that contributions shall not be due on newly hired Covered Employees for a specified waiting period, no contributions shall be due until the Covered Employee completes the specified waiting period. If required by the applicable collective bargaining agreement, contributions shall also be made to the Fund(s) on behalf of any Covered Employee who is not working due to illness or injury even if the Covered Employee is not entitled to compensation. The Employer shall pay any contributions that would have otherwise been paid on any Covered Employee who is a re-employed service member or former service member but for his or her absence during a period of uniformed service as defined at 32 C.F.R. §104.3.

9. On or before the 15th day of each month, the Employer must report to the Fund(s) any change in the Covered Employee workforce (including, but not limited to new hires, layoffs or terminations) which occurred during the prior month and must pay all contributions owed for the prior month. In the event of a delinquency, a) the Employer shall be obligated to pay interest on the monies due to the Fund(s) from the date when payment was due to the date when the payment is made, together with all expenses of collection incurred by the Fund(s), including, but not limited to, attorneys' fees and costs and b) at the option of the Trustees or their delegated representative, the payment of contributions that accrue after the Employer has become delinquent shall be accelerated so that the contributions owed for each calendar week (Sunday through Saturday) shall be due on the following Monday. If the Employer fails to report changes in the covered workforce on time, the Employer must pay the contributions billed by the Health and Welfare Fund regardless of actual terminations, leaves of absence, layoffs or other changes in the workforce. The Trustees reserve the right to terminate the participation of any Employer that fails to timely pay required contributions.

10. The Employer shall provide the Trustees with access to its payroll records and other pertinent records when requested by the Fund(s). If litigation is required to either obtain access to the Employer's records or to collect additional billings that result from the review of the records, all costs incurred by the Fund(s) in conducting the review shall be paid by the Employer and the Employer shall pay any attorneys' fees and costs incurred by the Fund(s).

11. The Trustees shall not be required to submit any dispute concerning the Employer's obligation to pay contributions to any grievance/arbitration procedure set forth in any collective bargaining agreement.

12. The Employer acknowledges that it is aware of the Fund(s)' adverse selection rule (including Special Bulletin 90-7) and agrees that while this Agreement remains in effect, it will not enter into any agreement or engage in any practice that violates the adverse selection rule.

13. This Agreement shall in all respects be construed according to the laws of the United States. In all actions taken by the Trustees to enforce the terms of this Agreement, including actions to collect delinquent contributions or to conduct audits, the Illinois ten year written contract statute of limitations shall apply. The Employer agrees that the statute of limitations shall not begin to accrue with respect to any unpaid contributions until such time as the Fund(s) receive actual written notice of the existence of the Employer's liability.

14. This Agreement may not be modified or terminated without the written consent of the Fund(s). To the extent there exists any conflict between any provisions of this Participation Agreement and any provisions of the collective bargaining agreement, this Participation Agreement shall control.

IN WITNESS WHEREOF, said Employer and Union have caused this instrument to be executed by their duly authorized representatives, the day and year first above written.

Yellow
Employer Name

Sam Pilger /AC
Representative Signature

Sam Pilger, Vice President of Labor Relations
Printed Name and Title

3/11/21
Date

700 S. Waverly Rd.

Holland, MI 49423
Complete Address of Employer

616-395-5711
Telephone Number **Fax Number**

38-0655940
Federal Employer Identification Number

Local Union No. 823

Representative Signature

Shawn Lashmet President & Business Agent
Printed Name and Title

3-9-2021
Date

If the Employer is signatory to a National or Group Contract, indicate the name of such Contract:

Is the Employer an itinerant construction company working on a project or on a seasonal basis? Yes _____ No _____

EXHIBIT D

TEAMCARE®
A CENTRAL STATES HEALTH PLAN

PARTICIPATION AGREEMENT

CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS
PENSION FUND/HEALTH AND WELFARE FUND
9377 WEST HIGGINS ROAD
ROSEMONT, ILLINOIS 60018-4938
PHONE: (847) 518-9800

ACCOUNT NUMBER: 6792300-0906-00024-D

THIS AGREEMENT sets forth the terms under which the Employer will participate in the Central States, Southeast and Southwest Areas Pension Fund ("Pension Fund") and/or the Central States, Southeast and Southwest Areas Health and Welfare Fund ("Health and Welfare Fund") in accordance with its collective bargaining agreement with the Union covering the following job classification(s): Mechanics

and any other job classification covered by the collective bargaining agreement.

1. The Union and Employer agree to be bound by the Trust Agreement(s) of the Pension Fund and/or the Health and Welfare Fund and all amendments subsequently adopted as well as all rules and regulations presently in effect or subsequently adopted by the Trustees of the Fund(s) and accept the respective Employer and Employee Trustees and their successors.

2. The Employer shall contribute to the Pension Fund for each Covered Employee at the following rates:

Effective Date:		Rate:	
Effective Date:		Rate:	
Effective Date:		Rate:	
Effective Date:		Rate:	
Effective Date:		Rate:	

3. The Employer shall contribute to the Health and Welfare Fund for each Covered Employee at the following rates:

			Family			
Effective Date:	3/1/19	Rate:	$401.13			
Effective Date:	Any Sunday after	Rate:	Same rate as YRC Central Region			
Effective Date:	8/1/19	Rate:				
Effective Date:		Rate:				
Effective Date:		Rate:				

4. Contribution rate changes after the last Effective Date set forth in paragraphs 2 and 3 shall be determined by each new collective bargaining agreement and such rate changes shall be incorporated into this Agreement. The parties may execute an interim agreement establishing contribution rates during the periods when a new collective bargaining agreement is being negotiated. In the absence of an interim agreement, the contribution rate required to be paid after termination of a collective bargaining agreement and prior to either the execution of a new collective bargaining agreement or the termination of this Agreement, shall be the rates in effect on the last day of the terminated collective bargaining agreement. However, the Trustees reserve the right to reduce benefit levels if the contribution rate is or becomes less than the then published rate for the applicable benefit plan or class.

5. This Agreement and the obligation to pay contributions to the Fund(s) will continue after the termination of a collective bargaining agreement except no contributions shall be due during a strike unless the Union and the Employer mutually agree in writing otherwise. This Agreement and the Employer's obligation to pay contributions shall not terminate until a) the Trustees decide to terminate the participation of the Employer and provide written notice of their decision to the Employer specifying the date of termination of participation or b) the Employer is no longer obligated by a contract or statute to contribute to the Fund(s) and the Fund(s) have received a written notice directed to the Fund(s)' Contracts Department at the address specified above sent by certified mail with return receipt requested which describes the reason why the Employer is no longer obligated to contribute or c) the date the NLRB certifies the result of an election that terminates the Union's representative status or d) the date the Union's representative status terminates through a valid disclaimer of interest. In the event the Employer participates in both the Pension Fund and the Health and Welfare Fund and the termination referred to in a) or b) relates to only one Fund, then this Agreement

shall remain in effect with respect to the other Fund. In the event an NLRB election or disclaimer of interest referred to in c) or d) relates to only part of the bargaining unit, this Agreement shall remain in effect with respect to the remainder of the bargaining unit.

6. When a new collective bargaining agreement is signed or the Employer and the Union agree to change the collective bargaining agreement, the Employer shall promptly submit the entire agreement or modification to the Fund(s)' Contracts Department by certified mail (return receipt requested) at the address specified above. Any agreement or understanding which affects the Employer's contribution obligation which has not been submitted to the Fund(s) as required by this paragraph, shall not be binding on the Trustees and this Agreement and the written agreement(s) that has been submitted to the Fund(s) shall alone remain enforceable. The following agreements shall not be valid: a) an agreement that purports to retroactively eliminate or reduce the Employer's statutory or contractual duty to contribute to the Fund(s); b) an agreement that purports to prospectively reduce the contribution rate payable to the Pension Fund or c) an agreement that purports to prospectively eliminate the duty to contribute to the Pension Fund during the stated term of a collective bargaining agreement that has been accepted by the Pension Fund.

7. For purposes of this Agreement, the term "Covered Employee" shall mean any full-time or part-time employee covered by a collective bargaining agreement requiring contributions to the Fund(s) and includes casual employees (i.e. short term employees who work for uncertain or irregular duration) except a casual employee shall not be a Covered Employee with respect to the Health and Welfare Fund if the collective bargaining agreement explicitly excludes casual employees from participation in the Health and Welfare Fund. Covered Employee shall not include any person employed in a managerial or supervisory capacity or any person employed for the principal purpose of obtaining benefits from the Fund(s).

8. The Employer agrees to remit contributions on behalf of each Covered Employee for any period he/she receives, or is entitled to receive, compensation (regardless of whether the employment relationship is terminated), including show up time pay, overtime pay, holiday pay, disability or illness pay, layoff/severance pay, vacation pay or the payment of wages which are the result of any National Labor Relations Board proceeding, grievance/arbitration proceeding or other legal proceeding or settlement. If the collective bargaining agreement states that contributions shall not be due on newly hired Covered Employees for a specified waiting period, no contributions shall be due until the Covered Employee completes the specified waiting period. If required by the applicable collective bargaining agreement, contributions shall also be made to the Fund(s) on behalf of any Covered Employee who is not working due to illness or injury even if the Covered Employee is not entitled to compensation. The Employer shall pay any contributions that would have otherwise been paid on any Covered Employee who is a re-employed service member or former service member but for his or her absence during a period of uniformed service as defined at 32 C.F.R. §104.3.

9. On or before the 15th day of each month, the Employer must report to the Fund(s) any change in the Covered Employee workforce (including, but not limited to new hires, layoffs or terminations) which occurred during the prior month and must pay all contributions owed for the prior month. In the event of a delinquency, a) the Employer shall be obligated to pay interest on the monies due to the Fund(s) from the date when payment was due to the date when the payment is made, together with all expenses of collection incurred by the Fund(s), including, but not limited to, attorneys' fees and costs and b) at the option of the Trustees or their delegated representative, the payment of contributions that accrue after the Employer has become delinquent shall be accelerated so that the contributions owed for each calendar week (Sunday through Saturday) shall be due on the following Monday. If the Employer fails to report changes in the covered workforce on time, the Employer must pay the contributions billed by the Health and Welfare Fund regardless of actual terminations, leaves of absence, layoffs or other changes in the workforce. The Trustees reserve the right to terminate the participation of any Employer that fails to timely pay required contributions.

10. The Employer shall provide the Trustees with access to its payroll records and other pertinent records when requested by the Fund(s). If litigation is required to either obtain access to the Employer's records or to collect additional billings that result from the review of the records, all costs incurred by the Fund(s) in conducting the review shall be paid by the Employer and the Employer shall pay any attorneys' fees and costs incurred by the Fund(s).

11. The Trustees shall not be required to submit any dispute concerning the Employer's obligation to pay contributions to any grievance/arbitration procedure set forth in any collective bargaining agreement.

12. The Employer acknowledges that it is aware of the Fund(s)' adverse selection rule (including Special Bulletin 90-7) and agrees that while this Agreement remains in effect, it will not enter into any agreement or engage in any practice that violates the adverse selection rule.

13. This Agreement shall in all respects be construed according to the laws of the United States. In all actions taken by the Trustees to enforce the terms of this Agreement, including actions to collect delinquent contributions or to conduct audits, the Illinois ten year written contract statute of limitations shall apply. The Employer agrees that the statute of limitations shall not begin to accrue with respect to any unpaid contributions until such time as the Fund(s) receive actual written notice of the existence of the Employer's liability.

14. This Agreement may not be modified or terminated without the written consent of the Fund(s). To the extent there exists any conflict between any provisions of this Participation Agreement and any provisions of the collective bargaining agreement, this Participation Agreement shall control.

IN WITNESS WHEREOF, said Employer and Union have caused this instrument to be executed by their duly authorized representatives, the day and year first above written.

YRC, INC
Employer Name

[signature]
Representative Signature

NICK TIMPE MANAGER OF LABOR AND EMPLOYEE RELATIONS
Printed Name and Title

MARCH 11, 2019
Date

Local Union No. 24

Travis W. Bornstein /acd
Representative Signature

Travis W. Bornstein, President
Printed Name and Title

3/8/19
Date

Complete Address of Employer

614-783-8918
Telephone Number

913-234-9193
Fax Number

Federal Employer Identification Number

If the Employer is signatory to a National or Group Contract, indicate the name of such Contract:
NMFA

Is the Employer an itinerant construction company working on a project or on a seasonal basis? Yes ______ No ✓

RECEIVED
MAR 12 2019
CONTRACT DEPARTMENT

EXHIBIT E

CENTRAL STATES FUNDS

July 18, 2023

Via email: dan.olivier@myYellow.com
and First-Class Mail

Mr. Daniel Olivier
Chief Financial Officer
Yellow Corporation
501 Commerce Street, Suite 1120
Nashville, TN 37203

RE: YRC INC. & USF HOLLAND LLC ("YRC") CONTRIBUTION DELINQUENCY

Dear Mr. Olivier:

This is to inform you that the Board of Trustees convened a special meeting on July 17, 2023, to review and discuss your July 17, 2023 letter.

The Trustees reaffirmed their June 19, 2023 decision to deny YRC's request for contribution deferrals to the Central States Health and Welfare and Pension Funds.

Due the company's failure to pay the contributions owed for June 2023 and the company's decision to withhold payments that will be owed for July 2023, the Board of Trustees have taken the following action:

- **YRC's participation in Central States Pension Fund will be terminated effective July 23, 2023.**

- **Health coverage under TeamCare will be suspended and healthcare claims incurred on or after July 23, 2023, will not be paid.**

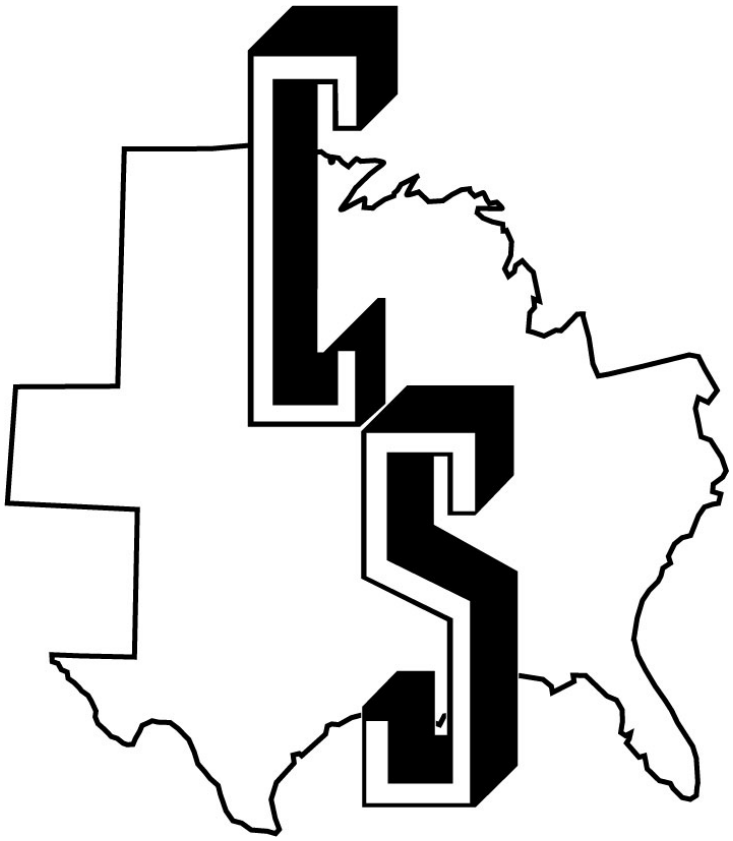
If YRC fully pays the required contributions in the future, pension benefits and health coverage will be reinstated retroactive to July 23, 2023.

Sincerely,

Thomas C. Nyhan
Executive Director

EXHIBIT F

Central States, Southeast and Southwest Areas Pension Plan



RESTATED PLAN EFFECTIVE JANUARY 1, 1985
AS AMENDED THROUGH APRIL 3, 2023

CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS PENSION FUND, a jointly administered, defined benefit employee benefit plan

ADDRESS OF ADMINISTRATIVE OFFICE
8647 West Higgins Road
Chicago, Illinois 60631

TELEPHONE NUMBER
(847) 518-9800
1-800-323-5000 (Toll-Free)

EMPLOYER IDENTIFICATION NUMBER
36-6044243

PLAN NUMBER
001

BOARD OF TRUSTEES

UNION	EMPLOYER
Charles A. Whobrey	**Gary F. Caldwell**
Gary Dunham	**Robert Whitaker**
Trevor Lawrence	**Mark Angerame**
	Richard K. Ellis

EXECUTIVE DIRECTOR
(also Agent for Service of Legal Process)
Thomas C. Nyhan

TABLE OF CONTENTS

PAGE

TABLE OF CONTENTS

PAGE

TABLE OF CONTENTS

PAGE

TABLE OF CONTENTS

PAGE

ARTICLE I DEFINITIONS

Section 1.01 ACCRUED BENEFIT

(a) The Accrued Benefit of a Participant who is eligible for a Vested Pension (as defined in Section 4.07) is the greater of either the maximum Twenty-Year Service Pension or 30-and-Out Pension payable from his Benefit Class multiplied by the sum of the following:

(1) 1½% of the Contributory Service Credit earned by the Participant before January 1, 1976,

(2) 3% of the Contributory Service Credit earned by the Participant on and after January 1, 1976,

(3) the product of (1) and (2), above.

(b) The Accrued Benefit of a Participant who is eligible for a Contribution-Based Pension (as defined in Section 4.03) is:

(1) The greater of either the Twenty-Year Service Pension or 30-And-Out Pension payable from his Benefit Class, as of December 31, 1985, multiplied by the sum of the following:

(A) 1½% of the Contributory Service Credit he earned before January 1, 1976,

(B) 3% of the Contributory Service Credit he earned from January 1, 1976 through December 31, 1985,

(C) the product of (A) and (B), above, plus

(2) For each calendar year from 1986 through 2003, inclusive, the greater of:

(A) 2% of all Contributions made on his behalf during the calendar year or, if he is at Benefit Class 15(C) or 16,

(B) the minimum benefit below, corresponding to his Benefit Class as of the date of the last Contribution made on his behalf during the calendar year, multiplied by the Contributory Service Credit he earned during the calendar year:

Benefit Class		Minimum Benefit
15		
	(C)	$66
16		
	(A)	77
	(B)	81
	(C)	83, plus

(3) For calendar year 2004 and for each subsequent calendar year, 1% of all Contributions made on his behalf during the calendar year.

(c) The Accrued Benefit calculated in (a) or (b)(1), above, shall not exceed the 30-And-Out Pension amount for the Benefit Class of the Participant.

(d) The Accrued Benefit calculated in (a) or (b), above, shall never be less than the Accrued Benefit determined at the end of any preceding calendar year.

(e) All Non-Contributory Service Credit and any calendar year for which no Contributory Service Credit is earned shall be excluded in determining a Participant's Accrued Benefit in (a) and (b)(1), above.

Section 1.02 ACTIVE PARTICIPANT

(a) A Participant becomes an Active Participant if:

(1) he has a Year of Participation; or

(2) he has not had a One-Year Break-in-Service during any calendar year since he last became an Active Participant.

(b) A Disabled Participant becomes an Active Participant during the calendar year in which he recovers from his disability.

(c) A Participant becomes an Active Participant immediately upon having a Year of Participation.

Section 1.03 BARGAINING UNIT means, all Employees who are covered by and whose terms and conditions of employment are specified in a particular Collective Bargaining Agreement.

Section 1.04 BOARD OF TRUSTEES means, the Union Trustees and the Employer Trustees collectively as appointed according to the Trust Agreement to administer the Pension Fund and the Pension Plan.

Section 1.05 BREAK-IN-SERVICE

(a) A Break-in-Service is sustained when consecutive One-Year Breaks-in-Service accumulate as follows:

(1) If the Participant stopped working in Covered Service between February 1, 1955 and March 31, 1969, inclusive, he shall sustain a Break-in-Service if he has at least 5 consecutive One-Year Breaks-in-Service.

(2) If the Participant stopped working in Covered Service between April 1, 1969 and December 31, 1975, inclusive, he shall sustain a Break-in-Service if he has at least 3 consecutive One-Year Breaks-in-Service.

(3) If the Participant stopped working in Covered Service after December 31, 1975, he shall sustain a Break-in-Service if he has the greater of:

(A) 5 consecutive One-Year Breaks-in-Service; or

(B) a number of consecutive One-Year Breaks in Service equaling or exceeding the number of years of Vesting Service he earned prior to the first of his consecutive One-Year Breaks-in-Service.

(b) A Vested Participant cannot sustain a Break-in-Service.

(c) An individual who sustains a Break-in-Service is no longer a Participant, and he shall lose all right and claim to any benefit from the Pension Plan, except that he shall never lose any Self-Contributions he may have made to the Pension Fund.

Section 1.06 **COLLECTIVE BARGAINING AGREEMENT** means, a written agreement between a Union and a Contributing Employer requiring Employer Contributions to the Pension Fund on behalf of all Employees whose classification of work is covered by the Collective Bargaining Agreement. A Collective Bargaining Agreement also means a written agreement between the Board of Trustees and a Contributing Employer requiring Employer Contributions on behalf of all Employees whose classification of work is covered by the agreement.

Section 1.07 **CONTRIBUTING EMPLOYER** means, any association or individual employer which has agreed or shall agree, in writing, to be bound by the Trust Agreement and to make Employer Contributions to the Pension Fund according to a Collective Bargaining Agreement, and which has been accepted by the Board of Trustees as a Contributing Employer. Contributing Employer also means a Union with regard to its Employees, the Pension Fund with regard to its Employees, and Central States, Southeast and Southwest Areas Health and Welfare Fund with regard to its Employees. A Contributing Employer, upon acceptance, must continue to meet the conditions stated above as well as any additional conditions established by the Board of Trustees for Contributing Employers.

Section 1.08 **CONTRIBUTIONS** means, either or both of the following:

(a) Employer Contributions are Contributions which a Contributing Employer is required to make to the Pension Fund pursuant to a Collective Bargaining Agreement or applicable law, provided that the Contributing Employer shall be required to make such Employer Contributions to the Pension Fund at Contribution rates at least equal to minimum Employer Contribution requirements adopted by the Board of Trustees and applicable to the Collective Bargaining Agreement, including the requirements stated in Appendix K-1 and Appendix K-2 of this Pension Plan. Any Contributing Employer which, based upon the Uniformed Services Employment and Reemployment Rights Act of 1994, is required to make Employer Contributions to the Pension Fund, shall make those Employer Contributions at the rates and in the amounts of Employer Contributions which that Contributing Employer would have been obligated to pay to the Pension Fund, relative to the Participant, if his employment by that Contributing Employer had continued throughout (and had not been interrupted by) such service in the Uniformed Services (plus interest, to the extent such Employer Contributions are not paid at the time of such absence from employment as a result of service in the Uniformed Services, in accordance with the Trust Agreement of the Pension Fund).

(b) **Self-Contributions cannot be made and are not acceptable for any period after December 31, 2003, unless the period of the layoff, sick leave, other leave of absence or approved strike, on which the Self-Contributions are based, commenced before and was continuing on January 1, 2004. All references to Self-Contributions in this Section 1.08 and elsewhere in this Pension Plan are subordinate to the limitations of the preceding sentence.** Self-Contributions are voluntary Contributions made to the Pension Fund by an Employee for a period of employment for which his Contributing Employer is not required by his Collective Bargaining Agreement, to make Employer Contributions on his behalf. Self-Contributions are subject to each of the following:

(1) An Employee shall **not**, except as provided by a Collective Bargaining Agreement, be permitted to make Self-Contributions for any period of compensated

employment with the same Contributing Employer if the period of compensated employment is not covered by a Collective Bargaining Agreement.

(2) An Employee must make a sufficient number of Self-Contributions which alone, or when combined with Employer Contributions, earn him Contributory Service Credit for the calendar year in which his Self-Contributions are to be applied.

(3) An Employee must make Self-Contributions at the same rates as required by his Collective Bargaining Agreement and any renewal thereof.

(4) An Employee shall be permitted to make Self-Contributions, in accordance with the following, for a period when he is on the seniority list of a Contributing Employer in a sick-leave (illness or injury) or layoff status for no more than a 60-month layoff period or is on approved strike:

(A) **Pre-January 1, 1994 Self-Contributions:** Self-Contributions for a period preceding January 1, 1994 may be made at any time. If Self-Contributions for a pre-January 1, 1994 period are submitted within 24 months of the earliest date to which they apply, there shall not be any interest charged on such Self-Contributions. If such Self-Contributions are not submitted within this 24 month period, however, interest shall accrue and be charged from the earliest date to which such Self-Contributions apply to the date they are made. The interest charged shall be determined by the same rate (or rates) paid by Contributing Employers for delinquent Employer Contributions owed during the period for which such Self-Contributions are being made.

(B) **January 1, 1994 and after Self-Contributions:** Self-Contributions for a period on or after January 1, 1994 must be submitted no later than December 31 of the year immediately following the calendar year to which they are to be applied. There shall not be any interest charged on Self-Contributions made for a period beginning on or after January 1, 1994.

(5) An Employee shall also be permitted to make Self-Contributions for a period when he is on the seniority list of a Contributing Employer in an authorized leave of absence status. Self-Contributions for a leave of absence must be submitted at the time of the leave or as provided in the Collective Bargaining Agreement covering an Employee. An Employee whose Collective Bargaining Agreement does not require him to make Self-Contributions during a leave of absence, shall be permitted to make Self-Contributions in accordance with (4)(A) or (B) (whichever is applicable to the time period of his Self-Contributions) of this Section.

(6) An Employee making Self-Contributions must comply with procedures established by the Board of Trustees, including the use of forms which his Contributing Employer is required to complete to confirm that he is in an employee status and remains on the seniority list.

(7) An Employee may not make Self-Contributions which exceed 10% of all compensation he receives from Contributing Employers during his working career. In determining the 10% Self-Contribution limitation, any interest required by subsection (b)(4)(A) of this Section, shall be excluded.

(8) An Employee whose layoff status commences on or after January 1, 2000, and is the result of a cessation of business by a Contributing Employer shall be permitted to make Self-Contributions for a maximum of 2 years after the initial business cessation date.

(c) Employer Contributions shall be irrevocable, shall be held and invested according to the provisions of the Trust Agreement, and shall be used for providing benefits and paying the expenses of the Pension Fund. Employer Contributions made in error shall be subject to the refund policies adopted by the Board of Trustees.

(d) Self-Contributions shall be non-forfeitable. If an Employee who has made Self-Contributions does not become eligible for benefits from the Pension Fund, the Self-Contributions that he made shall be returned to him with interest at the rate of 5.5% compounded annually.

(e) If an Employee who has made Self-Contributions would qualify for a Contributory Credit Pension under Benefit Class 17a or 17b or higher or for a 25-And-Out Pension under Benefit Class 17a or higher or for a 30-And-Out Pension under Benefit Class 17b or higher, except for the exclusion of his Self-Contributions as required by the Pension Plan, including Section 1.09(b), and if the Employee requests a return of his Self-Contributions, the Self-Contributions that he made shall be returned to him with interest at the rate of 5.5% compounded annually.

(f) There shall be a separate accounting maintained of the portion of the Accrued Benefit of each Participant derived from Self-Contributions.

Section 1.09 CONTRIBUTORY SERVICE

(a) A Participant shall earn Contributory Service for any employment with a Contributing Employer required to make Employer Contributions on his behalf according to a Collective Bargaining Agreement.

(b) A Participant shall earn Contributory Service for any period **commencing before January 1, 2004,** for which he makes Self-Contributions, except that**,** any Contributory Service earned from Self-Contributions shall not be counted in determining his eligibility for benefits under:

(1) **Benefit Class 16,** if such Self-Contributions were made to meet any part of the 5-day or one-week Contribution requirement for benefits under this Benefit Class; or

(2) **Benefit Class 17a,** if such Self-Contributions were made (A) for a period or periods preceding January 1, 1994, other than a Temporary Medical Absence Period or (B) to meet any part of the 100-day or 20-week Contribution requirement for benefits under this Benefit Class; or

(3) **Benefit Class 17b,** if such Self-Contributions were made (A) for a period or periods preceding January 1, 1994, other than a Temporary Medical Absence Period or (B) to meet any part of the 10-day or 2-week or 100-day or 20-week Contribution requirements for benefits under this Benefit Class; or

(4) **Benefit Class 18,** if such Self-Contributions were made (A) for a period or periods preceding January 1, 1994, other than a Temporary Medical Absence Period, or (B) to meet any part of the 10-day or 2-week or 100-day or 20-week Contribution requirements for benefits under this Benefit Class.

(5) **Benefit Class 18+,** if such Self-Contributions were made (A) for a period or periods preceding January 1, 1994, other than a Temporary Medical Absence Period, or (B) to meet any part of the 10-day or 2-week or 100-day or 20- week Contribution requirements for benefits under this Benefit Class.

As used in this Section 1.09(b) and in Sections 4.04(a), 4.05(a) and 4.06(b), a Temporary Medical Absence Period means and includes any period when the Participant, while continuing to be in employee status on the seniority list of a Contributing Employer, is temporarily absent from active employment by his Contributing Employer as a direct result of sickness or injury, provided that the aggregate maximum period of such absences for which such past Self-Contributions may be counted and included in determining Benefit Class 17a and 17b and 18 eligibility is 30 days of daily Self-Contributions or 6 weeks of weekly Self-Contributions, and provided further that, for Participants receiving continuing Workers' Compensation benefit payments during such absences, the aggregate maximum is one year of daily or weekly Self-Contributions.

(c) A Participant may earn Contributory Service for his periods of service in the Uniformed Services if and to the extent:

(1) his service in the Uniformed Services begins during, and causes him to be absent from, employment by an employer that was, either at such beginning of service or before such service is concluded, a Contributing Employer;

(2) he would have earned Contributory Service based upon Employer Contributions if his employment by that employer had not been interrupted by such service in the Uniformed Services;

(3) he submits an application for reemployment to the **same** Contributing Employer within the following time limitations (except as those limitations are required by law to be extended):

(A) If his reemployment is initiated before December 11, 1994, his application for reemployment must be submitted to the Contributing Employer within 90 days after his discharge from the Uniformed Services; and

(B) If his reemployment is initiated on or after December 11, 1994, his application for reemployment must be submitted to the Contributing Employer;

(i) within 90 days after completion of a period of service in the Uniformed Services that was more than 180 days;

(ii) within 30 days after completion of a period of service in the Uniformed Services that was more than 30 days and less than 181 days; and

(iii) within one day after completion of a period of service in the Uniformed Services that was less than 31 days; and

(4) All such periods of service in the Uniformed Services do not, in the aggregate, exceed 5 years (except as that 5-year maximum is required by law to be enlarged).

For purposes of this Section 1.09(c) and Sections 1.08(a), 1.10(b) and 1.36, the term 'Uniformed Services' is as defined in the Uniformed Services Employment and Reemployment Rights Act of 1994 (as may be hereafter amended) ('USERRA'). For purposes of this Section 1.09(c) and Sections 1.08(a), 1.10(b) and 1.36, 'service in the Uniformed Services' includes the performance of duty by a Participant on a voluntary or involuntary basis in a Uniformed Service under competent authority and also includes any period during which a Participant is absent from employment for the purpose of an examination to determine the Participant's fitness to perform any such duty. As a prerequisite to earning Contributory Service based upon this Section 1.09(c), the Participant shall provide

any notice and any documentation that is required by USERRA or other applicable law.

(d) A Participant may earn Contributory Service if his Bargaining Unit was accepted in this Pension Fund according to the Alternative Policy in Appendix G of this Pension Plan.

(e) A Participant may lose the Contributory Service he earned if he sustains a Break-in-Service.

(f) If a Collective Bargaining Agreement covering an Employee requires his Contributing Employer to make weekly Contributions, then he shall earn one week of Contributory Service for each week that he performs one Hour of Service and a weekly Contribution is required on his behalf.

(g) If a Collective Bargaining Agreement covering an Employee requires his Contributing Employer to make daily Contributions, then he shall earn one day of Contributory Service for each day that he performs one Hour of Service and a daily Contribution is required on his behalf.

Section 1.10 CONTRIBUTORY SERVICE CREDIT

(a) Contributory Service Credit is based on Contributory Service, and is determined as follows:

(1) For calendar years beginning before January 1, 1976:

(A) no Contributory Service Credit is earned for any calendar year with less than 20 weeks of Contributory Service; and

(B) ½ year of Contributory Service Credit is earned for any calendar year with at least 20 weeks but less than 35 weeks of Contributory Service; and

(C) one year of Contributory Service Credit is earned for any calendar year with at least 35 weeks of Contributory Service.

(2) For calendar years beginning on and after January 1, 1976:

(A) Contributory Service Credit is earned only for a calendar year in which a Participant has a Year of Participation;

(B) Contributory Service Credit equals the sum of the following:

(i) the number of weeks of Contributory Service earned by a Participant in a calendar year in which he has at least a Year of Participation divided by 40; and

(ii) the number of days of Contributory Service earned by a Participant in a calendar year in which he has at least a Year of Participation divided by 180.

(b) A Participant shall earn Contributory Service Credit for Contributory Service to which he is entitled, based upon Section 1.09(c), for his periods of service in the Uniformed Services, according to the following:

(1) For calendar years beginning before January 1, 1976:

(A) no Contributory Service Credit is earned for any calendar year with less than 20 weeks of Contributory Service; and

(B) ½ year of Contributory Service Credit is earned for any calendar year with at least 20 weeks but less than 35 weeks of Contributory Service; and

(C) one year of Contributory Service Credit is earned for any calendar year with at least 35 weeks of Contributory Service.

(2) For calendar years beginning on and after January 1, 1976:

(A) Contributory Service Credit is earned only for a calendar year in which the Participant had at least 20 weeks of Contributory Service;

(B) Contributory Service Credit equals the number of weeks of Contributory Service earned by the Participant in a calendar year in which he had at least 20 weeks of Contributory Service divided by 40.

(c) A Participant shall be eligible to earn Contributory Service Credit in this Pension Plan for all of the contributory service credit he had earned while covered under a prior pension plan of an Employer which became required to make contributions to this Pension Fund on his behalf if:

(1) his Bargaining Unit was accepted in this Pension Fund according to the Alternative Policy in Appendix G of this Pension Plan; and

(2) he was a vested participant under that prior pension plan.

(d) A Participant shall not earn more than one year of Contributory Service Credit during a calendar year.

Section 1.11 **COVERED SERVICE** means the combined Non-Contributory Service and Contributory Service of a Participant, subject to the following restrictions:

(a) Covered Service shall not include any period of self-employment, or employment as an employer, or as a member of a partnership or in a managerial or supervisory capacity.

(b) Covered Service, except as provided by Appendix D and Appendix G of this Pension Plan, shall not include any period of employment covered by another pension plan established and maintained according to a Teamster Contract.

Section 1.12 **DEFERRED RETIREMENT DATE** is the first day of any month selected by a Participant to be the month in which the Deferred Pension or Twenty-Year Deferred Pension he is eligible to receive becomes payable. A Participant's Deferred Retirement Date must be in a month later than the month in which his Retirement Date occurs. In no event, however, shall any benefit payable to a Participant begin any later than the date required by Section 4.15.

Section 1.13 **DISABLED PARTICIPANT**

(a) A Participant is a Disabled Participant if he becomes disabled and is receiving payment of a disability benefit from this Pension Plan.

(b) A Participant is no longer a Disabled Participant if he reaches his Normal Retirement Date and becomes a Pensioner, or if he recovers from his disability or becomes an Active Participant.

Section 1.14 EMPLOYEE

(a) An Employee means an individual who is:

(1) employed by a Contributing Employer under the terms and conditions of a Collective Bargaining Agreement which requires that Employer Contributions be made to the Pension Fund, except that, any individual who is self-employed or a member of a partnership or employed in a managerial or supervisory capacity shall not be an Employee for purposes of this Pension Plan; or

(2) employed by a Union which has been accepted by the Board of Trustees as a Contributing Employer of its full-time and regular part-time employees, and on whom the Union is required to make Employer Contributions to the Pension Fund under the same conditions as any other Contributing Employer; or

(3) employed by the Pension Fund or by Central States, Southeast and Southwest Areas Health and Welfare Fund, and on whom the Board of Trustees is required to make Employer Contributions to the Pension Fund under the same conditions as any other Contributing Employer; or

(4) employed by a Contributing Employer and a member of the Board of Trustees, and on whom Employer Contributions are required to be made to the Pension Fund under the same conditions as any other Contributing Employer.

(b) The common law test or the applicable statutory definition of master-servant relationship shall be used to decide any dispute regarding employee status under (a)(1) of this Section.

(c) Continuation of employee status shall be subject to those rules and regulations the Board of Trustees may adopt according to law.

Section 1.15 EMPLOYEE GROUP means, all Employees who are employed by a Contributing Employer in a classification of work covered by a Collective Bargaining Agreement.

Section 1.16 GENDER

Whenever used in the Pension Plan, the words “he,” “she,” “his” and “her,” are interchangeable.

Section 1.17 HOUR OF SERVICE

An Employee shall earn an Hour of Service for any of the following:

(a) each hour for which he is paid, or entitled to payment for employment performed for a Contributing Employer.

(b) each hour for which he is paid, or entitled to payment, by a Contributing Employer for a period of time during which no employment is performed (regardless of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty, or leave of absence.

(c) each hour for which he is paid, or entitled to payment of back pay (regardless of mitigation of damages) awarded or agreed to by a Contributing Employer.

Section 1.18 INACTIVE PARTICIPANT

A Participant who has not become a Pensioner or a Disabled Participant becomes an Inactive Participant at the end of any calendar year during which he no longer meets the definition of an Active Participant.

Section 1.19 LOSS OF NON-CONTRIBUTORY SERVICE

(a) Any Participant employed in an Employee Group involved in a Voluntary Withdrawal (as defined in Section 1.38(b)) from the Pension Fund shall lose all right and claim to his Non-Contributory Service Credit unless:

(1) If the Voluntary Withdrawal occurred before January 1, 1986, he permanently ceases to be employed in that Employee Group, as a result of a quit, discharge or retirement, before a calendar year in which less than 10 weeks of Contributions are made on his behalf;

(2) If the Voluntary Withdrawal occurred on or after January 1, 1986 but before April 1, 1991, he permanently ceases to be employed in that Employee Group, as a result of a quit, discharge or retirement, before the 31st day following the date of the Voluntary Withdrawal;

(3) If the Voluntary Withdrawal occurred on or after April 1, 1991:

(A) he permanently ceases to be employed in that Employee Group, as a result of a quit, discharge or retirement, before the last day of the 6th calendar month following the date of the Voluntary Withdrawal; or

(B) he and the other members of that Employee Group again become covered by a Collective Bargaining Agreement before the last day of the 18th calendar month following the date of the Voluntary Withdrawal.

(b) Any Participant who sustains a loss of his right and claim to Non-Contributory Service Credit according to (a), above, shall retain only the benefit he may be eligible to receive from his Contributory Service Credit, if any.

Section 1.20 MINIMUM CONTRIBUTION REQUIREMENT

(a) The Minimum Contribution Requirement used to determine the eligibility of a Participant for a Twenty-Year Service Pension or Early Retirement Pension shall be as follows:

(1) at least 80 weeks of Contributions for an Employee who last became a Participant before July 1, 1967;

(2) at least 120 weeks of Contributions for an Employee who last became a Participant between July 1, 1967 and March 31, 1969, inclusive;

(3) at least 450 weeks of Contributions for an Employee who last became a Participant between April 1, 1969 and December 31, 1975, inclusive;

(4) a number of years of Contributory Service Credit at least equal to the number of years of Non-Contributory Service an Employee is eligible to earn if he last became a Participant on or after January 1, 1976.

(b) For purposes of (a)(1), (a)(2) and (a)(3) above, 5 days of Contributions required to be made on behalf of a Participant shall be considered equivalent to one week of Contributions.

(c) The Minimum Contribution Requirement used to determine the eligibility of a Participant for a Monthly Disability Benefit or a Lump Sum Disability Benefit or the eligibility of a Participant's survivor for a Lump Sum Death Benefit shall be as follows:

(1) at least 35 weeks of Contributions during each of 5 calendar years; or

(2) at least 225 weeks of Contributions in total.

(d) For purposes of (c)(1) and (c)(2) above, 5 days of Contributions required to be made on behalf of a Participant shall be equivalent to one week of Contributions.

Section 1.21 NON-CONTRIBUTORY SERVICE

(a) If an Employee first becomes a Participant before April 1, 1985, he shall be eligible to earn Non-Contributory Service for any of the following types of employment he performed prior to the date he first became a Participant:

(1) employment under a Teamster Contract; or

(2) continuous past employment with a Contributing Employer in work classifications which become covered by a Collective Bargaining Agreement, if the Employee is a member of the Bargaining Unit on the date the Contributing Employer becomes required to make Employer Contributions for the first time; or

(3) employment requiring the usual Teamster skills in traditional Teamster industries at the time of the employment; or

(4) employment in a work classification and in an industry which, at the time of the employment, were normally covered by Teamster Contracts in that local metropolitan area; or

(5) employment by a Union; or

(6) service in the armed forces of the United States under Selective Service or during a war or international police action if he entered the armed forces directly from any Non-Contributory Service, defined above, and he returned directly from the armed forces to Contributory Service or Non-Contributory Service.

(b) In addition to the types of employment described in (a) above, an Employee who first became a Participant before May 1, 1971 shall be eligible to earn Non-Contributory Service for any employment in the same classification of work which was covered by a Teamster Contract and for which Contributions were later made on his behalf.

(c) An Employee who first becomes a Participant before April 1, 1985 shall be eligible to earn Non-Contributory Service for his continuous past employment with a Contributing Employer in a work classification which becomes covered by a Collective Bargaining Agreement if he is a member of the Bargaining Unit on the date the Contributing Employer is required to make Employer Contributions for the first time.

(d) After the date an Employee first becomes a participant, he shall be eligible to earn Non-Contributory Service for service in the armed forces of the United States under Selective Service or during a war or international police action if he entered the armed forces

directly from Contributory Service and he returned directly from the armed forces to either Contributory Service or Non-Contributory Service.

(e) An Employee who first becomes a Participant on or after April 1, 1985, shall be eligible to earn Non-Contributory Service **only** for his continuous past employment with the Contributing Employer that began making Employer Contributions on his behalf only if his Bargaining Unit was accepted in this Pension Fund according to the Acceptance Policies in Appendix G of this Pension Plan.

Section 1.22 NON-CONTRIBUTORY SERVICE CREDIT

(a) For each year of his Contributory Service Credit, a Participant who first became a Participant prior to April 1, 1985 may earn up to one year of Non-Contributory Service Credit for his Non-Contributory Service as follows:

(1) For Non-Contributory Service earned while serving in the armed forces of the United States:

(A) no Non-Contributory Service Credit is earned for any calendar year with less than 18 weeks of Non-Contributory Service; and

(B) ½ year of Non-Contributory Service Credit is earned for any calendar year with at least 18 weeks but less than 25 weeks of Non-Contributory Service; and

(C) one year of Non-Contributory Service Credit is earned for any calendar year with at least 25 weeks of Non-Contributory Service.

(2) For all other Non-Contributory Service:

(A) no Non-Contributory Service Credit is earned for any calendar year with less than 500 hours of Non-Contributory Service; and

(B) ½ year of Non-Contributory Service Credit is earned for any calendar year with at least 500 but less than 1,000 hours of Non-Contributory Service; and

(C) one year of Non-Contributory Service Credit is earned for any calendar year with at least 1,000 hours of Non-Contributory Service.

(b) A Participant who first became a Participant prior to January 1, 1976, may earn Non-Contributory Service Credit according to (a)(1) and (a)(2), above, for all of his Non-Contributory Service.

(c) An Employee who becomes a Participant on or after April 1, 1985, and whose Bargaining Unit was accepted in this Pension Fund according to the Acceptance Policies in Appendix G of this Pension Plan, shall be eligible to earn Non-Contributory Service Credit as follows:

(1) no Non-Contributory Service Credit is earned for any calendar year with less than 500 hours of Non-Contributory Service; and

(2) ½ year of Non-Contributory Service Credit is earned for any calendar year with at least 500 but less than 1,000 hours of Non-Contributory Service; and

(3) one year of Non-Contributory Service Credit is earned for any calendar year with at least 1,000 hours of Non-Contributory Service.

(d) A Participant shall not earn more than one year of Non-Contributory Service Credit during a calendar year.

(e) During the calendar year an Employee who is eligible to earn Non-Contributory Service Credit becomes a Participant, he may earn ½ year of Non-Contributory Service Credit for 500 hours of Non-Contributory Service, or one year of Non-Contributory Credit for 1,000 hours of Non-Contributory Service. The combined Non-Contributory Service Credit and Contributory Service Credit earned during the calendar year an Employee becomes a Participant shall not exceed one year of Service Credit.

(f) Regardless of any other rules or provisions in this Pension Plan, any Employee who first becomes a Participant in this Pension Plan on or after April 1, 1985 shall not be eligible to earn Non-Contributory Service Credit, except for his military service, and, except as provided for in Appendix G of this Pension Plan.

Section 1.23 ONE-YEAR BREAK-IN-SERVICE

(a) Before January 1, 1976, a One-Year Break-in-Service is a calendar year with less than 10 weeks of Covered Service.

(b) On and after January 1, 1976, a One-Year Break-in-Service is a calendar year during which the sum of (1), (2), (3) and (4) is less than one.

(1) The number of weeks of Vesting Service due to employment under a Collective Bargaining Agreement requiring weekly Contributions divided by 10; and

(2) The number of days of Vesting Service due to employment under a Collective Bargaining Agreement requiring daily Contributions limited to a 5 day per week maximum divided by 37; and

(3) The number of days of Vesting Service due to employment under a Collective Bargaining Agreement requiring daily Contributions **not** limited to a 5 day per week maximum divided by 45; and

(4) The number of hours of Vesting Service due to Continuous Compensated Employment (as defined in Section 1.36(f)) for which no Contributions are required divided by 450.

(c) Before January 1, 1976 and only for the purpose of determining whether a One-Year Break-in-Service has been sustained, a Participant shall be treated as having been in Covered Service for any period during which he was unable to work because of illness, injury, disability or because he honored an approved strike. On and after January 1, 1976 and only for the purpose of determining whether a One-Year Break-in-Service has been sustained, a Participant shall be treated as having earned Vesting Service for any period during which he was unable to work because of illness, injury, disability or because he honored an approved strike.

(d) A Participant who stops working in Covered Service on or after January 1, 1985 because of a pregnancy, the birth of a child, the adoption of a child, or to care for a child recently born or adopted, shall receive Vesting Service sufficient to avoid having a One-Year Break-in-Service in either:

(1) the calendar year in which his leave begins, if the Vesting Service is required to avoid having a One-Year Break-in-Service during that calendar year; or, if not,

(2) the calendar year immediately following the calendar year in which his leave begins.

(e) A Participant shall not be eligible to earn any Vesting Service during a calendar year if any duplication of Vesting Service results from the application of (b), (c) and (d) above, or any combination thereof.

Section 1.24 PARTICIPANT

(a) A Participant of any earlier version of the Pension Plan becomes a Participant of this Pension Plan if:

(1) he has not had a One-Year Break-in-Service during 1984; or

(2) he has had a Year of Participation ending after December 31, 1984; or

(3) he is receiving, or is eligible to receive, a Twenty-Year Service Pension Benefit, an Early Retirement Pension Benefit, a Vested Pension Benefit or a Disability Pension Benefit from the Pension Plan in effect on December 31, 1984.

(b) An Employee shall become a Participant as of the date the first Contribution is made on his behalf during a Year of Participation which ends after December 31, 1984.

(c) A Participant of the Pension Plan in effect on December 31, 1984 who does not meet any of the conditions stated in (a) and (b), above, shall continue to be governed by the provisions of the Pension Plan in effect on December 31, 1984.

(d) A Participant shall no longer be a Participant on the date of his death, or on the date he receives all benefits due him, or on the date he sustains a Break-in-Service.

(e) Neither membership nor lack of membership in any labor organization shall be a basis for becoming a Participant in, or determining eligibility to receive benefits from the Pension Fund.

Section 1.25 PENSIONER

A Participant becomes a Pensioner on the date he begins to receive payment of the retirement pension for which he is eligible.

Section 1.26 PENSION FUND means, the Central States, Southeast and Southwest Areas Pension Fund established by the Trust Agreement.

Section 1.27 PENSION PLAN means, the rules and regulations for the payment of benefits from the employee benefit plan described in this document as well as any amendments to this document.

Section 1.28 RECOVERY OF LOST SERVICE CREDIT

A Participant who first became a Participant prior to April 1, 1985, and who sustains a Break-in-Service, shall recover one year of his lost Service Credit as Non-Contributory Service Credit for each year of Contributory Service Credit he earns on or after the later of:

(a) January 1, 1973; or

(b) his last employment or re-employment date following his last Break-in-Service.

Section 1.29 **RETIREMENT DATE** is, the date a Participant stops working in Covered Service and terminates his employment. A Participant eligible for a retirement pension may become eligible to receive benefit payments on the 1st day of the month following his Retirement Date.

Section 1.30 **SERVICE CREDIT** means, the combined Contributory Service Credit and Non-Contributory Service Credit earned by a Participant, subject to the Break-in-Service and One-Year Break-in-Service provisions of this Pension Plan. A Participant shall not earn more than one year of Service Credit during a calendar year.

Section 1.31 **TEAMSTER CONTRACT** means, any collective bargaining agreement between an employer and a local union affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America.

Section 1.32 **TRUST AGREEMENT** means, the Agreement and Declaration of Trust for Central States, Southeast and Southwest Areas Pension Fund as originally made and entered into on March 16, 1955, together with any amendments.

Section 1.33 **UNION** means, those local unions which the Board of Trustees determines to have been affiliated Local Unions of the Central Conference of Teamsters and the Southern Conference of Teamsters when those two conferences were dissolved in or around June, 1994, and such other unions as the Board of Trustees may agree upon.

Section 1.34 **VESTED PARTICIPANT**

A Participant becomes a Vested Participant if:

(a) he is an Active Participant or a Disabled Participant who has reached his Normal Retirement Date; or

(b) he is an Active Participant or an Inactive Participant who has not reached his 65th birthday, but who has earned at least 3 Vesting Service Years after December 31, 1970, and has a total of at least:

(1) 10 Vesting Service Years; or

(2) 5 Vesting Service Years from employment performed outside a Bargaining Unit and at least One Hour of Service of such employment is after December 31, 1988; or

(3) 5 Vesting Service Years from employment performed within a Bargaining Unit and at least one Hour of Service of such employment is after December 31, 1998; or

(4) 5 Vesting Service Years from a combination of employment performed outside a Bargaining Unit and employment performed within a Bargaining Unit (provided that such combined employment is based in part upon at least one Hour of Service after December 31, 1998).

Section 1.35 VESTED PENSION RETIREMENT DATE (NORMAL RETIREMENT DATE)

(a) Normal Retirement Date of a Participant means the later of:

(1) the 65th birthday of an Employee; or

(2) the 5th anniversary of the date on which an Employee first became an Active Participant.

(b) Normal Retirement Date is used to determine the date on which a Participant's Vested Pension becomes payable without reduction.

Section 1.36 VESTING SERVICE

(a) Vesting Service is earned for Continuous Compensated Employment of an Active Participant or an Inactive Participant by a Contributing Employer. "Continuous Compensated Employment" means, employment performed while a member of the Bargaining Unit, and employment outside of a Bargaining Unit if such employment is performed immediately before or after Bargaining Unit employment with the same Contributing Employer and if it is not interrupted by a quit, discharge or retirement.

(b) An Employee who becomes a Participant on or after April 1, 1985, and whose Bargaining Unit was accepted in this Pension Fund according to the Acceptance Policies in Appendix G of this Pension Plan, shall, in addition to (a) above, be eligible to earn one hour of Vesting Service for each Hour of Service of his continuous past employment with the Contributing Employer that became required to make Employer Contributions on his behalf.

(c) If a Collective Bargaining Agreement covering an Employee requires his Contributing Employer to make weekly Contributions, then he shall earn one week of Vesting Service for each week that he performs an Hour of Service and a weekly Contribution is required on his behalf.

(d) If a Collective Bargaining Agreement covering an Employee requires his Contributing Employer to make daily Contributions limited to a maximum of 5 days per week, then he shall earn one day of Vesting Service for each day that he performs one Hour of Service and a daily Contribution is required on his behalf.

(e) If a Collective Bargaining Agreement covering an Employee requires his Contributing Employer to make daily Contributions **not** limited to a maximum of 5 days per week, then he shall earn one day of Vesting Service for each day that he performs one Hour of Service and a daily Contribution is required on his behalf.

(f) One Hour of Vesting Service is earned for each Hour of Service of Continuous Compensated Employment for periods during which no Contributions are required on behalf of an Employee.

(g) Vesting Service also includes any period of service in the Uniformed Services for which a Participant is entitled, based upon Section 1.09(c), to Contributory Service.

Section 1.37 **VESTING SERVICE YEAR** means, a calendar year during which the sum of (a), (b), (c), (d), and (e), below, equals or exceeds one.

(a) The number of weeks of Vesting Service due to employment under a Collective Bargaining Agreement requiring weekly Contributions divided by 20; and

(b) The number of days of Vesting Service due to employment under a Collective Bargaining Agreement requiring daily Contributions limited to a maximum of 5 days per week divided by 75; and

(c) The number of days of Vesting Service due to employment under a Collective Bargaining Agreement requiring daily Contributions **not** limited to a maximum of 5 days per week divided by 90; and

(d) The number of hours of Vesting Service due to Continuous Compensated Employment for which no Contributions are required divided by 900.

(e) The number of hours of Vesting Service a Participant earned due to his continuous past employment with the Contributing Employer that became required to make Employer Contributions on his behalf divided by 900, if his Bargaining Unit was accepted according to the Acceptance Policies in Appendix G of this Pension Plan.

Section 1.38 **WITHDRAWAL OF AN EMPLOYEE GROUP**

(a) Regardless of any other rules or provisions in this Pension Plan, any Participant, who was a member of an Employee Group at the time of its Voluntary Withdrawal from the Pension Plan, shall, subject to the following sentence, lose all right and claim to Non-Contributory Service Credit. This provision shall take effect if on or after the applicable date specified in Section 1.19(a), the Participant is employed by the same employer that made Contributions on his behalf immediately before the Voluntary Withdrawal and is performing or supervising work that was covered by the Collective Bargaining Agreement in effect immediately before the Voluntary Withdrawal.

(b) A “Voluntary Withdrawal” occurs on the date a Contributing Employer is no longer required to make Employer Contributions to the Pension Fund as a result of actions by members of a Bargaining Unit, which actions include, but are not limited to the following:

(1) decertification or other removal of the Union as a bargaining agent; and

(2) ratification or other acceptance of a Collective Bargaining Agreement which permits withdrawal of the Bargaining Unit, in whole or in part, from the Pension Plan.

(c) Any Participant whose Bargaining Unit was accepted according to the Acceptance Policies in Appendix G of this Pension Plan, shall immediately lose all right and claim to any Vesting Service, Non-Contributory Service Credit and Contributory Service Credit he may have earned before Employer Contributions began on his behalf, if within the “Five-Year Free Look” period defined in Section 8 of Appendix E of this Pension Plan, Employer Contributions are no longer required to be made on behalf of the members of the Bargaining Unit of which he was a member on the date he became a Participant.

Section 1.39 YEAR OF EMPLOYMENT means:

(a) The 12 consecutive month period which begins on the date an Employee becomes employed or reemployed by a Contributing Employer and which ends on his 1st anniversary date of employment or reemployment; and

(b) Any calendar year that begins after the calendar year an Employee became employed or reemployed by a Contributing Employer, if the 1st anniversary date of his employment or reemployment occurs during that calendar year.

Section 1.40 YEAR OF PARTICIPATION means, a Year of Employment during which the sum of (a), (b), and, (c) below, equals or exceeds 1.

(a) The number of weeks of Contributory Service due to employment under a Collective Bargaining Agreement requiring weekly Contributions divided by 20; and

(b) The number of days of Contributory Service due to employment under a Collective Bargaining Agreement requiring daily Contributions limited to a maximum of 5 days per week divided by 75; and

(c) The number of days of Contributory Service due to employment under a Collective Bargaining Agreement requiring daily Contributions **not** limited to a maximum of 5 days per week divided by 90.

ARTICLE II EFFECTIVE DATE *

The provisions of this Pension Plan are applicable to every individual who is a Participant of this Pension Plan on any date on and after January 1, 1985, and to every beneficiary of such a Participant, except to the extent determination of the rights of such Participant or beneficiary was or is based upon a Retirement Date, death or disability prior to January 1, 1985. The provisions of this Pension Plan govern the consequences of all events on and after January 1, 1985 (such as any Retirement Date, death, disability, Covered Service, One-Year Break-in-Service, Break-in-Service, Reemployment and Suspension of Benefits Rules and Withdrawal of a Bargaining Unit). The provisions of this Pension Plan govern the consequences of events prior to January 1, 1985 only to the extent such events are relevant to determination of the rights of a Participant of this Pension Plan, or a beneficiary of such a Participant, based upon a Retirement Date, death or disability on or after January 1, 1985. To the extent this Pension Plan is not applicable, a relevant earlier version of this Pension Plan is applicable.

* This Article II was adopted at the same time as a complete restatement of this Pension Plan was approved by the Board of Trustees in 1985. Post-1985 amendments of this restated Pension Plan are effective as of separate dates after 1985, as determined by the Board of Trustees at the time it adopts those plan amendments.

ARTICLE III BENEFIT CLASS

Section 3.01 BENEFIT CLASS OF A COLLECTIVE BARGAINING AGREEMENT

(a) A Collective Bargaining Agreement shall be acceptable only if such agreement requires a Contributing Employer to make Employer Contributions:

(1) on behalf of each Employee who receives compensation for any part of an applicable Contribution period; and

(2) in accordance with the billing and collection procedures established by the Board of Trustees; and

(3) at the same rate on behalf of all Employees in a Bargaining Unit, except as otherwise provided in Appendix J of this Pension Plan; and

(4) at the same rate or a higher rate than that which was in effect during the preceding 12 month period; and

(5) at Contribution rates at least equal to minimum Employer Contribution requirements adopted by the Board of Trustees and applicable to the Collective Bargaining Agreement, including the requirements stated in Appendix K-1 and Appendix K-2 of this Pension Plan; and

(6) for the entire term of such Collective Bargaining Agreement.

The Board of Trustees shall have the authority to reject any Collective Bargaining Agreement that fails to meet any of the requirements above.

(b) To maintain an existing Benefit Class, the Contribution rate in a Collective Bargaining Agreement must correspond to the Contribution Schedule adopted by the Board of Trustees for that Benefit Class.

(c) **No Collective Bargaining Agreement will be permitted to increase the Benefit Class of any Employee in a Bargaining Unit covered by that agreement, at any time after December 31, 2003, except to the extent of the following limited circumstances:**

(1) **Benefit Class increases will be permitted for any purpose, including eligibility for a Contributory Credit Pension (Section 4.04), a 25-And-Out Pension (Section 4.05) and a 30-And-Out Pension (Section 4.06), to the extent that the increase is based upon the terms of a Collective Bargaining Agreement which was accepted by the Pension Fund on a date prior to November 18, 2003, provided that no such Benefit Class increase will be permitted if it is based upon any amendment of the previously accepted agreement which is first received by the Pension Fund after November 17, 2003; and**

(2) **Benefit Class increases will be permitted at any time to establish eligibility for (only) a Twenty-Year Service Pension (Section 4.01), an Early Retirement Pension (Section 4.02), a Deferred Pension (Section 4.08) or a Twenty-Year Deferred Pension (Section 4.09); and**

(3) **if a Participant as of December 31, 2003, does not have Continuous Contributions and he has not as of that date ever received benefits from the Pension Fund, Benefit Class increases will be permitted at any time after December 31, 2003, to enable the Participant to restore only any Benefit Class he had earned and then lost before December 31, 2003, as a result of a One-Year Break-in-Service or a change in Bargaining Units, provided that the method of such restoration will be limited to calculations based upon the Non-Continuous Contribution Method specified in Section 3.03(b) and applied as of his Retirement Date.**

For any period prior to January 1, 2004 (and for the limited post-2003 exceptions specified in the preceding sentence), a Collective Bargaining Agreement can result in an increase of the Benefit Class of the Employees in the Bargaining Unit covered by that agreement to the next higher Benefit Class if the Contribution rate in the agreement corresponds to the Contribution Schedule adopted by the Board of Trustees for that next higher Benefit Class, provided that the increased Contribution rate must extend for at least 12 months during the term of the Collective Bargaining Agreement. For any period prior to January 1, 2004 (and for the limited post-2003 exceptions specified in the first sentence of this subsection [c]), the Benefit Class of a Collective Bargaining Agreement can result in an increase to the next higher Benefit Class only one time during a 12-month period, except that a one-time increase to higher than the next higher Benefit Class may be permitted if a Contributing Employer was making Contributions at a rate corresponding to Benefit Classes 15(A) or 15(B) and then entered into a Collective Bargaining Agreement requiring Contributions at rates corresponding to Benefit Classes 16(A), 16(B) and 16(C). This exception is described in Sections 4.01(b)(1)(B) and 4.06(c)(3)(A)(ii).

(d) The Board of Trustees has adopted the following 2 Schedules of Benefit Classes and Required Minimum Contribution Rates which are referred to as “Schedule A” and “Schedule B”:

(1) SCHEDULE A

**SCHEDULE A OF BENEFIT CLASSES
AND REQUIRED MINIMUM CONTRIBUTION RATES**

Benefit Class	Maximum Twenty-Year Service Pension Benefits		Weekly Employer Contribution Rates
	57 through 59	Age 60 Plus	
(1)	$ 60	$ 60	$ 5.00
(2)	90	90	7.00
(2A)	125	125	9.00
(3)	140	170	11.00
(3A)	170	210	13.00
(4)	225	275	16.00
(5)	260	315	18.50
(6)	285	350	21.00
(7)	330	400	24.00
(8)	365	445	27.00
(9)	400	485	30.00
(10)	435	530	33.00
(11)	490	595	37.00
(12)	575	675	41.00
(13)	600	725	46.00
(14)	625	775	51.00

(2) SCHEDULE B

SCHEDULE B OF BENEFIT CLASSES AND REQUIRED MINIMUM WEEKLY CONTRIBUTION RATES

Benefit Class		Maximum Twenty-Year Service Pension Benefits Ages					Weekly Employer Contribution Rates
		57	58	59	60 through 64	65 Plus	
1		$ 60	$ 60	$ 60	$ 60	$ 60	$ 6.00
2		90	90	90	90	90	8.00
2	(A)	125	125	125	125	125	10.00
3		140	140	140	170	170	12.00
3	(A)	170	170	170	210	210	15.00
4		225	225	225	275	275	18.00
5		260	260	260	315	315	21.00
6		285	285	285	350	350	24.00
7		330	330	330	400	400	27.00
8		365	365	365	445	445	30.00
9		400	400	400	485	485	33.00
10		435	435	435	530	530	36.00
11		490	490	490	595	595	40.00
12		575	575	575	675	675	44.00
13		600	600	600	725	725	49.00
14		625	625	625	775	775	55.00
15							
	(A)	700	750	800	900	900	61.00
	(B)	700	750	800	900	900	65.00
	(C)	700	750	800	900	900	69.00
	(C)	700	750	800	900	900	73.00
16							
	(A)	700	750	800	900	1,100	79.00
	(B)	700	750	800	900	1,100	83.00
	(C)	700	750	800	900	1,100	85.00
17a							
	(A)	700	750	800	900	1,100	91.00
	(B)	700	750	800	900	1,100	100.00
	(C)	700	750	800	900	1,100	109.00
	(D)	700	750	800	900	1,100	118.00
17b							
	(A)	700	750	800	900	1,100	91.00
	(B)	700	750	800	900	1,100	100.00
	(C)	700	750	800	900	1,100	110.00
	(D)	700	750	800	900	1,100	124.00
18							
	(A)	700	750	800	900	1,100	122.00*
	(A)	700	750	800	900	1,100	124.00*
	(B)	700	750	800	900	1,100	136.00
	(C)	700	750	800	900	1,100	150.00
	(D)	700	750	800	900	1,100	158.00
	(E)	700	750	800	900	1,100	166.00
18+							
	(A)	700	750	800	900	1,100	150.00
	(B)	700	750	800	900	1,100	164.00
	(C)	700	750	800	900	1,100	172.00
	(D)	700	750	800	900	1,100	180.00

* If the Bargaining Unit is moving from Benefit Class 17a to Benefit Class 18, the weekly contribution rate for the first year is $122.00; otherwise it is $124.00

SCHEDULE B OF BENEFIT CLASSES AND REQUIRED MINIMUM DAILY CONTRIBUTION RATES

Benefit Class	Maximum Twenty-Year Service Pension Benefits Ages					Daily Employer Contribution Rates
	57	58	59	60 through 64	65 Plus	
15						
(A)	$700	$750	$800	$900	$ 900	$13.00
(B)	700	750	800	900	900	13.80
(C)	700	750	800	900	900	14.60
16						
(A)	700	750	800	900	1,100	16.60
(B)	700	750	800	900	1,100	17.40
(C)	700	750	800	900	1,100	17.80
17a						
(A)	700	750	800	900	1,100	19.00
(B)	700	750	800	900	1,100	20.80
(C)	700	750	800	900	1,100	22.60
(D)	700	750	800	900	1,100	24.40
17b						
(A)	700	750	800	900	1,100	18.80
(B)	700	750	800	900	1,100	20.60
(C)	700	750	800	900	1,100	22.80
(D)	700	750	800	900	1,100	25.60
18						
(A)	700	750	800	900	1,100	25.20**
(A)	700	750	800	900	1,100	25.60**
(B)	700	750	800	900	1,100	28.00
(C)	700	750	800	900	1,100	30.80
(D)	700	750	800	900	1,100	32.40
(E)	700	750	800	900	1,100	34.00
18+						
(A)	700	750	800	900	1,100	30.80
(B)	700	750	800	900	1,100	33.60
(C)	700	750	800	900	1,100	35.20
(D)	700	750	800	900	1,100	36.80

** If the Bargaining Unit is moving from Benefit Class 17a to Benefit Class 18, the daily contribution rate for the first year is $25.20; otherwise it is $25.60.

Benefit Class 18+ of a Participant must be based upon the Continuous Contribution Method and not upon the Non-Continuous Contribution Method or any other method.

(e) All references and cross references to Benefit Class 15 and higher shall include any or all of the Contribution rates designated (A), (B) and (C) for Benefit Class 15, (A), (B) and (C) for Benefit Class 16, (A), (B), (C) and (D) for Benefit Classes 17a and 17b unless a particular Contribution rate of a particular Benefit Class is specified, and (A), (B), (C), (D) and (E) for Benefit Class 18 and 18+ unless a particular Contribution rate of a particular Benefit Class is specified.

(f) A Contributing Employer that makes Contributions under Benefit Class 17a shall, upon expiration of the Collective Bargaining Agreement providing for such Benefit Class, be permitted to continue Contributions under the highest rate of such Benefit Class or negotiate to a higher Benefit Class, but shall not be permitted to negotiate to Benefit Class 17b. A Contributing Employer that makes Contributions under Benefit Class 17b shall likewise be permitted to continue Contributions at the highest rate of such Benefit Class or move to a higher Benefit Class, but shall not be permitted to negotiate Benefit Class 17a.

(g) Benefit Classes 17a and 17b are parallel (equivalent) Benefit Classes with neither being lower or higher than the other. A Participant who moves from one of these Benefit Classes to the other as a result of a change in Bargaining Units shall have his Benefit Class determined by the provisions of Article III, Section 3.02(c).

(h) The Pension Fund shall not accept a Collective Bargaining Agreement or a renewal of a Collective Bargaining Agreement that switches from Schedule B Contribution rates to Schedule A Contribution rates.

(i) Any Contribution made at a rate which does not correspond to the Contribution rates for the Benefit Classes in (d)(1), or (d)(2), above, shall be treated as a Contribution made at the next lower Benefit Class.

(j) In addition to the Schedules of Benefit Classes and Required Minimum Contribution Rates (referred to as 'Schedule A' and 'Schedule B'), which are provided in (d), above, the Board of Trustees has adopted Appendix K-1 and Appendix K-2 of this Pension Plan (entitled 'MINIMUM EMPLOYER CONTRIBUTION REQUIREMENTS').

Section 3.02 CONTINUOUS CONTRIBUTIONS

(a) Contributions made on behalf of a Participant are Continuous Contributions if the following conditions are met:

(1) At least 250 weeks of Contributions are required to be made on his behalf where:

(A) the Contributions are not interrupted by the Participant having a One-Year Break-in-Service; and

(B) the Contributions are not interrupted by any period during which the Participant receives benefits from the Pension Fund; and

(C) the Contributions:

(i) prior to April 1,1991, are not interrupted by the Participant changing Bargaining Units and having Contributions made on his behalf at a rate corresponding to a lower Benefit Class or a rate higher than the next higher Benefit Class; and

(ii) on or after April 1, 1991, are not interrupted by a Participant changing Bargaining Units and having Contributions made on his behalf at a rate corresponding to a lower or higher Benefit Class, except that, if he changes Bargaining Units as a result of his Contributing Employer ceasing business operations because of a bankruptcy, his Contributions shall remain Continuous Contributions unless made at a rate corresponding to a lower Benefit Class or to a Benefit Class higher than the next higher Benefit Class.

(2) The Participant meets at least one of the following requirements:

(A) he has at least a Year of Participation in each of the last 5 calendar years; or

(B) he has at least 150 weeks of Contributions in the last 5 calendar years.

(b) For purposes of (a) above, 5 days of Contributions required to be made on behalf of a Participant shall be considered equivalent to one week of Contributions.

(c) A Participant who has Continuous Contributions at Benefit Class 17a or 17b and who, as a result of a change in Bargaining Units, moves from one of these Benefit Classes to the other, shall be considered to have Continuous Contributions at the Benefit Class (17a or 17b) from which he moved unless and until he either: (1) moves to a Benefit Class lower than 17a or 17b, or (2) establishes Continuous Contributions at the Benefit Class of his new Bargaining Unit by having 250 weeks of Contributions made on his behalf after the date of his change in Bargaining Units.

(d) Contributions required to be made on behalf of a Participant may be disregarded and will not be considered Continuous Contributions if those Contributions cause the Participant to fail to meet the conditions of (a), above.

(e) All Continuous Contributions required to be made on behalf of a Participant shall be treated as having been made at the Benefit Class or Contribution rate corresponding to his last Continuous Contribution.

(f) A Participant whose Bargaining Unit was accepted according to the Acceptance Policies in Appendix G, shall not have Continuous Contributions and shall have his Benefit Class determined by Section 3.03(b) unless and until he has had at least 250 weeks of Contributions required to be made on his behalf according to (a), above.

Section 3.03 BENEFIT CLASS OF A PARTICIPANT

The Benefit Class of a Participant is determined by one of the following two methods:

(a) CONTINUOUS CONTRIBUTION METHOD: The Benefit Class of a Participant who had Continuous Contributions during his last 5 calendar years shall be the Benefit Class corresponding to the rate of his last weekly Continuous Contribution (or his last daily Continuous Contribution) in effect for at least his last 52 weeks of Contributory Service (except that the last rate will be for a shorter period [instead of his last 52 weeks] only in the following limited circumstances: it will be the rate in effect for his last 5 days of Contributory Service if his final Contributory Service ended before January 1, 2004; and it will be the rate in effect for his last 5 days of Contributory Service [or his last 10 days of Contributory Service in Benefit Class 17b, 18, or 18+] if the last rate was based upon the terms of a Collective Bargaining Agreement which was accepted by the Pension Fund on a date prior to January 1, 2004, and the agreement increased the Participant's Benefit Class to Benefit Class 15[A] or higher).

(b) NON-CONTINUOUS CONTRIBUTION METHOD: The Benefit Class of a Participant who did not have Continuous Contributions during his last 5 calendar years shall be determined as follows:

(1) The total dollar amount of Contributions made on behalf of the Participant during his last 250 weeks of Contributions is calculated by using the rates at which the Contributions were made where:

(A) 5 days of Contributions shall be equivalent to one week of Contributions and the dollar amount shall be the equivalent weekly Contribution; and

(B) the dollar amount of the earliest week of Contributions included in the 250 week period shall be multiplied by the fraction representing the portion of that week needed to make up the last week of the 250 weeks of Contributions.

(2) The dollar amount totaled in (1), above, is divided by 250 and rounded to the next highest whole dollar amount.

(3) One of the following two schedules is used:

(A) If the Participant's last 250 weeks of Contributions have been made only at Schedule B Contribution rates, the result of (2) above is compared to the **weekly** Contribution rates under Schedule B. If an exact match is found, the Benefit Class of the Participant is the Benefit Class corresponding to that weekly Contribution rate; otherwise, the Benefit Class of the Participant is the Benefit Class corresponding to the next lower weekly Contribution rate. SPECIAL BENEFIT CLASS 17a AND 17b RULE: In the event the result of (2), above, matches the weekly Contribution rates under both Benefit Classes 17a and 17b, the Benefit Class of the Participant shall be Benefit Class 17a if he has had more Contributions made on his behalf at Benefit Class 17a than at Benefit Class 17b, or Benefit Class 17b if he has had more Contributions made on his behalf at Benefit Class 17b than at Benefit Class 17a. If the Contributions made on behalf of the Participant are equally divided between Benefit Classes 17a and 17b, or if he has never had Contributions made on his behalf at either of these classes, his Benefit Class shall be the Benefit Class, either 17a or 17b, that provides him with the greatest benefit. In no event, shall the resulting Benefit Class of the Participant exceed the highest Benefit Class for which Contributions were made on his behalf during his last 250 weeks of Contributions.

(B) If any of the Participant's last 250 weeks of Contributions have been made at Schedule A rates, the result of (2) above is compared to the **weekly** Contribution rates under Schedule A or Schedule B, whichever produces the greatest benefit. If an exact match is found, the Benefit Class of the Participant is the Benefit Class corresponding to that weekly Contribution rate; otherwise, the Benefit Class of the Participant is the Benefit Class corresponding to the next lower **weekly** Contribution rate. SPECIAL BENEFIT CLASS 17a AND 17b RULE: In the event the result of (2), above, matches the weekly Contribution rates under both Benefit Classes 17a and 17b, the Benefit Class of the Participant shall be Benefit Class 17a if he has had more Contributions made on his behalf at Benefit Class 17a than at Benefit Class 17b, or Benefit Class 17b if he has had more Contributions made on his behalf at Benefit Class 17b than at Benefit Class 17a. If the Contributions made on behalf of the Participant are equally divided between Benefit Classes 17a and 17b, or if he has never had Contributions made on his behalf at either of these classes, his Benefit Class shall be the Benefit Class, either 17a or 17b, that provides him with the greatest benefit. In no event, shall the resulting Benefit Class of a Participant exceed the highest Benefit Class for which Contributions were made on his behalf during his last 250 weeks of Contributions.

(4) A Participant who has not had at least 250 weeks of Contributions made on his behalf, shall have his Benefit Class determined according to (b)(1), (2) and (3) above, except that:

(A) The total dollar amount of all Contributions made on his behalf shall be used in lieu of the total dollar amount of his last 250 weeks of Contributions; and

(B) The number of weeks of Contributions made on his behalf shall be used in lieu of 250.

Section 3.04 BENEFIT CLASS MAINTENANCE

(a) A Participant who changes Bargaining Units and becomes covered by a Collective Bargaining Agreement requiring Contributions at a lower or higher Benefit Class shall have a period of "temporary maintenance" during which he (and any individual claiming benefits because of his death) shall be eligible to have benefits determined by his Benefit Class before his change of Bargaining Units.

(b) The period of "temporary maintenance" in (a), above, shall end on the earlier of:

(1) the end of the 5th calendar year following the last calendar year in which the Participant had at least 20 weeks of Contributions made on his behalf at his Benefit Class before his change in Bargaining Units; or

(2) the date the Participant first becomes eligible for a Twenty-Year Service Pension, Early Retirement Pension, Deferred Pension or Twenty-Year Deferred Pension, except that, a Participant who is already eligible for one of these benefits at the time he changes Bargaining Units shall not have any temporary maintenance.

ARTICLE IV RETIREMENT PENSION BENEFITS

Section 4.01 TWENTY-YEAR SERVICE PENSION

(a) To become eligible for a Twenty-Year Service Pension, an Active Participant must meet each of the following requirements at the time he stops working in Covered Service or becomes an Inactive Participant:

(1) he must have reached at least his 57th birthday; and

(2) he must have at least 20 years of Service Credit; and

(3) he must have met the Minimum Contribution Requirement.

(b) The monthly amount of the Twenty-Year Service Pension is determined by the Benefit Class of a Participant and by his age, except that, in addition to his Benefit Class and age, he will not become eligible for the $1,100 age 65 monthly amount unless and until he meets the following requirements:

(1) he has, on or after April 1, 1991, at least 5 days or one week of Employer Contributions (and not Self-Contributions) made on his behalf at a rate corresponding to Benefit Class 16(A) or higher and:

(A) his Contributing Employer previously made Contributions at a rate corresponding to Benefit Class 15(C) or higher and his current Benefit Class, determined according to Section 3.03(a), is (16A) or higher; or

(B) his Contributing Employer previously made Contributions at a rate corresponding to either Benefit Class 15(A) or 15(B) but not Benefit Class 15(C), his current Benefit Class, determined according to Section 3.03(a), is 16(A) or higher and his Contributing Employer has been making Contributions at a rate corresponding to Benefit Class 16(A) or higher for at least 12 months preceding his Retirement Date; or

(C) his Benefit Class, determined according to Section 3.03(b), is 16(A) or higher; and

(2) he is covered by a Collective Bargaining Agreement requiring his Contributing Employer to begin making Contributions at a rate corresponding to at least Benefit Class 16(C) no later than 24 months after the date the last Contribution is made on his behalf.

(c) The monthly amount of the Twenty-Year Service Pension payable to a Participant shall never be less than the monthly amount of any other retirement benefit he was eligible to receive from this Pension Fund at the end of any preceding calendar year.

(d) Subject to the Rules and Procedures for Suspension of Benefits (as described in Section 4.13), the Contributory Service After Retirement Date or After Disability (as described in Section 4.14) and the Benefits Claim Filing Procedures (as described in Section 7.14), the Twenty-Year Service Pension becomes payable to a Participant on the 1st day of the month following the month in which his age was calculated according to (b), above, except that, a Participant whose Retirement Date follows the date on which his age was calculated, shall have his Twenty-Year Service Pension become payable on the 1st day of the month following his Retirement Date.

(e) The Pension Fund is not liable for benefits based upon this Section 4.01 to the extent such liability has been transferred by the Pension Fund pursuant to APPENDIX L of this Pension Plan.

Section 4.02 EARLY RETIREMENT PENSION

(a) To become eligible for an Early Retirement Pension, an Active Participant must meet **one** of the following **two** requirements at the time he stops working in Covered Service or becomes an Inactive Participant:

(1) If the Participant has not reached his 50th birthday:

(A) he must have at least 30 years of Service Credit; and

(B) he must have met the Minimum Contribution Requirement.

(2) If the Participant has reached at least his 50th birthday:

(A) he must have at least 20 years of Service Credit; and

(B) he must have met the Minimum Contribution Requirement.

(b) The monthly amount of the Early Retirement Pension is a reduced Twenty-Year Service Pension determined by the Benefit Class of a Participant and by his age. A Participant may choose to have his age calculated as of any date which does not precede his Retirement Date or extend beyond the date he becomes an Inactive Participant, except that, a Participant who becomes an Inactive Participant prior to his Retirement Date and who does not again become an Active Participant shall have his age determined as of the date he became an Inactive Participant. The reduction is ½ of 1% for each month the Participant's Retirement Date precedes his 57th birthday, and is applied to the age 57 amount of his Benefit Class.

(c) The monthly amount of the Early Retirement Pension payable to a Participant shall never be less than the monthly amount of any other retirement benefit he was eligible to receive from this Pension Fund at the end of any preceding calendar year.

(d) Subject to the Rules and Procedures for Suspension of Benefits (as described in Section 4.13), the Contributory Service After Retirement Date or After Disability (as described in Section 4.14) and the Benefits Claim Filing Procedures (as described in Section 7.14), the Early Retirement Pension becomes payable to a Participant on the 1st day of the month following the month in which his age was calculated according to (b), above, except that, a Participant whose Retirement Date follows the date on which his age was calculated, shall have his Early Retirement Pension become payable on the 1st day of the month following his Retirement Date.

(e) The Pension Fund is not liable for benefits based upon this Section 4.02 to the extent such liability has been transferred by the Pension Fund pursuant to APPENDIX L of this Pension Plan.

Section 4.03 CONTRIBUTION-BASED PENSION

(a) To become eligible for a Contribution-Based Pension, a Participant must meet each of the following requirements:

(1) he must be a Vested Participant; and

(2) he must not have received payment of any benefit from this Pension Fund before January 1, 1987, except that, this requirement shall be waived if a Pensioner, after his Retirement Date, becomes employed by a Contributing Employer and meets the requirements of Article IV, Section 4.14(a).

(b) Subject to sub-section (d), below, the Contribution-Based Pension of a Participant is his Accrued Benefit as determined in Article I, Section 1.01(b).

(c) For purposes of determining the amount of his Contribution-Based Pension, a Vested Participant may choose to have his age calculated as of any date which does not precede his Retirement Date.

(d) The monthly amount of the Contribution-Based Pension payable to a Vested Participant is either:

(1) the amount calculated in (b), above if:

(A) the Vested Participant has reached at least his 62nd birthday and has at least 20 years of Service Credit; or

(B) the Vested Participant has reached at least his 65th birthday and has less than 20 years of Service Credit; or

(2) the amount calculated in (b), above, reduced by ½ of 1% for each month the age of a Vested Participant precedes his:

(A) 62nd birthday if he has at least 20 years of Service Credit; or

(B) 65th birthday if he has less than 20 years of Service Credit.

(e) Subject to the Rules and Procedures for Suspension of Benefits (as described in Section 4.13), the Contributory Service After Retirement Date or After Disability (as described in Section 4.14) and the Benefits Claim Filing Procedures (as described in Section 7.14), the Contribution-Based Pension becomes payable to a Participant on the 1st day of the month following the month in which his age was calculated according to (c), above.

(f) The Pension Fund is not liable for benefits based upon this Section 4.03 to the extent such liability has been transferred by the Pension Fund pursuant to APPENDIX L of this Pension Plan.

Section 4.04 CONTRIBUTORY CREDIT PENSION

(a) **The benefit described in this Section 4.04 is preserved, protected and limited as of December 31, 2003, to the extent described in this subsection (a).** Contributory Service Credit for any time period after December 31, 2003, will be disregarded, in determining eligibility for and the amount of a Contributory Credit Pension, except as otherwise provided in this subsection (a). For any Participant who has Contributory Service Credit both before and after December 31, 2003, the eligibility and amount of a Contributory Credit Pension will be determined in accordance with the following standards:

(1) The total of the Participant's Contributory Service Credit before, on and after December 31, 2003, will be included in the determination whether the Participant has the minimum years of Contributory Service Credit required to qualify for this benefit and, if he does, and if he satisfies all other eligibility requirements for a Contributory Credit Pension, his monthly share of the applicable benefit amount

will equal a fraction of that amount, the numerator being the total years of his Contributory Service Credit as of December 31, 2003, and the denominator being the total of the Participant's Contributory Service Credit before, on and after December 31, 2003, provided that the denominator does not exceed the minimum years for the applicable benefit amount ("applicable benefit amount", for this calculation, means the amount in subsection [b] that is applicable to the Participant); and

(2) The Benefit Class of the Participant, for purposes of a Contributory Credit Pension, will be determined as of December 31, 2003, unless any of the limited post-2003 exceptions specified in Section 3.01(c) is applicable; and

(3) The age of the Participant, for purposes of a Contributory Credit Pension, will be his age on his Retirement Date or the earlier date on which he has became an Inactive Participant, in accordance with subsection (c); and

(4) The Participant will also be entitled to receive, in addition to his share of a Contributory Credit Pension, a partial Contribution-Based Pension provided by Section 4.03, except that this partial benefit will be based solely upon his Contributory Service Credit on and after January 1, 2004.

(b) A Contributory Credit Pension is available to a Participant who is eligible for a benefit under Benefit Class 15 or higher in accordance with the following:

(1) **Benefit Classes 15(A) and 15(B):**

(A) A Participant shall qualify for a Contributory Credit Pension under Benefit Classes 15(A) or 15(B), if he meets each of the requirements as follows:

(i) He must be an Active Participant as of December 31, 1986 or any later calendar year; and

(ii) His Benefit Class must be 15(A) or 15(B); and

(iii) He must, before becoming an Inactive Participant for the last time, reach his 60th birthday; and

(iv) He must have a Retirement Date which is on or after his 60th birthday; and

(v) He must have at least 25 years of Contributory Service Credit; and

(vi) He must not have received payment of any benefit from this Pension Fund before January 1, 1987, except that, this requirement shall be waived if a Pensioner, after his Retirement Date, becomes employed by a Contributing Employer and meets the requirements of Section 4.14(a).

(B) A Participant who meets the requirements (1)(A), above, shall receive a Contributory Credit Pension in a monthly amount determined as follows:

(i) If his Benefit Class is 15(A), he shall receive a benefit according to the following:

Age at Retirement Date	25 Years of Contributory Service Credit	30 Years of Contributory Service Credit
60	$ 950	$1,050
61	950	1,050
62	1,050	1,125
63	1,050	1,125
64	1,050	1,125
65 and over	1,125	1,250

(ii) If his Benefit Class is 15(B), he shall receive a benefit according to the following:

Age at Retirement Date	25 Years of Contributory Service Credit	30 Years of Contributory Service Credit
60	$1,000	$1,100
61	1,000	1,100
62	1,100	1,250
63	1,100	1,250
64	1,100	1,250
65 and over	1,250	1,500

(2) **Benefit Class 15(C):**

(A) A Participant shall qualify for a Contributory Credit Pension under Benefit Class 15(C), if he meets each of the requirements as follows:

(i) He has, on or after April 1, 1988, at least 5 days or one week of Employer Contributions **(and not Self-Contributions)** made on his behalf after that date at a rate corresponding to Benefit Class 15(C); and

(ii) His Benefit Class is 15(C); and

(iii) He reaches his 57th birthday before becoming an Inactive Participant for the last time; and

(iv) He has a Retirement Date that is on or after his 57th birthday; and

(v) He has at least 25 years of Contributory Service Credit; and

(vi) He has not received payment of any benefit from this Pension Fund, except that, this requirement shall be waived if a Pensioner, after his Retirement Date, becomes reemployed by a Contributing Employer and meets the requirements of Section 4.14(a).

(B) A Participant who meets the requirements of (2)(A), above, shall receive a Contributory Credit Pension in a monthly amount determined as follows:

(i) If the Participant stops working on or after April 1, 1988, he shall receive a benefit according to the following:

Age at Retirement Date	With 25 Years of Contributory Service Credit	With 30 Years of Contributory Service Credit
57 through 59	$ 900	$1,125
60 through 61	$1,125	$1,350
62 through 64	$1,225	$1,500
65 and over	$1,375	$1,750

(ii) If the Participant stops working on or after April 1, 1989 and had at least 5 days or one week of Employer Contributions **(and not Self-Contributions)** made on his behalf after that date under a Collective Bargaining Agreement requiring Contributions at a rate corresponding to Benefit Class 15(C) for the 12 month period preceding his Retirement Date, he shall receive a benefit according to the following:

Age at Retirement Date	With 25 Years of Contributory Service Credit	With 30 Years of Contributory Service Credit
57 through 59	$1,000	$1,250
60 through 61	$1,250	$1,600
62 through 64	$1,350	$1,750
65 and over	$1,500	$2,000

(3) **Benefit Class 16:**

(A) A Participant shall qualify for a Contributory Credit Pension under Benefit Class 16, if he meets each of the requirements as follows:

(i) He has, on or after April 1, 1991, at least 5 days or one week of Employer Contributions **(and not Self-Contributions)** made on his behalf at a rate corresponding to Benefit Class 16(A) or higher and;

(aa) His Contributing Employer previously made Contributions at a rate corresponding to Benefit Class 15(C) or higher and his current Benefit Class, determined according to Section 3.03(a), is 16(A) or higher; or

(bb) His Contributing Employer previously made Contributions at a rate corresponding to either Benefit Class 15(A) or 15(B) but not Benefit Class 15(C) or higher, his current Benefit Class, determined according to Section 3.03(a), is 16(A) or higher and his Contributing Employer has been making Contributions at a rate corresponding to Benefit Class 16(A) or higher for at least 12 months preceding his Retirement Date; or

(cc) His Benefit Class, determined according to Section 3.03(b), is 16(A) or higher; and

(ii) He is covered by a Collective Bargaining Agreement which requires his Contributing Employer to begin making Contributions at a rate corresponding to at least Benefit Class 16(C) no later than 24 months after the date the last Contribution is made on his behalf; and

(iii) He reaches his 57th birthday before becoming an Inactive Participant for the last time; and

(iv) He has a Retirement Date that is on or after his 57th birthday; and

(v) He has at least 20 years of Contributory Service Credit; and

(vi) He has not received payment of any benefit from this Pension Fund, except that, this requirement shall be waived if a Pensioner, after his Retirement Date, becomes reemployed by a Contributing Employer and meets the requirements of Section 4.14(a).

(B) A Participant who meets the requirements of (3)(A), above, shall receive a Contributory Credit Pension in a monthly amount determined by the following:

Age at Retirement Date	With 20 Years of Contributory Credit	With 25 Years of Contributory Credit	With 30 Years of Contributory Credit
57	$ 900	$1,200	$2,000
58	950	1,300	2,000
59	1,000	1,400	2,000
60	1,050	1,500	2,000
61	1,100	1,600	2,100
62	1,200	1,700	2,200
63	1,300	1,800	2,300
64	1,400	1,900	2,400
65	1,500	2,000	2,500

(4) **Benefit Class 17a**

(A) A Participant shall qualify for a Contributory Credit Pension under Benefit Class 17a, if he meets each of the requirements as follows:

(i) He has, on or after August 1, 1993, at least 100 days or 20 weeks of Employer Contributions **(and not Self-Contributions)** made on his behalf at a rate corresponding to Benefit Class 17a; and

(ii) His Benefit Class is 17a; and

(iii) He has, **excluding any Contributory Service Credit he earned from Self-Contributions he made for a period preceding January 1, 1994, other than a Temporary Medical Absence Period (as defined in Section 1.09(b)),** at least 25 years of Contributory Service Credit; and

(iv) He meets, **excluding any Contributory Service Credit he earned from Self-Contributions he made for a period preceding January 1, 1994, other than a Temporary Medical Absence Period (as defined in Section 1.09(b)),** the Contributory Service Credit requirement for the benefit amount he wishes to receive; and

(v) He has not received payment of any benefit from this Pension Fund, except that, this requirement shall be waived if a Pensioner, after his

Retirement Date, becomes reemployed by a Contributing Employer and meets the requirements of Section 4.14(a).

(B) A Participant who meets the requirements of (4)(A), above, shall receive a Contributory Credit Pension in a monthly amount determined by the following:

YEARS OF CONTRIBUTORY SERVICE CREDIT

Age at Retirement Date	25	26	27	28	29	30	31	32	33	34	35
50 (and under)	1500	1500	1500	1500	1500	2000	2100	2200	2300	2400	2500
51	1500	1500	1500	1500	1500	2000	2100	2200	2300	2400	2500
52	1500	1500	1500	1500	1500	2000	2100	2200	2300	2400	2500
53	1500	1500	1500	1500	1500	2000	2100	2200	2300	2400	2500
54	1500	1500	1500	1500	1500	2000	2100	2200	2300	2400	2500
55	1500	1500	1500	1500	1500	2000	2100	2200	2300	2400	2500
56	1500	1600	1600	1600	1600	2000	2100	2200	2300	2400	2500
57	1500	1600	1700	1700	1700	2000	2100	2200	2300	2400	2500
58	1500	1600	1700	1800	1800	2000	2100	2200	2300	2400	2500
59	1500	1600	1700	1800	1900	2000	2100	2200	2300	2400	2500
60	1500	1600	1700	1800	1900	2000	2100	2200	2300	2400	2500
61	1600	1600	1700	1800	1900	2100	2100	2200	2300	2400	2500
62	1700	1700	1700	1800	1900	2200	2200	2200	2300	2400	2500
63	1800	1800	1800	1800	1900	2300	2300	2300	2300	2400	2500
64	1900	1900	1900	1900	1900	2400	2400	2400	2400	2400	2500
65	2000	2000	2000	2000	2000	2500	2500	2500	2500	2500	2500

(5) **Benefit Class 17b**

(A) A Participant shall qualify for a Contributory Credit Pension under Benefit Class 17b, if he meets each of the requirements as follows:

(i) He has, on or after April 1, 1994, at least 10 days or 2 weeks of Employer Contributions **(and not Self-Contributions)** made on his behalf at a rate corresponding to Benefit Class 17b or if he is employed as a casual Employee or changes Contributing Employers (but not Bargaining Units) on or after such date, he has at least 100 days or 20

weeks of Employer Contributions **(and not Self-Contributions)** made on his behalf at a rate corresponding to Benefit Class 17b; and

(ii) His Benefit Class is 17b; and

(iii) He has, **excluding any Contributory Service Credit he earned from Self-Contributions he made for a period preceding January 1, 1994, other than a Temporary Medical Absence Period (as defined in Section 1.09(b)),** at least 30 years of Contributory Service Credit, or has reached at least age 55 before becoming an Inactive Participant, and has, **excluding any Contributory Service Credit he earned from Self-Contributions he made for a period preceding January 1, 1994, other than a Temporary Medical Absence Period (as defined in Section 1.09(b)),** at least 25 years of Contributory Service Credit; and

(iv) He meets, **excluding any Contributory Service Credit he earned from Self-Contributions he made for a period preceding January 1, 1994, other than a Temporary Medical Absence Period (as defined in Section 1.09(b)),** the Contributory Service Credit requirement for the benefit amount he wishes to receive; and

(v) He has not received payment of any benefit from this Pension Fund, except that, this requirement shall be waived if a Pensioner, after his Retirement Date, becomes reemployed by a Contributing Employer and meets the requirements of Section 4.14(a).

(B) A Participant who meets the requirements of (5)(A), above, shall receive a Contributory Credit Pension in a monthly amount determined by the following:

Age at Retirement Date	YEARS OF CONTRIBUTORY SERVICE CREDIT										
	25	26	27	28	29	30	31	32	33	34	35
50 (and under)	EARLY RETIREMENT PENSION IS PAID FOR THESE AGE AND SERVICE COMBINATIONS					2500	2600	2700	2800	2900	3000
51						2500	2600	2700	2800	2900	3000
52						2500	2600	2700	2800	2900	3000
53						2500	2600	2700	2800	2900	3000
54						2500	2600	2700	2800	2900	3000
55	1500	1500	1500	1500	1500	2500	2600	2700	2800	2900	3000
56	1500	1600	1600	1600	1600	2500	2600	2700	2800	2900	3000
57	1500	1600	1700	1700	1700	2500	2600	2700	2800	2900	3000
58	1500	1600	1700	1800	1800	2500	2600	2700	2800	2900	3000
59	1500	1600	1700	1800	1900	2500	2600	2700	2800	2900	3000
60	1500	1600	1700	1800	1900	2500	2600	2700	2800	2900	3000
61	1600	1600	1700	1800	1900	2500	2600	2700	2800	2900	3000
62	1700	1700	1700	1800	1900	2500	2600	2700	2800	2900	3000
63	1800	1800	1800	1800	1900	2500	2600	2700	2800	2900	3000
64	1900	1900	1900	1900	1900	2500	2600	2700	2800	2900	3000
65	2000	2000	2000	2000	2000	2500	2600	2700	2800	2900	3000

(c) For purposes of determining the amount of his Contributory Credit Pension, a Participant may choose to have his age calculated as of any date which does not precede his Retirement Date or extend beyond the date he becomes an Inactive Participant, except that, a Participant who becomes an Inactive Participant prior to his Retirement Date, and who does not again become an Active Participant, shall have his age determined as of the date he became an Inactive Participant.

(d) Subject to the Rules and Procedures for Suspension of Benefits (as described in Section 4.13), the Contributory Service After Retirement Date or After Disability (as described in Section 4.14) and the Benefits Claim Filing Procedures (as described in Section 7.14), the Contributory Credit Pension becomes payable to a Participant on the 1st day of the month following the month in which his age was calculated according to (b), above, except that, a Participant whose Retirement Date follows the date on which his age was calculated, shall have his Contributory Credit Pension become payable on the 1st day of the month following his Retirement Date.

(6) **Benefit Class 18**

(A) A Participant shall qualify for a Contributory Credit Pension under Benefit Class 18, if he meets each of the requirements as follows:

(i) He has, on or after August 1, 1997, at least 10 days or 2 weeks of Employer Contributions **(and not Self-Contributions)** made on his behalf at a rate corresponding to Benefit Class 18 or, if he is employed as a casual Employee or changes Contributing Employers (but not Bargaining Units) on or after such date, he has at least 100 days or 20 weeks of Employer Contributions **(and not Self-Contributions)** made on his behalf at a rate corresponding to Benefit Class 18; and

(ii) His Benefit Class is 18; and

(iii) He meets, **excluding any Contributory Service Credit he earned from Self-Contributions he made for a period preceding January 1, 1994, other than a Temporary Medical Absence Period (as defined in Section 1.09(b)),** the Contributory Service Credit requirement for the benefit amount he wishes to receive; and

(iv) He has not received payment of any benefit from this Pension Fund, except that, this requirement shall be waived if a Pensioner, after his Retirement Date, becomes reemployed by a Contributing Employer and meets the requirements of Section 4.14(a).

(B) A Participant who meets the requirements of (6)(A), above, shall receive a Contributory Credit Pension in a monthly amount determined by the following:

YEARS OF CONTRIBUTORY SERVICE CREDIT

Age at Retirement Date	20-24	25	26	27	28	29	30	31	32	33	34	35
Any Age	-	2000	2100	2200	2300	2400	3000	3100	3200	3300	3400	3500
50	650	2000	2100	2200	2300	2400	3000	3100	3200	3300	3400	3500
51	700	2000	2100	2200	2300	2400	3000	3100	3200	3300	3400	3500
52	750	2000	2100	2200	2300	2400	3000	3100	3200	3300	3400	3500
53	800	2000	2100	2200	2300	2400	3000	3100	3200	3300	3400	3500
54	850	2000	2100	2200	2300	2400	3000	3100	3200	3300	3400	3500
55	900	2000	2100	2200	2300	2400	3000	3100	3200	3300	3400	3500
56	950	2000	2100	2200	2300	2400	3000	3100	3200	3300	3400	3500
57	1000	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	3500
58	1050	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	3500
59	1100	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	3500

YEARS OF CONTRIBUTORY SERVICE CREDIT

Age at Retirement Date	20-24	25	26	27	28	29	30	31	32	33	34	35
60	1150	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	3500
61	1200	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	3500
62	1300	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	3500
63	1400	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	3500
64	1500	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	3500
65	2000	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	3500

(7) **Benefit Class 18+**

(A) A Participant shall qualify for Contributory Credit Pension under Benefit Class 18+, if he meets each of the requirements as follows:

(i) He has, on or after June 1, 1998, at least 10 days or 2 weeks of Employer Contributions **(and not Self-Contributions)** made on his behalf at a rate corresponding to Benefit Class 18+ or, if he is employed as a casual Employee or changes Contributing Employers (but not Bargaining Units) on or after such date, he has at least 100 days or 20 weeks of Employer Contributions **(and not Self-Contributions)** made on his behalf at a rate corresponding to Benefit Class 18+; and

(ii) His Benefit Class is 18+; and

(iii) He meets **excluding any Contributory Service Credit he earned from Self-Contributions he made for a period preceding January 1, 1994, other than a Temporary Medical Absence Period (as defined in Section 1.09(b)),** the Contributory Service Credit requirement for the benefit amount he wishes to receive; and

(iv) He has not received payment of any benefit from this Pension Fund, except that, this requirement shall be waived if a Pensioner, after his Retirement Date, becomes reemployed by a Contributing Employer and meets the requirements of Section 4.14(a).

(B) A Participant who meets the requirements of (7)(A), above, shall receive a Contributory Credit Pension in a monthly amount determined by the following:

YEARS OF CONTRIBUTORY SERVICE CREDIT

Age at Retirement Date	20-24	25	26	27	28	29	30	31	32	33	34	35
Any Age	-	2000	2100	2200	2300	2400	3000	3100	3200	3300	3400	3500
50	650	2000	2100	2200	2300	2400	3000	3100	3200	3300	3400	3500
51	700	2000	2100	2200	2300	2400	3000	3100	3200	3300	3400	3500
52	750	2000	2100	2200	2300	2400	3000	3100	3200	3300	3400	3500
53	800	2000	2100	2200	2300	2400	3000	3100	3200	3300	3400	3500
54	850	2000	2100	2200	2300	2400	3000	3100	3200	3300	3400	3500
55	900	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	3500
56	950	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	3500
57	1000	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	3500
58	1050	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	3500
59	1100	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	3500
60	1150	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	3500
61	1200	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	3500
62	1300	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	3500
63	1400	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	3500
64	1500	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	3500
65	2000	2500	2600	2700	2800	2900	3000	3100	3200	3300	3400	3500

(e) The Pension Fund is not liable for benefits based upon this Section 4.04 to the extent such liability has been transferred by the Pension Fund pursuant to APPENDIX L of this Pension Plan.

Section 4.05 25-AND-OUT PENSION - BENEFIT CLASS 17a, 18 and 18+ ONLY

(a) **The benefit described in this Section 4.05 is preserved, protected and limited as of December 31, 2003, to the extent described in this subsection (a)**. Contributory Service Credit for any time period after December 31, 2003, will be disregarded, in determining eligibility for and the amount of a 25-And-Out Pension, except as otherwise provided in this subsection (a). For any Participant who has Contributory Service Credit both before and after December 31, 2003, the eligibility and amount of a 25-And-Out Pension will be determined in accordance with the following standards:

(1) The total of the Participant's Contributory Service Credit before, on and after December 31, 2003, will be included in the determination whether the Participant has the minimum 25 years of Contributory Service Credit required to qualify for this benefit and, if he does, and if he satisfies all other eligibility requirements for a 25-And-Out Pension, his monthly share of the applicable benefit amount (either

$1,500 or $2,000, whichever applies) will equal a fraction of that amount, the numerator being the total years of his Contributory Service Credit as of December 31, 2003, and the denominator being 25 years; and

(2) The Benefit Class of the Participant, for purposes of a 25-and-Out Pension, will be determined as of December 31, 2003, unless any of the limited post-2003 exceptions specified in Section 3.01(c) is applicable; and

(3) The Participant will also be entitled to receive, in addition to his share of a 25-And-Out Pension, a partial Contribution-Based Pension provided by Section 4.03, except that this partial benefit will be based solely upon his Contributory Service Credit on and after January 1, 2004.

(b) A Participant shall qualify for a 25-And-Out Pension under Benefit Class 17a, in a monthly amount of $1,500, if he meets each of the following requirements:

(1) He has, on or after August 1, 1993, at least 100 days or 20 weeks of Employer Contributions **(and not Self-Contributions)** made on his behalf under Benefit Class 17a; and

(2) His Benefit Class is 17a; and

(3) He has, **excluding any Contributory Service Credit he earned from Self-Contributions he made for a period preceding January 1, 1994, other than a Temporary Medical Absence Period (as defined in Section 1.09(b)),** at least 25 years of Contributory Service Credit; and

(4) He has not received payment of any benefit from this Pension Fund, except that, this requirement shall be waived if a Pensioner, after his Retirement Date, becomes reemployed by a Contributing Employer and meets the requirements of Section 4.14(a).

(c) A Participant shall qualify for a 25-And-Out Pension under Benefit Class 18 or 18+, in a monthly amount of $2,000, if he meets each of the following requirements:

(1) He has had at least 10 days or 2 weeks of Employer Contributions **(and not Self-Contributions)** made on his behalf at a rate corresponding to Benefit Class 18 or 18+ or, if he is employed as a casual Employee or changes Contributing Employers (but not Bargaining Units) on or after such date, he has at least 100 days or 20 weeks of Employer Contributions **(and not Self-Contributions)** made on his behalf at a rate corresponding to Benefit Class 18 or 18+; and

(2) His Benefit Class is 18 or 18+; and

(3) He has, **excluding any Contributory Service Credit he earned from Self-Contributions he made for a period preceding January 1, 1994, other than a Temporary Medical Absence Period (as defined in Section 1.09(b)),** at least 25 years of Contributory Service Credit; and

(4) He has not received payment of any benefit from this Pension Fund, except that, this requirement shall be waived if a Pensioner, after his Retirement Date, becomes reemployed by a Contributing Employer and meets the requirements of Section 4.14(a).

(d) Subject to the Rules and Procedures for Suspension of Benefits (as described in Section 4.13), the Contributory Service After Retirement Date or After Disability (as described in

Section 4.14) and the Benefits Claim Filing Procedures (as described in Section 7.14), a Participant may elect to have his 25-And-Out Pension become payable on the 1st day of the month following his Retirement Date.

(e) A Participant who has stopped working in Covered Service may not elect to have his 25-And-Out Pension become payable later than the 1st day of the month following his Normal Retirement Date.

(f) The 25-And-Out Pension a Participant becomes qualified to receive shall be his minimum monthly retirement benefit from this Pension Fund.

(g) The Pension Fund is not liable for benefits based upon this Section 4.05 to the extent such liability has been transferred by the Pension Fund pursuant to APPENDIX L of this Pension Plan.

Section 4.06 30-AND-OUT PENSION - SCHEDULE B BENEFIT ONLY

(a) **The benefit described in this Section 4.06 is preserved, protected and limited as of December 31, 2003, to the extent described in this subsection (a).** Contributory Service Credit for any time period after December 31, 2003, will be disregarded, in determining eligibility for and the amount of a 30-and-Out Pension, except as otherwise provided in this subsection (a). For any Participant who has Contributory Service Credit both before and after December 31, 2003, the eligibility and amount of a 30-And-Out Pension will be determined in accordance with the following standards:

(1) The total of the Participant's Contributory Service Credit before, on and after December 31, 2003, will be included in the determination whether the Participant has the minimum 30 years of Contributory Service Credit required to qualify for this benefit and, if he does, and if he satisfies all other eligibility requirements for a 30-And-Out Pension, his monthly share of the applicable benefit amount will equal a fraction of that amount, the numerator being the total years of his Contributory Service Credit as of December 31, 2003, and the denominator being 30 years ("applicable benefit amount", for this calculation, means the amount in subsection [c] that is applicable to the Participant); and

(2) The Benefit Class of the Participant, for purposes of a 30-And-Out Pension, will be determined as of December 31, 2003, unless any of the limited post-2003 exceptions specified in Section 3.01(c) is applicable; and

(3) The Participant will also be entitled to receive, in addition to his share of a 30-And-Out Pension, a partial Contribution-Based Pension provided by Section 4.03, except that this partial benefit will be based solely upon his Contributory Service Credit on and after January 1, 2004.

(b) A Participant shall qualify for a 30-And-Out Pension if he meets each of the following requirements:

(1) He has at least 30 years of Contributory Service Credit; and

(2) He has at least 5 days or one week of Contributions made on his behalf at Schedule B rates; and

(3) He has not received payment of any benefit from this Pension Fund, except that, this requirement shall be waived if a Pensioner, after his Retirement Date, becomes reemployed by a Contributing Employer and meets the requirements of Section 4.14(a).

(c) A Participant who is eligible for a 30-And-Out Pension shall receive a benefit in a monthly amount determined as follows:

(1) He shall receive a 30-And-Out Pension in a monthly amount equal to the age 60 Twenty-Year Service Pension corresponding to his Benefit Class if his Benefit Class is below 15(A) and he is covered by a Collective Bargaining Agreement which contains a commitment for Schedule B rates.

(2) He shall receive a 30-And-Out Pension in a monthly amount of $1,000 if his Benefit Class is 15 or if his Benefit Class is 16(A) or higher and he fails to meet the requirements of (3), (4) and (5) below.

(3) He shall receive a 30-And-Out Pension in a monthly amount of $2,000 if he meets each of the following requirements:

(A) He has, on or after April 1, 1991, at least 5 days or one week of Employer Contributions **(and not Self-Contributions)** made on his behalf at a rate corresponding to Benefit Class 16(A) or higher, and;

(i) His Contributing Employer previously made Contributions at a rate corresponding to Benefit Class 15(C) or higher and his current Benefit Class, determined according to Section 3.03(a), is 16(A) or higher; or

(ii) His Contributing Employer previously made Contributions at a rate corresponding to either Benefit Class 15(A) or 15(B) **but not** Benefit Class 15(C), his current Benefit Class, determined according to Section 3.03(a), is 16(A) or higher and his Contributing Employer has been making Contributions at a rate corresponding to Benefit Class 16(A) or higher for at least 12 months preceding his Retirement Date; or

(iii) His Benefit Class, determined according to Section 3.03(b), is 16(A) or higher; and

(B) He is covered by a Collective Bargaining Agreement which requires his Contributing Employer to begin making Contributions at a rate corresponding to at least Benefit Class 16(C) no later than 24 months after the date the last Contribution is made on his behalf.

(4) He shall receive a 30-And-Out Pension in a monthly amount of $2,500 if he meets each of the following requirements:

(A) He has had, on or after April 1, 1994, at least 10 days or 2 weeks of Employer Contributions **(and not Self-Contributions)** made on his behalf at a rate corresponding to Benefit Class 17b or if he is employed as a casual Employee or changes Contributing Employers (but not Bargaining Units) on or after such date, he has at least 100 days or 20 weeks of Employer Contributions **(and not Self-Contributions)** made on his behalf at a rate corresponding to Benefit Class 17b; and

(B) His Benefit Class is 17b; and

(C) He has, **excluding any Contributory Service Credit he earned from Self-Contributions he made for a period preceding January 1, 1994, other than a Temporary Medical Absence Period (as defined in Section 1.09(b)),** at least 30 years of Contributory Service Credit.

(5) He shall receive a 30-And-Out Pension in a monthly amount of $3,000 if he meets each of the following requirements:

(A) He has had at least 10 days or 2 weeks of Employer Contributions **(and not Self-Contributions)** made on his behalf at a rate corresponding to Benefit Class 18 or 18+ or, if he is employed as a casual Employee or changes Contributing Employers (but not Bargaining Units) on or after such date, he has at least 100 days or 20 weeks of Employer Contributions **(and not Self-Contributions)** made on his behalf at a rate corresponding to Benefit Class 18 or 18+; and

(B) His Benefit Class is 18 or 18+; and

(C) He has, **excluding any Contributory Service Credit he earned from Self-Contributions he made for a period preceding January 1, 1994, other than a Temporary Medical Absence Period (as defined in Section 1.09(b)),** at least 30 years of Contributory Service Credit.

(d) Subject to the Rules and Procedures for Suspension of Benefits (as described in Section 4.13), the Contributory Service After Retirement Date or After Disability (as described in Section 4.14) and the Benefits Claim Filing Procedures (as described in Section 7.14), a Participant may elect to have his 30-And-Out Pension become payable on the 1st day of any month following his Retirement Date.

(e) A Participant who has stopped working in Covered Service may not elect to have his 30-And-Out Pension become payable later than the 1st day of the month following his Normal Retirement Date.

(f) The 30-And-Out Pension a Participant becomes qualified to receive shall be his minimum monthly retirement benefit from this Pension Fund.

(g) The Pension Fund is not liable for benefits based upon this Section 4.06 to the extent such liability has been transferred by the Pension Fund pursuant to APPENDIX L of this Pension Plan.

Section 4.07 VESTED PENSION

(a) To become eligible for a Vested Pension, a Participant must be a Vested Participant and have a Retirement Date preceding January 1, 1987. A Vested Participant whose Retirement Date is on or after January 1, 1987 shall be eligible to receive a Contribution-Based Pension (as defined in Section 4.03) in lieu of a Vested Pension.

(b) The monthly amount of the Vested Pension is determined as follows:

(1) If the effective date of benefit payments is on or after the Normal Retirement Date of the Participant, the monthly amount is equal to his Accrued Benefit, as determined by Section 1.01(a).

(2) If the effective date of benefit payments is before the Normal Retirement Date of the Participant, the monthly amount is determined by reducing his Accrued Benefit, as determined by Section 1.01(a), by ½ of 1% for each month his effective date of benefit payments precedes his 65th birthday;

(c) Subject to the Rules and Procedures for Suspension of Benefits (as described in Section 4.13), the Contributory Service After Retirement Date or After Disability (as described in

Section 4.14) and the Benefits Claim Filing Procedures (as described in Section 7.14), a Participant may elect to have his Vested Pension become payable on the 1st day of any month following the later of:

(1) his 50th birthday; or

(2) his Retirement Date.

(d) The Pension Fund is not liable for benefits based upon this Section 4.07 to the extent such liability has been transferred by the Pension Fund pursuant to APPENDIX L of this Pension Plan.

Section 4.08 DEFERRED PENSION

(a) A Participant who becomes eligible for a Deferred Pension may defer payment of his Twenty-Year Service Pension or Early Retirement Pension to a later age and receive a greater monthly benefit.

(b) To become eligible for a Deferred Pension, a Participant must meet one of the following requirements at the time he stops working in Covered Service or becomes an Inactive Participant.

(1) he must be eligible for immediate payment of a Twenty-Year Service Pension; or

(2) he must be eligible for immediate payment of an Early Retirement Pension and have at least 20 years of Contributory Service Credit.

(c) The monthly amount of the Deferred Pension is determined by the age of the Participant in the month immediately preceding his Deferred Retirement Date, and by his Benefit Class on the earlier of:

(1) the date he stops working in Covered Service; or

(2) the date he became an Inactive Participant.

(d) Subject to the Rules and Procedures for Suspension of Benefits (as described in Section 4.13), the Contributory Service After Retirement Date or After Disability (as described in Section 4.14) and the Benefits Claim Filing Procedures (as described in Section 7.14), the Deferred Pension becomes payable on the Deferred Retirement Date of a Participant.

(e) The Pension Fund is not liable for benefits based upon this Section 4.08 to the extent such liability has been transferred by the Pension Fund pursuant to APPENDIX L of this Pension Plan.

Section 4.09 TWENTY-YEAR DEFERRED PENSION - SCHEDULE B BENEFIT ONLY

(a) A Participant who becomes eligible for a Twenty-Year Deferred Pension may defer the payment of his Twenty-Year Service Pension or Early Retirement Pension and receive a greater monthly benefit.

(b) To become eligible for a Twenty-Year Deferred Pension, a Participant must meet the following requirements at the time he stops working in Covered Service or becomes an Inactive Participant.

(1) (A) he must have had at least one Year of Participation in which his Contributing Employer made Employer Contributions under Schedule B for members of his Bargaining Unit; or

(B) he must not have had a One-Year Break-in-Service during the calendar year immediately preceding the calendar year his Contributing Employer began making Employer Contributions under Schedule B for members of his Bargaining Unit; and

(2) he must have had at least 20 years of Contributory Service Credit.

(c) The monthly amount of the Twenty-Year Deferred Pension is determined by the age of the Participant in the month immediately preceding his Deferred Retirement Date, and by his Benefit Class on the earlier of:

(1) the date he stopped working in Covered Service; or

(2) the date he became an Inactive Participant.

(d) Subject to the Rules and Procedures for Suspension of Benefits (as described in Section 4.13), the Contributory Service After Retirement Date or After Disability (as described in Section 4.14) and the Benefits Claim Filing Procedures (as described in Section 7.14), the Twenty-Year Deferred Pension becomes payable on the Deferred Retirement Date of a Participant.

(e) The Pension Fund is not liable for benefits based upon this Section 4.09 to the extent such liability has been transferred by the Pension Fund pursuant to APPENDIX L of this Pension Plan.

Section 4.10 FORMS OF PAYMENT

(a) Three forms of payment for retirement pensions are available from the Pension Plan. The form of payment affects the monthly amount of the retirement pension, and also determines what benefits, if any, shall be available after the death of the Participant.

(b) FORM OF PAYMENT 1 - JOINT AND 50% SURVIVING SPOUSE OPTION

(1) The Joint and 50% Surviving Spouse Option is the normal form of payment for retirement pensions and is available if:

(A) a Pensioner is married on the effective date of his benefit payments; and

(B) he and his spouse have not elected, in writing, to receive his retirement pension in any other form of payment.

(2) The Joint and 50% Surviving Spouse Option provides a lifetime retirement pension to a Pensioner reduced to reflect the cost to the Pension Fund for this form of payment, and after his death, provides 50% of that reduced amount as a lifetime benefit to the surviving spouse. For purposes of this form of payment, a surviving spouse is the individual to whom the Pensioner is married on the effective date of his benefit payments, except as otherwise provided in subsection (g)(1)(E) and (F) of this section.

(3) The reduction factors for the Joint and 50% Surviving Spouse Option appear in Appendix A-1.

(4) A Pensioner whose reduced pension is based upon the Joint and 50% Surviving Spouse Option, and who is preceded in death by his spouse, shall have his retirement pension restored to the amount he would have received if he and his spouse had rejected the Joint and 50% Surviving Spouse Option. This provision shall apply to any Pensioner who, on or after January 1, 1990, is eligible to receive his retirement pension under the Joint and 50% Surviving Spouse Option and shall go into effect according to the following:

(A) **If the date of death of a Pensioner's spouse is before January 1, 1990,** his retirement pension shall be restored effective January 1, 1990.

(B) **If the date of death of a Pensioner's spouse is on or after January 1, 1990,** the Pensioner's retirement pension shall be restored effective the 1st day of the month following the month of his spouse's death.

(5) If a Pensioner's reduced pension is based upon the Joint and 50% Surviving Spouse Option, and if that Pensioner's spouse executes a specific written waiver of any right to and interest in the Joint and 50% Surviving Spouse Option, and if that waiver is incorporated in a court-approved property settlement agreement that is part of a judgment or order entered by a court of competent jurisdiction in a divorce, marriage dissolution or marital separation proceeding, then the Pensioner shall have his retirement pension restored to the amount he would have received if he and his spouse had rejected the Joint and 50% Surviving Spouse Option. This restoration shall be effective the 1st day of the month following the month in which the judgment or order is entered, except that the restoration will not be applied to benefits paid or payable on any date prior to 1992.

(6) Subject to the Benefits Claim Filing Procedures (as described in Section 7.14), benefits payable to a surviving spouse under the Joint and 50% Surviving Spouse Option form of payment shall become payable on the 1st day of the month following the Participant's death.

(c) FORM OF PAYMENT 1A -- JOINT AND 75% SURVIVING SPOUSE OPTION

(1) The Joint and 75% Surviving Spouse Option is a form of payment for retirement pensions which is an alternative to the Joint and 50% Surviving Spouse Option and which is available if:

(A) a Pensioner is married on the effective date of his benefit payments; and

(B) the effective date of the benefit payments of the Pensioner is on or after March 1, 2008; and

(C) there has been an effective waiver by the Pensioner, with the consent of his spouse, of the Joint and 50% Surviving Spouse Option; and

(D) the Pensioner, during the applicable election period (as defined in subsection [f] [7] [C] of this section), has elected the Joint and 75% Surviving Spouse Option and has not revoked that election before expiration of that period.

(2) The Joint and 75% Surviving Spouse Option provides a lifetime retirement pension to a Pensioner reduced to reflect the cost to the Pension Fund for this form of payment and, after his death, provides 75% of that reduced amount as a lifetime benefit to his surviving spouse. For purposes of this form of payment, a surviving spouse is the individual to whom the Pensioner is married on the effective date of his benefit payments, except that, if the spouse of the Pensioner as of his

retroactive annuity starting date (as defined in this section) is no longer his spouse determined as of the date on which distribution of his retirement pension actually commences, that former spouse is not his spouse for purposes of this subsection (c) and is not entitled to a QOSA benefit.

(3) The reduction factors for the Joint and 75% Surviving Spouse Option appear in Appendix A-2.

(4) A Pensioner whose reduced pension is based upon the Joint and 75% Surviving Spouse Option, and who is preceded in death by his spouse, shall have his retirement pension restored to the amount he would have received if he had not elected the Joint and 75% Surviving Spouse Option, effective as of the 1st day of the month following his spouse's death.

(5) If a Pensioner's reduced pension is based upon the Joint and 75% Surviving Spouse Option, and if that Pensioner's spouse executes a specific written waiver of any right to and interest in the Joint and 75% Surviving Spouse Option, and if that waiver is incorporated in a court-approved property settlement agreement that is part of a judgment or order entered by a court of competent jurisdiction in a divorce, marriage dissolution or marital separation proceeding, then the Pensioner shall have his retirement pension restored to the amount he would have received if he had not elected the Joint and 75% Surviving Spouse Option. This restoration shall be effective as of the 1st day of the month following the month in which the judgment or order is entered.

(6) Subject to the Benefits Claim Filing Procedures (as described in Section 7.14), benefits payable to a surviving spouse under the Joint and 75% Surviving Spouse Option form of payment shall become payable on the 1st day of the month following the Pensioner's death.

(d) FORM OF PAYMENT 2 - LIFETIME ONLY OPTION

(1) A Participant whose Benefit Class is 3(A) or lower shall, after becoming a Pensioner, automatically receive his retirement pension benefit under the Lifetime Only Option if:

(A) he is not married on the effective date of his retirement pension benefit payments; or

(B) he and his spouse have elected in writing, not to receive his retirement pension benefits under the Joint and 50% Surviving Spouse Option.

(2) The Lifetime Only Option provides a lifetime retirement pension to a Pensioner, and does not, upon his death, provide any monthly surviving spouse benefit.

(3) The Lifetime Only Option does not provide any lump-sum death benefit upon the death of a Pensioner who was receiving a Contribution-Based Pension or Vested Pension or upon the death of his spouse, unless, upon retirement, he had met the requirements for an Early Retirement Pension or Twenty-Year Deferred Pension.

(4) Subject to (d)(3), above, the Lifetime Only Option provides a $1,000 lump-sum death benefit upon the death of a Pensioner. This $1,000 lump-sum death benefit is payable in equal shares to all members of the highest level of survivors as follows:

(A) Spouse;

(B) Dependent Children;

(C) Non-Dependent Children;

(D) Parents;

(E) Brothers and Sisters;

(F) Estate.

(5) Subject to (d)(3), above, the Lifetime Only Option provides a $500 lump-sum benefit upon the death of the spouse of a Pensioner. This $500 lump-sum benefit is payable to a Pensioner only once during his lifetime.

(e) FORM OF PAYMENT 3 - LIFETIME WITH LIMITED SURVIVING SPOUSE OPTION

(1) A Participant whose Benefit Class is (4) or higher shall, upon becoming a Pensioner, automatically receive his retirement pension benefit under the Lifetime With Limited Surviving Spouse Option if:

(A) he is not married on the effective date of his retirement pension benefit payments; or

(B) he and his spouse have elected, in writing, not to receive his retirement pension benefits under the Joint and 50% Surviving Spouse Option.

(2) The Lifetime With Limited Surviving Spouse Option provides a lifetime retirement pension benefit to a Pensioner.

(3) If a Pensioner receives at least 60 months of retirement pension benefit payments, the Lifetime With Limited Surviving Spouse Option **does not** provide any further benefits.

(4) If a Pensioner does not receive at least 60 months of retirement pension benefit payments, the Lifetime With Limited Surviving Spouse Option, except in cases where he is receiving a Contribution-Based Pension or Vested Pension and, upon retirement, had not met the requirements for an Early Retirement Pension or Twenty-Year Deferred Pension, provides his surviving spouse with the difference in payments resulting when the payments received by the Pensioner before his death are subtracted from 60. For purposes of this form of payment, the surviving spouse of a Pensioner is the individual to whom he is married on the date of his death.

(5) Subject to the Benefits Claim Filing Procedures (as described in Section 7.14) any benefits payable to a surviving spouse under the Lifetime With Limited Surviving Spouse Option form of payment shall become payable on the 1st day of the month following the death of the Pensioner.

(6) If a Pensioner does not receive at least 60 months of retirement pension benefit payments and is not married at the time of his death, the Lifetime With Limited Surviving Spouse Option, except in cases where he is receiving a Contribution-Based Pension or Vested Pension and, upon retirement, had not met the requirements for an Early Retirement Pension or Twenty-Year Deferred Pension, provides that a $1,000 lump-sum death benefit will be payable in equal shares to the members of the highest level of survivors as follows:

(A) Dependent Children;

(B) Non-Dependent Children;

(C) Parents;

(D) Brothers and Sisters;

(E) Estate.

(f) ELECTION TO WAIVE QUALIFIED JOINT AND SURVIVOR ANNUITY AND/OR TO WAIVE QUALIFIED OPTIONAL SURVIVOR ANNUITY

(1) Each Participant and Pensioner may elect at any time during the applicable election period to waive the qualified joint and survivor annuity form of benefit (hereinafter "QJSA benefit"), and, if such a waiver is effectively elected, he may elect at any time during the applicable election period to waive the qualified optional survivor annuity form of benefit (hereinafter "QOSA benefit"). He may also revoke such election (to waive the QJSA benefit and/or to waive the QOSA benefit) at any time during the applicable election period.

(2) The QJSA benefit is the Joint and 50% Surviving Spouse Option described in subsection (b) of this section. The QOSA benefit is the Joint and 75% Surviving Spouse Option described in subsection (c) of this section.

(3) An election by a Participant or Pensioner to waive the QJSA benefit shall not take effect unless during the applicable election period his spouse consents in writing to such waiver election, and unless the spouse's consent acknowledges the effect of such waiver election and is witnessed by a notary public. The definition of "spouse" is in subsections (f)(7)(D) and (g)(1)(E) and (F) of this section.

(4) The requirements of a spouse's consent described in subsection (f)(3) of this section are not applicable in circumstances which establish to the satisfaction of the Pension Fund that the Participant or Pensioner is not married or that his spouse cannot be located.

(5) The Pension Fund shall provide to each Participant and Pensioner a written explanation (hereinafter "QJSA-QOSA explanation") that will include: the terms and conditions of the QJSA benefit and the QOSA benefit; the right of the Participant or Pensioner to make, and the effect of, a timely election to waive the QJSA benefit and/or to receive the QOSA benefit; the rights of the spouse of the Participant or Pensioner as described in subsection (f)(3) of this section; and the right of the Participant or Pensioner to make, and the effect of, a timely revocation of his previous waiver of the QJSA benefit and/or his previous election to receive the QOSA benefit. The QJSA-QOSA explanation shall be written in a manner calculated to be understood by the average Participant and Pensioner. The QJSA-QOSA explanation shall include, as of the annuity starting date of the Participant or Pensioner (or, if applicable, his retroactive annuity starting date), a description of his QJSA benefit, a description of his QOSA benefit if he elects to waive his QJSA benefit, a description of his optional benefit if he elects to waive both his QJSA benefit and his QOSA benefit, a description of the eligibility conditions for his benefits and a description of the financial effects and relative values of his QJSA benefit, his QOSA benefit if he elects to waive his QJSA benefit, and his optional benefit if he elects to waive both his QJSA benefit and his QOSA benefit. The QJSA-QOSA explanation shall be provided to each Participant or Pensioner

no less than 30 days, and no more than 180 days (or a longer interval caused solely by administrative delay), before his annuity starting date, except as otherwise provided in subsections (f)(6) and (g) of this section.

(6) The QJSA-QOSA explanation may be provided by the Pension Fund to a Participant or Pensioner on a date which is less than 30 days before his annuity starting date if the following conditions are satisfied:

(A) the QJSA-QOSA explanation must clearly inform the Participant or Pensioner that the applicable election period, for his election to waive the QJSA benefit, and for his election to receive the QOSA benefit, and for his revocation of any such prior election, continues until 90 days after the date on which distribution of his retirement pension actually commences; and

(B) distribution in accordance with an affirmative election to waive the QJSA benefit and/or to receive the QOSA benefit, or with a revocation of any such prior election, cannot commence before expiration of 10 days after the date on which the Participant or Pensioner receives the QJSA-QOSA explanation.

(7) The following terms in subsections (f) and (g) of this section shall have the following meanings:

(A) the term “annuity starting date” means the first day of the first period (of multiple periods) for which an amount is payable to a Pensioner as a retirement pension;

(B) the term “retroactive annuity starting date” means an annuity starting date affirmatively elected by a Participant or Pensioner which occurs on or before the date on which the QJSA-QOSA explanation, as required by subsections (f)(5) and (f)(6) of this section, is provided to the Participant or Pensioner, and to which subsection (g) of this section applies;

(C) the term “applicable election period” (for an election by a Participant or Pensioner to waive the QJSA benefit and/or to receive the QOSA benefit, and for his revocation of any such prior election) means the period which begins 180 days before the annuity starting date of the Participant or Pensioner and ends on the 90th day after the date on which distribution of his retirement pension actually commences; and

(D) the “spouse” of a Participant or Pensioner means the person (if any) to whom he is married on his annuity starting date, except as otherwise provided in subsection (g) of this section.

(g) RETROACTIVE ANNUITY STARTING DATES

(1) This subsection (g) applies only to retroactive annuity starting dates, as defined in subsection (f)(7)(B) of this section, which are **on and after January 1, 2004**. To the extent any Participant or Pensioner is permitted to elect to receive a retirement pension based upon a retroactive annuity starting date which is **on or after January 1, 2004**, the following terms, conditions and requirements are applicable:

(A) all future periodic payments with respect to a Participant or Pensioner who elects a retroactive annuity starting date must be the same as the future periodic payments that would have been paid to him if his payments had actually commenced on the retroactive annuity starting date, and he must receive a make-up payment to reflect all missed payments for the period from

the retroactive annuity starting date to the date of the actual make-up payment (with an appropriate adjustment for interest from the date each missed payment would have been made to the date of the actual make-up payment, provided that there is to be no such interest adjustment except to the extent that it is legally required);

(B) no Participant or Pensioner will be permitted to elect a retroactive annuity starting date that precedes the date upon which he could have otherwise started receiving benefits;

(C) the QJSA-QOSA explanation shall be provided to each Participant or Pensioner no less than 30 days, and no more than 180 days (or a longer interval if caused solely by administrative delay), before the date on which distribution of his retirement pension actually commences, except that the QJSA-QOSA explanation may be provided by the Pension Fund to a Participant or Pensioner on a date which is less than 30 days before the date on which distribution of his retirement pension actually commences if the following conditions are satisfied:

(i) the QJSA-QOSA explanation must clearly inform the Participant or Pensioner that the applicable election period, for his election to waive the QJSA benefit, and for his election to receive the QOSA benefit, and for his revocation of any such prior election, continues until 90 days after the date on which distribution of his retirement pension actually commences; and

(ii) distribution in accordance with an affirmative election to waive the QJSA benefit and/or to receive the QOSA benefit, or with a revocation of any such prior election, cannot commence before expiration of 10 days after the date on which the Participant or Pensioner receives the QJSA-QOSA explanation;

(D) the term ‘applicable election period’ (for an election by a Participant or Pensioner to waive the QJSA benefit and/or to receive the QOSA benefit, and for his revocation of any such prior election) means the period which begins 180 days before the annuity starting date of the Participant or Pensioner and ends on the 90th day after the date on which distribution of his retirement pension actually commences;

(E) if the spouse of the Participant or Pensioner as of the retroactive annuity starting date is no longer his spouse determined as of the date on which distribution of his retirement pension actually commences, that former spouse is not entitled to a QJSA benefit and the consent of that former spouse is not needed to waive the QJSA benefit unless otherwise required by a qualified domestic relations order; and

(F) the requirements of a spouse’s consent described in subsection (f)(3) of this section are applicable to the spouse of the Participant or Pensioner determined as of the date on which distribution of his retirement pension actually commences (including an alternate payee who is treated as his spouse based upon a qualified domestic relations order), and no election of a retroactive annuity starting date shall take effect without consent to the election by that spouse (in the manner prescribed by subsection [f][3] of this section) if such election will reduce the amount of the potential future QJSA benefit which, absent such election, would be payable to the spouse.

(h) TRANSFER OF LIABILITIES TO THE UPS TRANSFER PLAN

(1) For purposes of all forms of payments pursuant to this Section 4.10 and this Pension Plan, the Pension Fund is not liable for benefits to the extent such liability has been transferred by the Pension Fund pursuant to APPENDIX L of this Pension Plan, provided that, in any instance in which the Pension Fund becomes responsible as a result of and pursuant to Section 3 of APPENDIX L for the payment of a qualified post-retirement joint and survivor annuity on and after the Participant's 65th birthday (or the date that would have been the Participant's 65th birthday if the Participant is then deceased), if such annuity was previously elected pursuant to and began to be paid by the UPS Transfer Plan, the form of the annuity paid by the Pension Fund will be either the Joint and 50% Surviving Spouse Option or the Joint and 75% Surviving Spouse Option (whichever was elected by the Participant pursuant to the UPS Transfer Plan), and all such payments by the Pension Fund will be determined and governed by the terms and provisions of this Section 4.10 and APPENDIX L.

Section 4.11 BENEFITS UNDER ANOTHER PLAN

A Participant whose Employee Group was accepted according to the Alternative Policy in Appendix G of this Pension Plan, shall have the amount of any Twenty-Year Service Pension, Early Retirement Pension, Contributory Credit Pension, 25-And-Out Pension, 30-And-Out Pension, Deferred Pension or Twenty-Year Deferred Pension he becomes eligible to receive from this Pension Plan, reduced by the amount of any benefit he may have earned while covered by a prior pension plan maintained by the Contributing Employer that became required to make Employer Contributions to this Pension Fund on his behalf.

Section 4.12 CHOICE OF BENEFITS

(a) Except as otherwise provided in (b), below, only one type of retirement pension shall be payable to a Pensioner. Subject to that exception, if a Participant is eligible for more than one type of retirement pension, he must choose the one he is to receive. That choice, upon being made by a Participant, shall be irrevocable, except as provided by the Rules and Procedures for Suspension of Benefits (as described in Section 4.13) and the Contributory Service After Retirement Date or After Disability (as described in Section 4.14), and except in cases where a Participant chooses to receive any other benefit for which he is eligible before the Pension Fund completes the processing of his claim for any other retirement pension he may be eligible to receive.

(b) For any Participant who has Contributory Service Credit both before and after December 31, 2003, and who becomes eligible to receive **both** a partial Contribution-Based Pension based solely upon his Contributory Service Credit on and after January 1, 2004, **and** a retirement benefit in accordance with Section 4.04(a) or Section 4.05(a) or Section 4.06(a), the initial effective date of both benefits will be the 1st day of the month following the Retirement Date of the Participant.

Section 4.13 RULES AND PROCEDURES FOR SUSPENSION OF BENEFITS

This section governs the suspension by the Pension Fund of monthly (and any other periodic) benefits payable for any period. Definitions of terms are stated in subsection (g) as well as in Article I of this Pension Plan.

(a) The Pension Fund shall permanently suspend all Periodic Benefit Payments of a Pensioner or Disabled Participant during periods of his Reemployment to the following extent:

(1) all Periodic Benefit Payments to a Disabled Participant shall be permanently suspended during all periods of his Reemployment (even if it is not Restricted Reemployment);

(2) all Periodic Benefit Payments to a Pensioner shall be permanently suspended during all periods of his Restricted Reemployment except that, after the 65th birthday or Vested Pension Retirement Date of a Pensioner, whichever is later, there shall be no suspension in conflict with applicable federal law, including 26 U.S.C. § 411 and 29 U.S.C. § 1053*; and

(3) there shall be no suspension of Periodic Benefit Payments of any Pensioner or Disabled Participant after April 1 of the year after the calendar year in which the Pensioner or Disabled Participant attains age 70½, regardless of any Reemployment.

Any failure of a Pensioner to comply with any disclosure obligation described in subsection (b), or with any related disclosure request by the Pension Fund, shall, if the Pensioner has been or is engaged in any Reemployment, create a rebuttable presumption of an existing factual basis, in accordance with this subsection, for a permanent suspension of the Pensioner's Periodic Benefit Payments during all periods of his Reemployment, provided that such presumption will become inoperative if and to the extent the presumption is rebutted by clear and convincing evidence or is otherwise shown to be unreasonable under the circumstances. Each such permanent suspension of Periodic Benefit Payments shall apply not only to the Pensioner or Disabled Participant but also to any other potential payee of any part of his suspended Periodic Benefit Payments, including any payee pursuant to a qualified domestic relations order (such as a former spouse), and including a surviving spouse. Each such permanent suspension of Periodic Benefit Payments shall continue in effect until the Pension Fund has received what it determines to be both notice and clear and convincing evidence that the basis for the permanent suspension is no longer applicable, at which time

---

* Applicable federal law, 26 U.S.C. § 411 and 29 U.S.C. § 1053, includes a regulation adopted by the Secretary of Labor, 29 CFR § 2530.203-3, which authorizes the permanent suspension by the Pension Fund of Periodic Benefit Payments, after a Pensioner's Vested Pension Retirement Date (age 65 in the Pension Fund in almost all instances), "for each calendar month, or for each four or five week payroll period ending in a calendar month" if during that month, the Pensioner:

"-Completes 40 or more hours of service … or

"-Receives payment for any such hours or service performed on each of 8 or more days (separate work shifts) in such month or payroll period…; in

" – An industry in which employees covered by the plan were employed and accrued benefits under the plan as a result of such employment at the time that the payment of benefits commenced or would have commenced if the employee had not remained in or returned to employment, and

" – A trade or craft in which the employee was employed at any time under the plan, and

" – The geographic area covered by the plan at the time that the payment of benefits commenced or would have commenced if the employee had not remained in or returned to employment."

That applicable law and that regulation are hereby incorporated into this Pension Plan.

the suspension will be ended and the Periodic Benefit Payments will be resumed on a prospective basis only (without any restoration of payments for the period prior to that end of the suspension), subject to possible offset pursuant to subsection (e).

(b) Every Participant, Pensioner and Disabled Participant is obliged, as a prerequisite to any receipt of Periodic Benefit Payments, to keep the Pension Fund fully and promptly informed of any employment or any other performance of services in which he was or is engaged during any time period for which he claims or has received Periodic Benefit Payments. The Pension Fund may at any time, and as often as is reasonable, require appropriate signed authorizations by any Pensioner or Disabled Participant to provide the Pension Fund with access to all information about his past and present circumstances of any employment or any other performance of services, including but not limited to all records of any employers and of the Social Security Administration. The Pension Fund may also at any time, and as often as is reasonable, require appropriate certifications signed by any Pensioner or Disabled Participant, and/or appropriate signed responses by any Pensioner or Disabled Participant to any requests from the Pension Fund, that relate to a determination whether or not he has been and/or is engaged in Reemployment or Restricted Reemployment. Any failure of a Pensioner or Disabled Participant to comply with any disclosure obligation described in this subsection (b), or with any related disclosure request by the Pension Fund, shall itself be independent grounds for temporary suspension of the Periodic Benefit Payments of the Pensioner or Disabled Participant until he complies with his disclosure obligations and/or such request to the satisfaction of the Pension Fund, at which point his Periodic Benefit Payments will be resumed (including full restoration of all payments that had been temporarily suspended) unless there is then in effect a permanent suspension of his Periodic Benefit Payments in accordance with subsection (a). At the time of any temporary suspension of Periodic Benefit Payments in accordance with this subsection (b), the Pension Fund shall provide written notice of the suspension to the Pensioner or Disabled Participant by first-class mail directed to his last known address on any date prior to the initial effective date of the suspension, and the notice shall describe the specific reasons for the suspension and its initial effective date, and shall inform the Pensioner or Disabled Participant of his right to appeal pursuant to subsection (d).

(c) At the time of any permanent suspension of Periodic Benefit Payments in accordance with subsection (a), the Pension Fund shall provide written notice of the suspension to the Pensioner or Disabled Participant by first-class mail directed to his last known address on any date prior to the initial effective date of the suspension. The notice shall describe the specifics of the Reemployment (including, if applicable, Restricted Reemployment) on which the suspension is based, the dates of the Reemployment, the initial effective date of the suspension and the right of the Pension Fund to restitution (pursuant to subsection [e]) including an offset or deduction from post-suspension Periodic Benefit Payments, and the notice shall also inform the Pensioner or Disabled Participant of his right to appeal pursuant to subsection (d).

(d) The Benefits Claim and Appeal Procedures of APPENDIX B of this Pension Plan shall be applicable to all written requests by a Pensioner or Disabled Participant for review of a permanent suspension or a temporary suspension of his Periodic Benefit Payments in accordance with subsection (a) or subsection (b), and for review of a status determination in accordance with subsection (f), except that the initial stage of such review shall be conducted by the Benefits Claim Appeals Committee and the second stage (if any) of such review shall be conducted by the Board of Trustees, provided that the Pensioner or Disabled Participant must exhaust both stages of review prior to commencement of any legal action with respect to any suspension of his Periodic Benefit Payments or any status determination.

(e) The Pension Fund is entitled to restitution of all Periodic Benefit Payments that are distributed to a Pensioner or Disabled Participant for any period which is determined by the Pension Fund to be a period of Reemployment (including, if applicable, Restricted Reemployment) for which the Pensioner or Disabled Participant was not entitled to receive such payments. The Pension Fund may obtain that restitution by recoupment from any future Periodic Benefit Payments to which the Pensioner or Disabled Participant may be entitled for periods after the end of a suspension, provided that such recoupment will consist of 100% of the gross amount of the first three Periodic Benefit Payments and 25 percent of the gross amount of each Periodic Benefit Payment thereafter. The Pension Fund may also obtain that restitution by any other available remedy at law or at equity.

(f) Every Participant, Pensioner and Disabled Participant is entitled to submit a written request to the Pension Fund at any time for a determination whether or not specific employment or other specific services constitute Reemployment or Restricted Reemployment. Upon receipt of any such request, the Pension Fund shall promptly make a determination whether or not the specific employment or other specific services constitute Reemployment or Restricted Reemployment, and shall promptly provide notice of that status determination to the Pensioner or Disabled Participant by first-class mail directed to his last known address, which notice shall also inform the Pensioner or Disabled Participant of his right to appeal pursuant to subsection (d).

(g) The following definitions are applicable to this Section 4.13 and to all other provisions of this Pension Plan:

(1) Reemployment means and includes any employment, self-employment, occupation or service of any kind and at any time which is a basis for any form of past, present or future wages, salary, commissions, profit or other income (including employment in a managerial or supervisory position, and including any occupation or service in which there is no employer-employee relationship);

(2) Periodic Benefit Payments means and includes any retirement pension benefits payable in accordance with Article IV in monthly (or other periodic) amounts during retirement, and Monthly Disability Benefits payable in accordance with Section 5.02 during total and permanent disability; and

(3) Restricted Reemployment means and includes any of the following, except that, effective as of April 9, 2009, a Pensioner age 65 or older, and who for a period of 12 months following his Retirement Date has not been engaged in any categories of reemployment described below in subsections (A) – (E) that would subject him to a suspension of benefits, shall not be deemed to be in Restricted Reemployment, regardless of the position or number of hours worked:

(A) Reemployment in a Core Teamster Industry (as defined in paragraph 4.13(g)(4)), except that a Pensioner that has reached age 65 may work a maximum of 40 hours per month in such a position;

(B) Reemployment by a Contributing Employer (or an employer which was a Contributing Employer at any time after September 25, 1980), except that a Pensioner that has reached age 65 may work a maximum of 40 hours per month in such a position;

(C) Reemployment in any position (or supervising any position) that is covered by a Teamster Contract between that employer and any affiliate of the International Brotherhood of Teamsters, except that a Pensioner that has reached age 65 is not subject to this subparagraph (C);

(D) Reemployment in any position in the same industry in which the Pensioner earned Contributory Service Credit while covered by the Pension Fund, except that a Pensioner that has reached age 60 is not subject to this subparagraph (D), and except that a Pensioner that has reached age 57 but has not reached age 60 may work a maximum of 80 hours per month in such position; or

(E) Reemployment in any position in the same job classification as any other Participant then employed by a Contributing Employer located within 100 miles of the position, except that a Pensioner that has reached age 60 is not subject to this subparagraph (E), and except that a Pensioner that has reached age 57 but has not reached age 60 may work a maximum of 80 hours per month in such position.

(4) Core Teamster Industry means and includes Reemployment in any of the following industries:

(A) trucking and/or freight;

(B) small package and/or parcel delivery;

(C) car haul;

(D) tank haul;

(E) warehouse;

(F) food processing and/or distribution (including grocery, dairy, bakery, brewery, and soft drink); and

(G) building material and/or construction.

(5) Notwithstanding the provisions of paragraphs 4.13(g)(3) and 4.13(g)(4), Reemployment with a government agency shall not constitute Restricted Reemployment unless such agency is a Contributing Employer (or an employer which was a Contributing Employer at any time after September 25, 1980).

(6) Notwithstanding the provisions of subparagraph 4.13(g)(3)(C), and only for the purposes of subparagraph 4.13(g)(3)(C), Reemployment shall not constitute Restricted Reemployment if the Reemployment becomes Restricted Reemployment because the Pensioner is in a position (or supervising any position) that becomes covered by a Teamster Contract between that employer and any affiliate of the International Brotherhood of Teamsters subsequent to the beginning of the Pensioner's Reemployment with that employer.

(7) For purposes of the exception in subparagraphs 4.13(g)(3)(D) and the exception in 4.13(g)(3)(E) which allow a Pensioner who is at least age 57 but less than age 60 to work a maximum of 80 hours a month in such positions, a Pensioner shall not be allowed to utilize both the exception in subparagraph 4.13(g)(3)(D) and the exception in subparagraph 4.13(g)(3)(E) to exceed a combined total of 80 hours per month in such positions.

(8) If the application of Paragraph 4.13(g)(3) results in a Pensioner being found to be in Restricted Reemployment with respect to a position that would not have constituted Teamster Industry Reemployment under the Plan as defined

immediately prior to January 1, 2004, then that position shall not constitute Restricted Reemployment.**

Section 4.14 CONTRIBUTORY SERVICE AFTER RETIREMENT DATE OR AFTER DISABILITY

(a) A Pensioner who becomes reemployed by a Contributing Employer after his Retirement Date and who thereafter earns at least one additional year of Contributory Service Credit shall, upon retirement, have his retirement pension benefit redetermined as follows:

(1) If, during his period of reemployment, he had less than 250 weeks of Contributions made on his behalf, his benefit shall be recalculated (under the same Form of Payment as when he last retired) as the higher of:

(A) his Contribution-Based Pension; or

(B) the retirement pension benefit he originally received.

(2) If, during his period of reemployment, he had at least 250 weeks of Contributions made on his behalf, his benefit shall be recalculated as though he never retired and he and his spouse, if any, shall be free to choose any applicable Form of Payment for receiving his benefit.

(b) A Pensioner who becomes reemployed by a Contributing Employer after his Retirement Date and who thereafter fails to earn at least one additional year of Contributory Service Credit shall not be eligible for any recalculation of his retirement pension benefit and shall, upon reretirement, receive his original benefit under the same Form of Payment.

(c) A Disabled Participant who recovers from his disability and had less than 250 weeks of Contributory Service Credit from his employment by a Contributory Employer between the date of his recovery and his Retirement Date shall receive any retirement pension for which he is eligible (disregarding any Monthly Disability Benefit he has received), provided that, in the calculation of any retirement pension amount, his age shall be his age on December 31 of the year (after the date he became totally and permanently disabled) in which the amount of his actual Vesting Service for that calendar year is less than all minimum Vesting Service amounts specified in Section 1.23(b) for a calendar year, and provided further that, if he is eligible for a Contribution-Based Pension, Vested

---

**

Prior to January 1, 2004, paragraph Section 4.13(g)(3) provided:

(3) Teamster Industry Reemployment means and includes any of the following:

(A) Reemployment in any position by a Contributing Employer (or an employer which was a Contributing Employer at any time after September 25, 1980);

(B) Reemployment by an employer, other than a governmental agency in any position covered by a Teamster Contract between that employer and any affiliate of the International Brotherhood of Teamsters;

(C) Reemployment (other than governmental employment) in any position either in the same industry in which the Participant or Pensioner earned any Contributory Service Credit while covered by the Pension Fund, or in any other industry if the Participant or Pensioner is in the same job classification as are other Participants then employed by a Contributing Employer located within the same standard metropolitan statistical area.

Pension, Deferred Pension or Twenty-Year Deferred Pension, his age, for purposes of the calculation of the amount of any of those benefits (only), shall be his age on his Retirement Date. A recovered (former) Disabled Participant who is eligible for a retirement pension determined in accordance with the preceding sentence may become eligible for a greater retirement pension based upon his Benefit Class as determined by the Non-Continuous Contribution Method if he has (and includes in his eligibility determination) at least one year but less than 250 weeks of Contributory Service Credit from his employment by a Contributing Employer between the date of his recovery and his Retirement Date. A Disabled Participant who recovers from his disability and has at least 250 weeks of Contributory Service Credit from his employment by a Contributing Employer between the date of his recovery and his Retirement Date shall receive any retirement pension for which he is eligible, disregarding any Monthly Disability Benefit he has received.

(d) The Pension Fund is not liable for benefits based upon this Section 4.14 to the extent such liability has been transferred by the Pension Fund pursuant to APPENDIX L of this Pension Plan.

Section 4.15 PERIOD OF BENEFIT DISTRIBUTION

Except for Participants born before July 1, 1917, the entire benefit and interest of each Participant shall be distributed in a period beginning no later than April 1 of the year after the calendar year in which he attains age 70-1/2 and ending no later than his death or the death of his spouse or other beneficiary eligible for a benefit according to this Pension Plan, whichever death is later. For each Participant born before July 1, 1917, his entire benefit and interest shall be distributed in a period beginning no later than April 1 of the year after the calendar year in which his Retirement Date occurs or in which he attains age 70-1/2, whichever event is later, and ending no later than his death or the death of his spouse or other beneficiary eligible for a benefit according to this Pension Plan, whichever death is later. Distributions of all benefits and interests will be made by the Pension Fund in a manner consistent with Section 401(a)(9) of the Internal Revenue Code and regulations issued pursuant to authority of that section.

ARTICLE V DISABILITY BENEFITS

Section 5.01 DEFINITION OF DISABILITY

(a) A disability shall be considered total and permanent if a Participant is wholly disabled by bodily injury or disease and shall be permanently, continuously and wholly prevented by this disability from engaging in any occupation and performing any work for wage or profit during the remainder of his lifetime. The entire and irrevocable loss of sight in both eyes, or the severance of both hands above the wrist, or both feet above the ankle, or one hand above the wrist and one foot above the ankle shall be recognized by the Board of Trustees as total and permanent disability.

(b) The Board of Trustees shall accept a Certificate of Social Insurance Award under Title II of the Social Security Act as evidence of total and permanent disability.

Section 5.02 MONTHLY DISABILITY BENEFITS

(a) To become eligible for a Monthly Disability Benefit, a Participant must become totally and permanently disabled (as defined in Section 5.01) before his 62nd birthday and while he is an Active Participant or within 2 calendar years after becoming an Inactive Participant, and meet each of the following requirements at the time he stops working in Covered Service:

(1) he must have at least 10 years of Service Credit; and

(2) he must have met the Minimum Contribution Requirement; and

(3) he must have Contributions made on his behalf at the rates required by at least Benefit Class 4 of either Schedule A or Schedule B.

(b) The amount of the Monthly Disability Benefit of a Participant whose Benefit Class is any of 4 through 17a and 17b (regardless of his age when he became disabled) shall be:

(1) $150 for a Participant whose effective date of benefit payments precedes July 1, 1986;

(2) $250 for a Participant whose effective date of benefit payments is on or after July 1, 1986.

(c) The amount of the Monthly Disability Benefit of a Participant whose Benefit Class is 18 or 18+ on the date on which he becomes disabled, an amount which is based upon his age (Age at Disability) on that date, shall be:

Age at Disability	Amount
50 (and younger)	$ 650
51	700
52	750
53	800
54	850
55	900
56	950
57 (and older)	1,000

(d) Subject to the Rules and Procedures for Suspension of Benefits (as described in Section 4.13), the Contributory Service After Retirement Date or After Disability (as described in Section 4.14) and the Benefits Claim Filing Procedures (as described in Section 7.14), the Monthly Disability Benefit becomes payable to a Disabled Participant on the 1st day of the 6th month following the date the Participant became disabled. Monthly Disability Benefit payments shall continue to be made to a Disabled Participant until the 1st day of the month in which the earliest of the following occurs:

(1) he becomes a Pensioner; or

(2) he recovers from his disability; or

(3) he dies.

(e) Effective July 1, 1986, a Participant eligible to receive a Monthly Disability Benefit from this Pension Plan, or any earlier version of this Pension Plan, shall receive a $100 increase in the monthly amount of his disability benefit (subject to the provisions of Appendix D of this Pension Plan) if:

(1) his effective date of disability benefit payments precedes July 1, 1986; and

(2) he is eligible to continue receiving his disability benefit on July 1, 1986.

(f) The Pension Fund is not liable for benefits based upon this Section 5.02 to the extent such liability has been transferred by the Pension Fund pursuant to APPENDIX L of this Pension Plan.

Section 5.03 LUMP SUM DISABILITY BENEFITS

(a) To become eligible for a Lump Sum Disability Benefit, a Participant must become totally and permanently disabled (as defined in Section 5.01) on or after his 45th birthday, and while he is an Active Participant or within 2 calendar years after becoming an Inactive Participant, and meet each of the following requirements at the time he stops working in Covered Service:

(1) he must have at least 10 years of Service Credit; and

(2) he must have met the Minimum Contribution Requirement; and

(3) he must not be eligible to receive the Monthly Disability Benefit or, if eligible, he chooses not to receive the Monthly Disability Benefit.

(b) The amount of the Lump Sum Disability Benefit payable to a Disabled Participant shall be either:

(1) the lesser of $3,000 or 50% of the Employer Contributions made on behalf of the Disabled Participant if he has had Contributions made **on his behalf under Schedule B;**

(2) the lesser of $2,000 or 50% of the Employer Contributions made on behalf of the Disabled Participant if he has had Contributions made **on his behalf under Schedule A.**

(c) The amount of the Lump Sum Disability Benefit determined in (b), above, shall be reduced by any amounts previously paid as a Lump Sum Disability Benefit.

(d) The Lump Sum Disability Benefit shall become payable to a Disabled Participant on the 1st day of the 6th month following the date he became disabled.

(e) The Pension Fund is not liable for benefits based upon this Section 5.03 to the extent such liability has been transferred by the Pension Fund pursuant to APPENDIX L of this Pension Plan.

Section 5.04 50% SURVIVING SPOUSE BENEFIT

(a) In the event of the death of a Disabled Participant before his Normal Retirement Date and while he is married and receiving or eligible to receive a Monthly Disability Benefit, his surviving spouse will receive the 50% Surviving Spouse Benefit provided in Section 6.01, if the conditions of that section are satisfied, in an amount determined as if he were a Participant but not a Disabled Participant on the date of his death and calculated in accordance with Section 5.05(A).

(b) In the event a Disabled Participant is alive and married on his Normal Retirement Date, he and his spouse will be entitled to elect the Joint and 50% Surviving Spouse Option (based upon a retirement pension and not the Monthly Disability Benefit), in accordance with Section 4.10(b) and (f) determined as if he were a Participant but not a Disabled Participant on his Normal Retirement Date and calculated in accordance with Section 5.05(A), provided that:

(1) in such circumstances, the election period of Section 4.10(f) will begin 90 days prior to his Normal Retirement Date and extend until the 90th day after his Normal Retirement Date; and

(2) unless the Disabled Participant and his spouse (as of his Normal Retirement Date) both elect in writing not to receive the Joint and 50% Surviving Spouse Option, then, if the Disabled Participant dies after his Normal Retirement Date and is survived by that spouse, the reduced amount of that surviving spouse's lifetime benefit will be determined as if he had never been a Disabled Participant and as if he had become a Pensioner on his Normal Retirement Date (even if there is a continuation of his Monthly Disability Benefit between his Normal Retirement Date and his death).

(c) The Pension Fund is not liable for benefits based upon this Section 5.04 to the extent such liability has been transferred by the Pension Fund pursuant to APPENDIX L of this Pension Plan.

Section 5.05 CHOICE OF DISABILITY BENEFITS

Only one type of retirement pension or disability benefit shall be payable to a Disabled Participant. If a Disabled Participant is eligible for both a retirement pension and a disability benefit, he must elect the benefit he is to receive. The election made by a Disabled Participant shall be irrevocable before his Normal Retirement Date, except as provided by Section 4.13 (Rules and Procedures for Suspension of Benefits and Section 4.14 (Contributory Service After Retirement Date or After Disability). On his Normal Retirement Date, a Disabled Participant may elect or, if he is married, he and his spouse may jointly elect, in writing, one of the following benefits:

(a) any retirement pension for which he is eligible (disregarding any Monthly Disability Benefit he has received), provided that, in the calculation of any retirement pension amount, his age shall be his age on December 31 of the year (after the date he became totally and permanently disabled) in which the amount of his actual Vesting Service for that calendar year is less than all minimum Vesting Service amounts specified in Section

1.23(b) for a calendar year, and provided further that, if he is eligible for a Contribution-Based Pension, Vested Pension, Deferred Pension or Twenty-Year Deferred Pension, his age, for purposes of the calculation of the amount of any of those benefits (only), shall be his age on his Normal Retirement Date;

(b) a continuation of the amount which he had been receiving as a Monthly Disability Benefit.

If a Disabled Participant is alive and married on his Normal Retirement Date, he and his spouse shall jointly make the above-referenced written benefits election and, if a retirement pension (instead of the Monthly Disability Benefit) is elected, he and his wife shall also jointly make a written election to receive or not to receive the Joint and 50% Surviving Spouse Option, in accordance with Sections 4.10(b) and (f) and 5.04(b). The Pension Fund is not liable for benefits based upon this Section 5.05 to the extent such liability has been transferred by the Pension Fund pursuant to APPENDIX L of this Pension Plan.

ARTICLE VI BEFORE RETIREMENT DEATH BENEFITS

Section 6.01 50% SURVIVING SPOUSE BENEFIT

(a) For his surviving spouse to become eligible for a 50% Surviving Spouse Benefit, a Participant must have met each of the following requirements at the time of his death:

(1) he must have been married; and

(2) he must have been a Vested Participant or eligible for a Twenty-Year Service Pension or Early Retirement Pension.

(b) The monthly amount of a 50% Surviving Spouse Benefit is 50% of the monthly amount a deceased Participant could have received under the Joint and 50% Surviving Spouse Option form of payment, and is determined as if he had stopped working in Covered Service on the day before his death and had retired during the month preceding the "effective date of payment" elected by his surviving spouse as described in (c), below.

(c) Subject to the Benefits Claim Filing Procedures (as described in Section 7.14), the surviving spouse of a deceased Participant may elect an effective date of payment which is not earlier than the later of the 1st day of the month following the month in which the death of the Participant occurs, or the earliest date on which the Participant could have received immediate payment of a retirement pension from this Pension Plan if he had survived.

(d) The Pension Fund is not liable for benefits based upon this Section 6.01 to the extent such liability has been transferred by the Pension Fund pursuant to APPENDIX L of this Pension Plan.

Section 6.02 60 MONTH SURVIVOR BENEFIT

(a) For the surviving spouse or dependent child (or dependent children) of a Participant who dies before his Retirement Date to become eligible for the 60 Month Survivor Benefit, the Participant must die while he is an Active Participant or within 2 calendar years after becoming an Inactive Participant. In addition, the Participant must also have met each of the following requirements at the time of his death:

(1) he must have had at least 20 years of Service Credit; and

(2) he must have met the Minimum Contribution Requirement; and

(3) he must be survived by a spouse or dependent child or dependent children; and

(4) he must have been eligible to have his retirement pension determined by at least Benefit Class 4 of either Schedule A or Schedule B.

(b) The monthly amount of the 60 Month Survivor Benefit is the greater of $160, or the monthly amount of the retirement pension benefit the deceased Participant could have received on the date of his death under the Lifetime With Limited Surviving Spouse Option.

(c) The 60 Month Survivor Benefit is payable to the surviving spouse of a deceased Participant. If a deceased Participant is not survived by a spouse, then the 60 Month Survivor Benefit is payable to the surviving dependent child or in equal shares to the surviving dependent children of the deceased Participant.

(d) For purposes of the 60 Month Survivor Benefit, a dependent child is the deceased Participant's natural or adopted unmarried, dependent child who is either under age 23 or is adjudged to be mentally or physically incompetent.

(e) Subject to the Benefits Claim Filing Procedures (as described in Section 7.14), the 60 Month Survivor Benefit becomes payable to a recipient (or recipients) on the 1st day of the month following the month in which the death of a Participant occurs. Benefit payments shall continue until 60 months of benefits are paid to the recipient (or recipients) or, if earlier, the death of the recipient (or recipients).

(f) The Pension Fund is not liable for benefits based upon this Section 6.02 to the extent such liability has been transferred by the Pension Fund pursuant to APPENDIX L of this Pension Plan.

Section 6.03 DISABILITY DEATH BENEFIT

(a) A lump sum Disability Death Benefit of $1,000 is payable if a Disabled Participant dies while receiving or while eligible to receive, a Monthly Disability Benefit, provided that this Disability Death Benefit is not payable if the Benefit Class 18/18+ Death Benefit is payable pursuant to Section 6.05 or if the payee of this Disability Death Benefit would be the surviving spouse of a deceased Disabled Participant and the surviving spouse elects to receive a 50% Surviving Spouse Benefit in accordance with Section 5.04.

(b) The Disability Death Benefit is payable in equal shares to all members of the highest level of survivors as follows:

(1) Spouse;

(2) Dependent Children;

(3) Non-Dependent Children;

(4) Parents;

(5) Brothers and Sisters;

(6) Estate.

(c) The Disability Death Benefit provides a $500 lump sum benefit upon the death of the spouse of a Disabled Participant who is receiving or eligible to receive, a Monthly Disability Benefit. This $500 lump sum benefit is payable to a Disabled Participant only once during his lifetime.

(d) The Pension Fund is not liable for benefits based upon this Section 6.03 to the extent such liability has been transferred by the Pension Fund pursuant to APPENDIX L of this Pension Plan.

Section 6.04 LUMP SUM DEATH BENEFIT

(a) For a survivor of a deceased Participant to become eligible for the Lump Sum Death Benefit, a Participant must have died while he was an Active Participant or within 2 calendar years after he became an Inactive Participant, provided that this Lump Sum Death Benefit is not payable if the Benefit Class 18/18+ Death Benefit is payable pursuant to Section 6.05. In addition, the Participant must also have met each of the following requirements at the time of his death:

(1) he must have had at least 10 years of Service Credit;

(2) he must have met the Minimum Contribution Requirement; and

(3) he must not have received any retirement pension or disability benefit from the Pension Fund; and

(4) his survivors must not have received any other death benefit from the Pension Fund.

(b) The amount of a Lump Sum Death Benefit shall be:

(1) the lesser of $4,000 or 50% of the Employer Contributions made on behalf of a deceased Participant if he had had Contributions **made on his behalf under Schedule B;** or

(2) the lesser of $2,000 or 50% of the Employer Contributions made on behalf of a deceased Participant if he had had Contributions **made on his behalf under Schedule A.**

(c) A Lump Sum Death Benefit is payable in equal shares to all members of the highest level of survivors as follows:

(1) Spouse;

(2) Dependent Children;

(3) Non-Dependent Children;

(4) Parents;

(5) Brothers and Sisters;

(6) Estate.

(d) The Pension Fund is not liable for benefits based upon this Section 6.04 to the extent such liability has been transferred by the Pension Fund pursuant to APPENDIX L of this Pension Plan.

Section 6.05 BENEFIT CLASS 18/18+ DEATH BENEFIT

(a) A Benefit Class 18/18+ Death Benefit consisting of a $10,000 payment to the surviving spouse of a deceased Participant or, if none, to his dependent children (if any) in equal shares is payable if the Participant met each of the following requirements at the time of his death:

(1) He has had at least 10 days or 2 weeks of Employer Contributions **(and not Self-Contributions)** made on his behalf at a rate corresponding to Benefit Class 18 or 18+ or, if he is employed as a casual Employee or changes Contributing Employers (but not Bargaining Units) on or after such date, he had at least 100 days or 20 weeks of Employer Contributions **(and not Self-Contributions)** made on his behalf at a rate corresponding to Benefit Class 18 or 18+; and

(2) He died while he was an Active Participant or within 2 calendar years after he became an Inactive Participant; and

(3) He had at least 10 years of Service Credit; and

(4) He died prior to his Retirement Date if he was not a Disabled Participant or, if he was a Disabled Participant, he died while he was receiving a Monthly Disability Benefit and prior to his 65th birthday.

(b) The Benefit Class 18/18+ Death Benefit is payable in addition to any survivor benefit payable in accordance with Section 6.01 or 6.02.

(c) The Pension Fund is not liable for benefits based upon this Section 6.05 to the extent such liability has been transferred by the Pension Fund pursuant to APPENDIX L of this Pension Plan.

Section 6.06 CHOICE OF SURVIVOR BENEFITS OR DEATH BENEFITS

Except as otherwise provided in Section 6.05, only one survivor benefit or death benefit is payable upon the death of a Participant. If a surviving spouse or other payee is eligible for more than one survivor benefit and/or death benefit, a choice must be made by the payee as to which single survivor benefit or which single death benefit will be paid, provided that a payee eligible to receive a Benefit Class 18/18+ Death Benefit may also be eligible to receive a survivor benefit payable in accordance with Section 6.01 or 6.02. That choice upon being made shall be irrevocable, except in cases where a choice is made to receive a Lump Sum Death Benefit for which the surviving spouse or other payee is eligible before the Pension Fund completes the processing of a claim for a survivor benefit or another death benefit the surviving spouse or other payee is also eligible to receive. The choice of the benefit to be received must be made in writing on documents furnished by the Pension Fund. Any such document must be signed by the surviving spouse or other payee and witnessed by a notary public.

Section 6.07 SPECIAL RULES FOR DEATH OCCURRING DURING QUALIFIED MILITARY SERVICE

(a) In the case of a Participant who dies on or after January 1, 2007 while performing Qualified Military Service, the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of Qualified Military Service) provided under the Pension Plan had the Participant resumed and then terminated employment on account of death.

(b) For purposes of Section 6.07, the term “Qualified Military Service” means any Service in the Uniformed Services by a Participant if such Participant is entitled to USERRA reemployment rights provided in accordance with Internal Revenue Code § 414(u).

(c) For purposes of Section 6.07, the term “Service in the Uniformed Services” is defined in chapter 43 of title 38, United States Code, which includes, but is not limited to the performance of duty on a voluntary or involuntary basis in a uniformed service including active duty, active duty and inactive duty training, and full-time National Guard duty, for

the United States Armed Forces (Army, Navy, Air Force, Marine Corps, and Coast Guard), the Army National Guard and the Air National Guard, the commissioned corps of the Public Health Service and National Oceanic and Atmospheric Administration, and any other category of persons designated by the President in time of war or national emergency.

ARTICLE VII ADMINISTRATION

Section 7.01 ADMINISTRATION AUTHORITY

The Board of Trustees has authority to control and manage jointly the operation and administration of the Pension Fund and of this Pension Plan in accordance with the terms of the Trust Agreement and of this Pension Plan and amendments thereof, including the authority to establish and effectuate funding policies and methods consistent with the objectives of this Pension Plan, and including the authority provided by the Trust Agreement to allocate responsibilities for the operation and administration of the Pension Fund and of this Pension Plan.

Section 7.02 AMENDMENT OF THE PENSION PLAN

This Pension Plan may be amended by the Board of Trustees at any time and to any lawful extent and purpose so long as such amendments comply with applicable provisions of the Internal Revenue Code, all other applicable federal laws and regulations, the contract articles creating the Pension Fund and the purposes set forth in the Trust Agreement.

Section 7.03 DECISIONS OF BOARD OF TRUSTEES

All decisions by the Board of Trustees, including all rules and regulations adopted by the Board of Trustees, all amendments of the Trust Agreement and this Pension Plan by the Board of Trustees and all interpretations by the Board of Trustees of any of said documents, shall be binding upon all parties to the Trust Agreement, the Union, each Contributing Employer, all individuals claiming benefits pursuant to this Pension Plan or any amendment thereof and all other individuals engaging in any transaction with the Pension Fund.

Section 7.04 BENEFITS CLAIM AND APPELLATE PROCEDURES

The Board of Trustees has adopted procedures to afford a fair and expeditious method for the processing of claims for pension and other benefits provided by this Pension Plan. APPENDIX B attached to this Pension Plan contains the Benefits Claim and Appeal Procedures effective at the present time (subject to possible amendment). Compliance with these procedures is a condition precedent to any legal action by a claimant with respect to a partial or complete denial of a claim for benefits.

Section 7.05 RECOVERY OF OVERPAYMENTS

(a) Any misrepresentation in a claim by a claimant to the Pension Fund for pension or other benefits or in the course of a review in accordance with the procedures described in Section 7.04 of this Pension Plan, shall constitute grounds for adjustment of the claim and of the requested benefits, for recovery by the Pension Fund of any benefit payments in reliance upon said misrepresentation and for any other equitable or legal remedies available to the Pension Fund.

(b) Whenever the Pension Fund has made benefit payments exceeding the amount determined by the provisions of its Pension Plan, due to a mistake, the Board of Trustees shall have a right to recover the excess payments.

Section 7.06 PAYMENT OF BENEFITS FOR INDIVIDUALS UNDER LEGAL DISABILITY OR IN SIMILAR MENTAL OR PHYSICAL CONDITION

In the event benefit payments pursuant to this Pension Plan are payable to an individual who is under legal disability, or to an individual who, while not adjudicated to be an incompetent, is shown to the satisfaction of the Board of Trustees to be unable, by reason of a mental or physical condition, to administer properly such payments, then such payments may be paid for the benefit of such individual in such of the following ways as the Board of Trustees determines to be appropriate:

(a) directly to such individual; or

(b) to the legally appointed guardian or conservator of such individual; or

(c) to a spouse, parent, brother or sister of such individual for his welfare, support or maintenance; or

(d) to an institution providing care to such individual for his support, maintenance and welfare.

Section 7.07 SPENDTHRIFT CLAUSE

No right to pension benefits or other benefits provided by this Pension Plan may be assigned or alienated in any manner, except as provided in this section and except as otherwise required or permitted by law. Upon receipt of written direction from any eligible recipient of monthly benefit payments, the Pension Fund will participate in an arrangement to make deductions from each monthly benefit payment, as authorized and directed by the recipient, and to transfer the amount of each such deduction to the Central States, Southeast and Southwest Areas Health and Welfare Fund as the recipient's monthly contribution to retain eligibility for coverage pursuant to the retiree benefit plan established by that fund. This deduction-transfer arrangement is effective commencing October 1, 1988 and will continue, relative to each such recipient who authorizes and directs it, until the Pension Fund receives the recipient's written cancellation of such authority and direction (or the earlier termination of benefits). Any authority and direction to the Pension Fund by a recipient of monthly benefit payments, to make such deductions and transfers, is revocable at any time by the recipient.

Section 7.08 ELIGIBILITY VERIFICATION

Each individual receiving pension or other benefits provided by this Pension Plan shall submit to the Pension Fund on request his sworn statement that verifies his continuing eligibility to receive such benefits. If such statement is not received by the Pension Fund within 60 days after a request therefor is mailed to his last known address, all benefit payments shall be suspended until such statement is received and approved by the Pension Fund.

Section 7.09 TERMINATION OF THE PENSION PLAN

It is the intention of the Board of Trustees that this Pension Plan shall continue to operate in full force and effect, although the Board of Trustees does reserve the power and right to terminate this Pension Plan in whole or in part. In the event of full or partial termination of this Pension Plan, the rights of all Participants to benefits accrued to the date of such full or partial termination, to the extent funded as of such date, shall be nonforfeitable.

Section 7.10 MERGERS

The Board of Trustees has authority to approve and effect any merger between the Pension Fund and another pension fund in accordance with the terms of the Trust Agreement and

applicable federal law. No participant's or beneficiary's accrued benefit will be lower immediately after the effective date of any such merger than the benefit immediately before that date.

Section 7.11 CONSTRUCTION

This Pension Plan is created and administered in the State of Illinois. All questions pertaining to the validity of construction of this Pension Plan shall be determined in accordance with the laws of the State of Illinois and, to the extent of pre-emption with the laws and regulations of the United States.

Section 7.12 SAVINGS CLAUSE

If any provisions of this Pension Plan shall be held to be unlawful, or unlawful as to any individual or instance, such fact shall not affect adversely any other provision contained within the Pension Plan or the application of such provision to any other individual or instance unless and until such illegality shall make impossible the administration of this Pension Plan.

Section 7.13 CHANGE OF ADDRESS

A Pensioner, Disabled Participant or other individual receiving benefit payments who fails to notify the Pension Fund of a change of address shall have all benefit payments which are undeliverable held without interest unless and until a claim therefor is made.

Section 7.14 BENEFITS CLAIM FILING PROCEDURES

(a) The Benefits Claim Filing Procedures (in subsection (b) and (c), below) shall be applied to any written claim for benefits (other than Monthly Disability Benefits) filed by a Participant, surviving spouse or other individual claiming benefits under this Pension Plan for an event (the date of a retirement or death) which occurs on or after July 1, 1987.

(b) A Participant, surviving spouse or any other individual claiming benefits under this Pension Plan shall be required to file a written claim for benefits (other than Monthly Disability Benefits) with this Pension Fund within the 12 month period following the event (retirement or death) for which benefits are being claimed. In addition, such a claimant shall also be required to notify the Pension Fund, in writing, and within the 12 month period following the date from which he intends his benefit payments to begin, that he wishes to begin receiving his benefit UNLESS he has already filed a written claim specifying that date.

(c) If a Participant, surviving spouse or any other individual claiming benefits under this Pension Plan fails to comply with the requirements in (b), above, he shall, in addition to future benefits, receive benefits only for the 12 calendar months preceding the month which follows the month in which he meets the last applicable requirement in (b), above.

Section 7.15 MAXIMUM BENEFIT LIMITATIONS

(a) No benefits payable in accordance with this Pension Plan shall exceed applicable maximum benefit limitations established by the Internal Revenue Code ('Code'), including past and future amendments of the Code. The compensation limit established by Section 415(b)(1)(B) of the Code, which is incorporated by reference in this Pension Plan, as that limit applies to the actual compensation of any Vested Participant whose Contributory Service is concluded, shall be adjusted by multiplying the Participant's actual compensation limit amount by a fraction, the numerator of which is the adjusted maximum dollar limitation (to be prescribed by the Secretary of the Treasury pursuant to Section 415 of the Code) for the current year and the denominator of which is the adjusted maximum dollar limitation for the final year of the Participant's Contributory Service. If a Pensioner is also entitled to benefits from one or more defined benefit plans and the required

combination of the Pensioner's benefit from the Pension Fund and the other plan or plans requires some benefit adjustments to maintain compliance with applicable maximum benefit limitations of the Code, the benefit adjustments will be made by all such plans and the adjustment of each plan will be based upon its proportionate share of the aggregate benefits that would be payable by all such plans if such adjustments were not made.

(b) The term "compensation", for purposes of this Section 7.15 and of Section 415 of the Code, includes those items specified in paragraph (d)(2)(i) of 26 CFR 1.415-2 and excludes those items specified in paragraph (d)(3) of 26 CFR 1.415-2, if applicable. For limitation years beginning on and after January 1, 1998, and for purposes of applying the compensation limit of this Section 7.15 and of Section 415 of the Code, compensation paid or made available during such limitation years shall include any elective deferral as defined in Section 402(g)(3)) of the Code as well as any elective amount which is not includible in the gross income of the Employee by reason of Section 125 or Section 132(f)(4) or Section 457 of the Code.

(c) As a result of an amendment (Public Law No. 107-16, Section 654) of Section 415 of the Code that became applicable to the Pension Fund and the Pension Plan in the plan year that began on January 1, 2002, the compensation limit of Section 415(b)(1)(B) of the Code is not applicable to any benefits distributed by the Pension Fund on and after January 1, 2002.

(d) For purposes of this Section 7.15 and of Section 415 of the Code, the term "compensation" shall include amounts received as "differential wage payments" as defined in Section 3401(h)(2) of the Code, effective as of January 1, 2009.

Section 7.16 DIRECT ROLLOVER PAYMENTS TO ELIGIBLE RETIREMENT PLANS

(a) This Section 7.16 applies to distributions made on or after January 1, 1993. Notwithstanding any provision of this Pension Plan to the contrary that would otherwise limit a distributee's election under this Section 7.16, a distributee may elect, at the time and in the manner prescribed by the Board of Trustees, to have an eligible rollover distribution (either the entire distribution or a portion no less than $500) paid directly to an eligible retirement plan specified by the distributee in a direct rollover. In the event of an eligible rollover distribution greater than $1,000, if the distributee does not elect either to have such distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover or to receive the distribution directly, the Pension Fund will pay the distribution in a direct rollover to an individual retirement plan designated by the Board of Trustees.

(b) Definitions:

(1) Code: Internal Revenue Code.

(2) Eligible rollover distribution: An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life of the distributee or the joint lives of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; and any distribution to the extent such distribution is required under Section 401(a)(9) of the Code. An eligible rollover distribution includes:

(A) a lump sum benefit that is payable to a Pensioner upon the death of the spouse of the Pensioner, in accordance with Section 4.10(c)(5) of this Pension Plan;

(B) each distribution of the balance of the first 60 months of retirement pension benefit payments that is payable to the surviving spouse of a Pensioner upon the death of the Pensioner before receiving 60 months of payments, in accordance with Section 4.10(d)(4) of this Pension Plan;

(C) the Lump Sum Disability Benefit that is payable to a Participant (or, if the disabled Participant dies before this benefit is paid, to the surviving spouse of the Participant), in accordance with Section 5.03 of this Pension Plan; and

(D) each distribution of the 60-Month Survivor Benefit that is payable to the surviving spouse of a Participant who dies before his Retirement Date, in accordance with Section 6.02 of this Pension Plan; and

(E) the portion of a distribution that consists of after-tax employee contributions which are not included in gross income, provided that such portion may be paid only to an individual retirement account or annuity described in section 408(a) or (b) of the Code, or to a qualified trust or to an annuity contract described in section 403(b) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(3) Eligible retirement plan: An eligible retirement plan is any one of the following entities which accepts the distributee's eligible rollover distribution: an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, an annuity contract described in Section 403(b) of the Code, a qualified trust described in Section 401(a) of the Code, or an eligible plan which is both described in Section 457(b) of the Code and maintained by an eligible employer defined in Section 457(e)(1)(A) of the Code ("a State, political subdivision of a State, and any agency or instrumentality of a State or political subdivision of a State"). This definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse of a Participant or Pensioner, or to the spouse or former spouse of a Participant or Pensioner who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code.

(4) Distributee: A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse, and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

(5) Direct rollover: A direct rollover is a payment by the Pension Fund to the eligible retirement plan specified by the distributee.

(c) Special Rule for Designated Non-Spousal Beneficiary: Effective January 1, 2010, a Participant's non-spousal Beneficiary may elect to transfer a distribution that would be an eligible rollover distribution if it were made to a spousal Beneficiary to an IRA described in section 408(a) or (b) of the Code that will be treated as an inherited IRA, within the meaning of section 408(d)(3)(C) of the Code, pursuant to a direct rollover. A trust can be a designated beneficiary if it meets the requirements of section 401(a)(9)(E) of the Code.

(d) Rollover to Roth IRA: Notwithstanding any provision of the Plan to the contrary, for distributions made on or after January 1, 2008 (effective January 1, 2010 with regard to a non-spousal Beneficiary), a distributee or non-spousal Beneficiary may roll over directly all or any portion of his eligible rollover distribution to a Roth IRA, subject to the limitations

set forth in Section 408A of the Code. The Board of Trustees is not responsible for assuring that the distributee or non-spousal Beneficiary is eligible to make a rollover under this Section.

Section 7.17 ASSET-TRANSFER RULES UNDER SECTION 4234 OF ERISA

The Pension Plan shall not transfer liabilities to a single-employer plan pursuant to Section 4232 of ERISA; accordingly, assets shall not be transferred pursuant to Section 4234 of ERISA. The preceding sentence shall not apply to any transfer of liabilities pursuant to APPENDIX L of this Pension Plan.

Section 7.18 VALIDITY OF ELECTIONS AND CONSENTS MADE WITH RESPECT TO THE UPS/IBT FULL-TIME PENSION PLAN

Notwithstanding anything to the contrary, any election or spousal consent made under the UPS/IBT Full-Time Employee Pension Plan by any Grandfathered Central States Pension Plan Participant (as defined in such other plan) shall be given full force and effect as an election or spousal consent with respect to any benefits payable under this Pension Plan (and shall not be subject to change or revocation by reason of the passage of time, change in marital status or any other event after benefits have commenced under the UPS/IBT Full-Time Employee Pension Plan).

Section 7.19 REHABILITATION PLAN: PENSION PROTECTION ACT OF 2006

In compliance with the Pension Protection Act of 2006 (Pub.L. 109-280), the Board of Trustees adopted a rehabilitation plan (which is APPENDIX M of this Pension Plan) on March 25, 2008, effective immediately. Benefits, and rights to benefits, described in this Pension Plan may be reduced, eliminated and otherwise adjusted at any time to the extent provided in APPENDIX M of this Pension Plan, as initially adopted and as may be amended at any time, and any such reduction, elimination and other adjustment will be retroactively and prospectively applicable and effective to the extent provided in APPENDIX M.

APPENDIX A-1. ADJUSTMENT FACTORS FOR THE JOINT AND 50% SURVIVING SPOUSE OPTION

Section 1. ANTI-CUTBACK PROVISION

(a) Relative to any effective date of benefit payments prior to March 1, 2008, if the Participant who retires or otherwise becomes eligible for benefits from the Pension Plan on or after January 1, 1985, would have been eligible for benefits from the Pension Plan in effect on December 31, 1984, had he retired on December 31, 1984, the Participant, if he elects to receive his benefits under the Joint and 50% Surviving Spouse Option form of payment, shall be eligible to receive the greater of:

(1) the amount determined under this Pension Plan using the Adjustment Factors provided in Section 2 of this Appendix A-1;

(2) the amount he could have received if he had retired on December 31, 1984, using the adjustment factors provided in the Pension Plan in effect on that date.

As used in this Appendix A-1, the phrase “effective date of benefit payments” means the first day of the first period for which an amount is payable to a Pensioner as a retirement pension (including a “retroactive annuity starting date” as defined in Section 4.10 of this Pension Plan).

(b) Relative to any effective date of benefit payments on or after March 1, 2008, the Participant, if he elects to receive his benefits under the Joint and 50% Surviving Spouse Option form of payment, shall be eligible to receive the greater of:

(1) the amount determined under subsection (a) of this section;

(2) the amount determined using the Adjustment Factors provided in Section 3 of this Appendix A-1.

Section 2. TABLE OF SEX NEUTRAL ADJUSTMENT FACTORS: BENEFIT PAYMENTS INITIALLY EFFECTIVE PRIOR TO MARCH 1, 2008

The Table below shall be used to calculate the Joint and 50% Surviving Spouse Option form of payment if:

(a) the effective date of benefit payments is after December 31, 1984, and prior to March 1, 2008; or

(b) the Participant had not reached his 55th birthday before his death or Retirement Date, but had earned any Contributory Service after August 18, 1984.

APPENDIX A-1, SECTION 2

Table of Sex Neutral Adjustment Factors

(age difference is determined by the difference between the Participant's year of birth and the spouse's year of birth)

PARTICIPANT OLDER THAN SPOUSE		PARTICIPANT YOUNGER THAN SPOUSE	
AGE DIFFERENCE IN YEARS	**ADJUSTMENT FACTOR**	**AGE DIFFERENCE IN YEARS**	**ADJUSTMENT FACTOR**
0	.850	0	.850
1	.850	1	.850
2	.850	2	.850
3	.850	3	.850
4	.850	4	.850
5	.850	5	.850
6	.850	6	.850
7	.850	7	.850
8	.850	8	.850
9	.850	9	.850
10	.850	10	.850
11	.840	11	.870
12	.830	12	.890
13	.820	13	.910
14	.810	14	.930
15	.800	15	.950
16	.790	16	.950
17	.780	17	.950
18	.770	18	.950
19	.760	19	.950
20 or more	.750	20 or more	.950

Section 3. TABLE OF SEX NEUTRAL ADJUSTMENT FACTORS: BENEFIT PAYMENTS INITIALLY EFFECTIVE ON OR AFTER MARCH 1, 2008

The Table below shall be used to calculate the Joint and 50% Surviving Spouse Option form of payment if the effective date of payments is on or after March 1, 2008.

	Spouse Age									
Retiree Age	28	29	30	31	32	33	34	35	36	37
28	0.9824	0.9829	0.9835	0.9840	0.9845	0.9851	0.9856	0.9861	0.9866	0.9871
29	0.9808	0.9814	0.9820	0.9826	0.9831	0.9837	0.9843	0.9848	0.9854	0.9859
30	0.9792	0.9798	0.9804	0.9810	0.9816	0.9822	0.9828	0.9834	0.9840	0.9846
31	0.9775	0.9782	0.9788	0.9795	0.9801	0.9808	0.9814	0.9821	0.9827	0.9833
32	0.9758	0.9765	0.9772	0.9778	0.9785	0.9792	0.9799	0.9806	0.9813	0.9819
33	0.9739	0.9746	0.9754	0.9761	0.9768	0.9775	0.9783	0.9790	0.9797	0.9804
34	0.9719	0.9727	0.9734	0.9742	0.9750	0.9757	0.9765	0.9773	0.9780	0.9788
35	0.9698	0.9706	0.9714	0.9722	0.9730	0.9738	0.9746	0.9754	0.9763	0.9771
36	0.9675	0.9684	0.9692	0.9700	0.9709	0.9717	0.9726	0.9735	0.9743	0.9752
37	0.9651	0.9660	0.9668	0.9677	0.9686	0.9695	0.9704	0.9713	0.9722	0.9731
38	0.9625	0.9634	0.9643	0.9652	0.9661	0.9671	0.9680	0.9690	0.9700	0.9709
39	0.9597	0.9606	0.9616	0.9625	0.9635	0.9645	0.9655	0.9665	0.9675	0.9685
40	0.9567	0.9577	0.9587	0.9596	0.9607	0.9617	0.9627	0.9638	0.9649	0.9659
41	0.9535	0.9545	0.9555	0.9565	0.9576	0.9587	0.9597	0.9609	0.9620	0.9631
42	0.9501	0.9511	0.9521	0.9532	0.9543	0.9554	0.9565	0.9577	0.9589	0.9600
43	0.9464	0.9474	0.9485	0.9496	0.9507	0.9519	0.9531	0.9543	0.9555	0.9567
44	0.9425	0.9435	0.9446	0.9458	0.9469	0.9481	0.9493	0.9506	0.9519	0.9531
45	0.9383	0.9393	0.9405	0.9416	0.9428	0.9441	0.9453	0.9466	0.9479	0.9493
46	0.9338	0.9349	0.9360	0.9372	0.9385	0.9397	0.9410	0.9424	0.9437	0.9451
47	0.9289	0.9301	0.9313	0.9325	0.9338	0.9351	0.9364	0.9378	0.9392	0.9406
48	0.9238	0.9250	0.9262	0.9274	0.9287	0.9301	0.9314	0.9329	0.9343	0.9358
49	0.9183	0.9195	0.9207	0.9220	0.9233	0.9247	0.9261	0.9276	0.9291	0.9306
50	0.9124	0.9136	0.9149	0.9162	0.9175	0.9189	0.9204	0.9219	0.9234	0.9250
51	0.9061	0.9073	0.9086	0.9099	0.9113	0.9127	0.9142	0.9158	0.9174	0.9190
52	0.8994	0.9007	0.9020	0.9033	0.9047	0.9062	0.9077	0.9093	0.9109	0.9126
53	0.8923	0.8936	0.8949	0.8963	0.8977	0.8992	0.9007	0.9024	0.9040	0.9057
54	0.8847	0.8860	0.8874	0.8888	0.8902	0.8917	0.8933	0.8950	0.8967	0.8984
55	0.8767	0.8780	0.8794	0.8808	0.8823	0.8838	0.8854	0.8871	0.8888	0.8906
56	0.8683	0.8696	0.8710	0.8724	0.8739	0.8755	0.8771	0.8788	0.8806	0.8824
57	0.8595	0.8608	0.8622	0.8636	0.8652	0.8667	0.8684	0.8701	0.8719	0.8738
58	0.8503	0.8516	0.8530	0.8545	0.8560	0.8576	0.8593	0.8610	0.8628	0.8647
59	0.8406	0.8420	0.8434	0.8448	0.8464	0.8480	0.8497	0.8515	0.8533	0.8552
60	0.8305	0.8318	0.8333	0.8348	0.8363	0.8379	0.8397	0.8414	0.8433	0.8453
61	0.8199	0.8213	0.8227	0.8242	0.8258	0.8274	0.8291	0.8310	0.8328	0.8348
62	0.8090	0.8103	0.8118	0.8133	0.8148	0.8165	0.8182	0.8200	0.8220	0.8240
63	0.7976	0.7989	0.8004	0.8019	0.8035	0.8051	0.8069	0.8087	0.8106	0.8126
64	0.7858	0.7872	0.7886	0.7902	0.7918	0.7934	0.7952	0.7970	0.7990	0.8010
65	0.7737	0.7750	0.7765	0.7780	0.7796	0.7813	0.7830	0.7849	0.7868	0.7889
66	0.7610	0.7624	0.7638	0.7654	0.7670	0.7686	0.7704	0.7723	0.7742	0.7763
67	0.7481	0.7495	0.7509	0.7524	0.7540	0.7557	0.7575	0.7594	0.7613	0.7634
68	0.7348	0.7361	0.7376	0.7391	0.7407	0.7424	0.7441	0.7460	0.7479	0.7500
69	0.7208	0.7222	0.7236	0.7251	0.7267	0.7284	0.7302	0.7320	0.7340	0.7361
70	0.7064	0.7077	0.7092	0.7107	0.7123	0.7139	0.7157	0.7176	0.7195	0.7216
71	0.6914	0.6928	0.6942	0.6957	0.6973	0.6990	0.7007	0.7026	0.7045	0.7066
72	0.6759	0.6772	0.6787	0.6801	0.6817	0.6834	0.6851	0.6870	0.6889	0.6910
73	0.6597	0.6611	0.6625	0.6639	0.6655	0.6672	0.6689	0.6707	0.6726	0.6747
74	0.6429	0.6442	0.6456	0.6471	0.6487	0.6503	0.6520	0.6538	0.6558	0.6578
75	0.6255	0.6269	0.6282	0.6297	0.6312	0.6328	0.6345	0.6364	0.6382	0.6403
76	0.6078	0.6091	0.6104	0.6119	0.6134	0.6150	0.6167	0.6184	0.6203	0.6223
77	0.5894	0.5907	0.5921	0.5935	0.5950	0.5966	0.5982	0.6000	0.6019	0.6038
78	0.5708	0.5721	0.5734	0.5748	0.5763	0.5778	0.5795	0.5812	0.5830	0.5850
79	0.5519	0.5531	0.5544	0.5558	0.5572	0.5588	0.5604	0.5621	0.5639	0.5658
80	0.5327	0.5339	0.5352	0.5365	0.5380	0.5395	0.5411	0.5427	0.5445	0.5464

	Spouse Age									
Retiree Age	38	39	40	41	42	43	44	45	46	47
28	0.9876	0.9881	0.9885	0.9890	0.9894	0.9898	0.9902	0.9906	0.9910	0.9914
29	0.9864	0.9869	0.9874	0.9879	0.9884	0.9889	0.9893	0.9897	0.9902	0.9906
30	0.9852	0.9857	0.9863	0.9868	0.9873	0.9878	0.9883	0.9888	0.9892	0.9897
31	0.9839	0.9845	0.9851	0.9857	0.9862	0.9868	0.9873	0.9878	0.9883	0.9888
32	0.9826	0.9832	0.9839	0.9845	0.9851	0.9857	0.9862	0.9868	0.9874	0.9879
33	0.9811	0.9818	0.9825	0.9832	0.9838	0.9845	0.9851	0.9857	0.9863	0.9869
34	0.9796	0.9803	0.9810	0.9818	0.9825	0.9832	0.9839	0.9845	0.9852	0.9858
35	0.9779	0.9787	0.9795	0.9802	0.9810	0.9818	0.9825	0.9832	0.9839	0.9846
36	0.9760	0.9769	0.9777	0.9786	0.9794	0.9802	0.9810	0.9818	0.9825	0.9833
37	0.9741	0.9750	0.9759	0.9768	0.9777	0.9785	0.9794	0.9802	0.9811	0.9819
38	0.9719	0.9729	0.9738	0.9748	0.9757	0.9767	0.9776	0.9785	0.9794	0.9803
39	0.9696	0.9706	0.9716	0.9726	0.9736	0.9747	0.9756	0.9766	0.9776	0.9785
40	0.9670	0.9681	0.9692	0.9703	0.9714	0.9724	0.9735	0.9745	0.9756	0.9766
41	0.9642	0.9654	0.9665	0.9677	0.9688	0.9700	0.9711	0.9723	0.9734	0.9745
42	0.9612	0.9624	0.9637	0.9649	0.9661	0.9673	0.9685	0.9697	0.9709	0.9721
43	0.9580	0.9592	0.9605	0.9618	0.9631	0.9644	0.9657	0.9670	0.9683	0.9695
44	0.9545	0.9558	0.9571	0.9585	0.9599	0.9612	0.9626	0.9640	0.9653	0.9667
45	0.9507	0.9520	0.9535	0.9549	0.9563	0.9578	0.9592	0.9607	0.9621	0.9636
46	0.9466	0.9480	0.9495	0.9510	0.9525	0.9540	0.9555	0.9571	0.9586	0.9601
47	0.9421	0.9436	0.9452	0.9467	0.9483	0.9499	0.9515	0.9531	0.9548	0.9564
48	0.9374	0.9389	0.9405	0.9421	0.9438	0.9455	0.9472	0.9489	0.9506	0.9523
49	0.9322	0.9338	0.9355	0.9372	0.9389	0.9407	0.9424	0.9442	0.9460	0.9479
50	0.9267	0.9283	0.9301	0.9318	0.9336	0.9354	0.9373	0.9392	0.9411	0.9430
51	0.9207	0.9224	0.9242	0.9260	0.9279	0.9298	0.9317	0.9337	0.9357	0.9377
52	0.9143	0.9161	0.9180	0.9198	0.9218	0.9237	0.9258	0.9278	0.9299	0.9320
53	0.9075	0.9094	0.9113	0.9132	0.9152	0.9172	0.9193	0.9215	0.9236	0.9258
54	0.9002	0.9021	0.9041	0.9061	0.9081	0.9103	0.9124	0.9146	0.9169	0.9192
55	0.8925	0.8944	0.8964	0.8985	0.9006	0.9028	0.9050	0.9073	0.9096	0.9120
56	0.8843	0.8863	0.8883	0.8904	0.8926	0.8948	0.8972	0.8995	0.9019	0.9044
57	0.8757	0.8778	0.8798	0.8820	0.8842	0.8865	0.8889	0.8914	0.8939	0.8964
58	0.8667	0.8688	0.8709	0.8731	0.8754	0.8778	0.8802	0.8827	0.8853	0.8879
59	0.8573	0.8593	0.8615	0.8638	0.8661	0.8685	0.8710	0.8736	0.8763	0.8790
60	0.8473	0.8494	0.8516	0.8539	0.8563	0.8588	0.8614	0.8640	0.8667	0.8695
61	0.8369	0.8390	0.8413	0.8436	0.8460	0.8486	0.8512	0.8539	0.8567	0.8596
62	0.8260	0.8282	0.8305	0.8329	0.8353	0.8379	0.8406	0.8433	0.8462	0.8491
63	0.8148	0.8170	0.8193	0.8217	0.8242	0.8268	0.8295	0.8323	0.8352	0.8382
64	0.8031	0.8053	0.8077	0.8101	0.8126	0.8153	0.8180	0.8209	0.8239	0.8269
65	0.7910	0.7932	0.7956	0.7980	0.8006	0.8033	0.8061	0.8090	0.8120	0.8151
66	0.7784	0.7807	0.7830	0.7855	0.7881	0.7908	0.7936	0.7966	0.7997	0.8029
67	0.7655	0.7678	0.7702	0.7727	0.7753	0.7780	0.7809	0.7839	0.7870	0.7902
68	0.7522	0.7544	0.7568	0.7593	0.7620	0.7647	0.7676	0.7706	0.7738	0.7770
69	0.7382	0.7405	0.7429	0.7454	0.7481	0.7508	0.7537	0.7568	0.7599	0.7633
70	0.7237	0.7260	0.7284	0.7309	0.7336	0.7364	0.7393	0.7424	0.7456	0.7489
71	0.7087	0.7110	0.7134	0.7159	0.7186	0.7214	0.7243	0.7274	0.7306	0.7340
72	0.6931	0.6954	0.6978	0.7003	0.7029	0.7057	0.7087	0.7117	0.7150	0.7184
73	0.6768	0.6791	0.6815	0.6840	0.6866	0.6894	0.6923	0.6954	0.6987	0.7021
74	0.6599	0.6622	0.6645	0.6670	0.6697	0.6724	0.6754	0.6784	0.6817	0.6851
75	0.6424	0.6446	0.6469	0.6494	0.6520	0.6548	0.6577	0.6608	0.6640	0.6674
76	0.6244	0.6266	0.6289	0.6314	0.6340	0.6367	0.6396	0.6427	0.6459	0.6493
77	0.6059	0.6081	0.6104	0.6128	0.6154	0.6181	0.6209	0.6240	0.6272	0.6305
78	0.5870	0.5892	0.5914	0.5938	0.5964	0.5991	0.6019	0.6049	0.6080	0.6114
79	0.5678	0.5699	0.5722	0.5745	0.5770	0.5797	0.5825	0.5854	0.5886	0.5919
80	0.5484	0.5504	0.5526	0.5550	0.5574	0.5600	0.5628	0.5657	0.5688	0.5721

	Spouse Age									
Retiree Age	48	49	50	51	52	53	54	55	56	57
28	0.9917	0.9921	0.9924	0.9927	0.9930	0.9933	0.9935	0.9938	0.9941	0.9943
29	0.9909	0.9913	0.9917	0.9920	0.9923	0.9926	0.9930	0.9932	0.9935	0.9938
30	0.9901	0.9905	0.9909	0.9912	0.9916	0.9920	0.9923	0.9926	0.9929	0.9932
31	0.9893	0.9897	0.9901	0.9906	0.9909	0.9913	0.9917	0.9920	0.9924	0.9927
32	0.9884	0.9889	0.9893	0.9898	0.9902	0.9907	0.9911	0.9914	0.9918	0.9922
33	0.9874	0.9880	0.9885	0.9890	0.9895	0.9899	0.9904	0.9908	0.9912	0.9916
34	0.9864	0.9870	0.9875	0.9881	0.9886	0.9891	0.9896	0.9901	0.9905	0.9909
35	0.9853	0.9859	0.9865	0.9871	0.9877	0.9883	0.9888	0.9893	0.9898	0.9903
36	0.9840	0.9847	0.9854	0.9860	0.9867	0.9873	0.9879	0.9884	0.9890	0.9895
37	0.9826	0.9834	0.9841	0.9849	0.9856	0.9862	0.9869	0.9875	0.9881	0.9887
38	0.9811	0.9820	0.9828	0.9836	0.9843	0.9851	0.9858	0.9864	0.9871	0.9877
39	0.9795	0.9804	0.9812	0.9821	0.9829	0.9837	0.9845	0.9853	0.9860	0.9867
40	0.9776	0.9786	0.9795	0.9805	0.9814	0.9823	0.9831	0.9839	0.9847	0.9855
41	0.9755	0.9766	0.9776	0.9787	0.9796	0.9806	0.9815	0.9824	0.9833	0.9841
42	0.9733	0.9744	0.9755	0.9766	0.9777	0.9787	0.9798	0.9807	0.9817	0.9826
43	0.9708	0.9720	0.9732	0.9744	0.9756	0.9767	0.9778	0.9789	0.9799	0.9809
44	0.9680	0.9693	0.9706	0.9719	0.9732	0.9744	0.9756	0.9768	0.9779	0.9790
45	0.9650	0.9664	0.9678	0.9692	0.9705	0.9719	0.9732	0.9744	0.9757	0.9769
46	0.9617	0.9632	0.9647	0.9662	0.9676	0.9691	0.9705	0.9718	0.9732	0.9745
47	0.9580	0.9596	0.9612	0.9628	0.9644	0.9660	0.9675	0.9690	0.9704	0.9718
48	0.9540	0.9558	0.9575	0.9592	0.9609	0.9625	0.9642	0.9658	0.9673	0.9689
49	0.9497	0.9515	0.9533	0.9551	0.9569	0.9587	0.9605	0.9622	0.9639	0.9656
50	0.9449	0.9468	0.9488	0.9507	0.9526	0.9545	0.9564	0.9583	0.9601	0.9619
51	0.9397	0.9418	0.9438	0.9458	0.9479	0.9499	0.9519	0.9539	0.9559	0.9578
52	0.9341	0.9363	0.9384	0.9406	0.9428	0.9449	0.9471	0.9492	0.9513	0.9534
53	0.9281	0.9303	0.9326	0.9349	0.9371	0.9394	0.9417	0.9440	0.9462	0.9485
54	0.9215	0.9239	0.9262	0.9286	0.9311	0.9335	0.9359	0.9383	0.9407	0.9431
55	0.9144	0.9169	0.9194	0.9219	0.9245	0.9270	0.9296	0.9321	0.9347	0.9372
56	0.9069	0.9095	0.9121	0.9148	0.9174	0.9201	0.9228	0.9255	0.9282	0.9309
57	0.8990	0.9017	0.9044	0.9072	0.9100	0.9128	0.9156	0.9185	0.9213	0.9242
58	0.8907	0.8934	0.8962	0.8991	0.9020	0.9050	0.9079	0.9109	0.9140	0.9170
59	0.8818	0.8847	0.8876	0.8906	0.8936	0.8967	0.8998	0.9029	0.9061	0.9093
60	0.8724	0.8754	0.8784	0.8815	0.8846	0.8878	0.8911	0.8944	0.8977	0.9010
61	0.8625	0.8656	0.8687	0.8719	0.8752	0.8785	0.8819	0.8853	0.8888	0.8922
62	0.8522	0.8553	0.8585	0.8618	0.8652	0.8687	0.8722	0.8757	0.8793	0.8830
63	0.8414	0.8446	0.8479	0.8513	0.8548	0.8583	0.8620	0.8657	0.8694	0.8732
64	0.8301	0.8334	0.8368	0.8403	0.8439	0.8476	0.8513	0.8552	0.8591	0.8630
65	0.8184	0.8218	0.8252	0.8288	0.8325	0.8363	0.8402	0.8441	0.8481	0.8522
66	0.8062	0.8096	0.8131	0.8168	0.8206	0.8245	0.8285	0.8325	0.8367	0.8409
67	0.7936	0.7971	0.8007	0.8044	0.8083	0.8123	0.8164	0.8206	0.8248	0.8292
68	0.7805	0.7840	0.7877	0.7915	0.7955	0.7995	0.8037	0.8080	0.8124	0.8170
69	0.7667	0.7703	0.7741	0.7780	0.7820	0.7861	0.7904	0.7948	0.7993	0.8040
70	0.7524	0.7560	0.7598	0.7638	0.7679	0.7721	0.7765	0.7810	0.7856	0.7904
71	0.7375	0.7412	0.7450	0.7490	0.7532	0.7575	0.7619	0.7665	0.7712	0.7761
72	0.7219	0.7256	0.7295	0.7335	0.7377	0.7421	0.7466	0.7513	0.7561	0.7611
73	0.7056	0.7094	0.7133	0.7173	0.7216	0.7260	0.7306	0.7353	0.7402	0.7453
74	0.6886	0.6924	0.6963	0.7004	0.7047	0.7091	0.7138	0.7186	0.7235	0.7287
75	0.6710	0.6747	0.6787	0.6828	0.6871	0.6916	0.6962	0.7011	0.7061	0.7113
76	0.6528	0.6566	0.6605	0.6646	0.6689	0.6734	0.6781	0.6830	0.6881	0.6934
77	0.6341	0.6378	0.6417	0.6459	0.6502	0.6547	0.6594	0.6643	0.6694	0.6747
78	0.6149	0.6186	0.6225	0.6266	0.6309	0.6354	0.6402	0.6451	0.6502	0.6555
79	0.5954	0.5990	0.6029	0.6070	0.6113	0.6158	0.6205	0.6254	0.6305	0.6359
80	0.5755	0.5792	0.5830	0.5870	0.5913	0.5958	0.6004	0.6053	0.6105	0.6158

	Spouse Age									
Retiree Age	58	59	60	61	62	63	64	65	66	67
28	0.9945	0.9948	0.9950	0.9952	0.9954	0.9955	0.9957	0.9959	0.9961	0.9962
29	0.9940	0.9943	0.9945	0.9947	0.9949	0.9951	0.9953	0.9955	0.9957	0.9959
30	0.9935	0.9937	0.9940	0.9942	0.9945	0.9947	0.9949	0.9951	0.9953	0.9955
31	0.9930	0.9933	0.9936	0.9938	0.9941	0.9943	0.9945	0.9948	0.9950	0.9952
32	0.9925	0.9928	0.9931	0.9934	0.9937	0.9939	0.9942	0.9944	0.9947	0.9949
33	0.9919	0.9923	0.9926	0.9929	0.9933	0.9935	0.9938	0.9941	0.9943	0.9946
34	0.9914	0.9917	0.9921	0.9925	0.9928	0.9931	0.9934	0.9937	0.9940	0.9942
35	0.9907	0.9911	0.9915	0.9919	0.9923	0.9926	0.9930	0.9933	0.9936	0.9939
36	0.9900	0.9905	0.9909	0.9913	0.9918	0.9921	0.9925	0.9929	0.9932	0.9935
37	0.9892	0.9897	0.9902	0.9907	0.9911	0.9916	0.9920	0.9924	0.9927	0.9931
38	0.9883	0.9889	0.9895	0.9900	0.9905	0.9909	0.9914	0.9918	0.9922	0.9926
39	0.9873	0.9880	0.9886	0.9892	0.9897	0.9902	0.9907	0.9912	0.9916	0.9921
40	0.9862	0.9869	0.9876	0.9882	0.9888	0.9894	0.9900	0.9905	0.9910	0.9915
41	0.9849	0.9857	0.9864	0.9872	0.9878	0.9885	0.9891	0.9897	0.9902	0.9907
42	0.9835	0.9843	0.9852	0.9859	0.9867	0.9874	0.9881	0.9887	0.9893	0.9899
43	0.9819	0.9828	0.9837	0.9846	0.9854	0.9862	0.9869	0.9877	0.9883	0.9890
44	0.9801	0.9811	0.9821	0.9830	0.9839	0.9848	0.9856	0.9864	0.9872	0.9879
45	0.9780	0.9792	0.9802	0.9813	0.9823	0.9833	0.9842	0.9851	0.9859	0.9867
46	0.9758	0.9770	0.9782	0.9793	0.9804	0.9815	0.9825	0.9835	0.9844	0.9853
47	0.9732	0.9746	0.9759	0.9771	0.9783	0.9795	0.9806	0.9817	0.9827	0.9837
48	0.9704	0.9718	0.9733	0.9746	0.9760	0.9772	0.9785	0.9797	0.9808	0.9819
49	0.9672	0.9688	0.9703	0.9718	0.9733	0.9747	0.9760	0.9774	0.9786	0.9798
50	0.9637	0.9654	0.9671	0.9687	0.9703	0.9718	0.9733	0.9747	0.9761	0.9774
51	0.9597	0.9616	0.9634	0.9652	0.9669	0.9686	0.9702	0.9718	0.9733	0.9748
52	0.9554	0.9574	0.9594	0.9613	0.9632	0.9650	0.9668	0.9685	0.9702	0.9718
53	0.9507	0.9528	0.9550	0.9570	0.9591	0.9610	0.9630	0.9648	0.9666	0.9684
54	0.9454	0.9478	0.9501	0.9523	0.9545	0.9566	0.9587	0.9608	0.9627	0.9646
55	0.9397	0.9422	0.9447	0.9471	0.9494	0.9518	0.9540	0.9562	0.9584	0.9605
56	0.9336	0.9362	0.9388	0.9414	0.9440	0.9465	0.9489	0.9513	0.9536	0.9559
57	0.9270	0.9298	0.9326	0.9354	0.9381	0.9408	0.9434	0.9460	0.9485	0.9510
58	0.9200	0.9230	0.9259	0.9289	0.9318	0.9347	0.9375	0.9403	0.9430	0.9457
59	0.9124	0.9156	0.9188	0.9219	0.9250	0.9281	0.9311	0.9341	0.9370	0.9399
60	0.9044	0.9077	0.9111	0.9144	0.9177	0.9210	0.9242	0.9274	0.9305	0.9336
61	0.8958	0.8993	0.9028	0.9063	0.9098	0.9133	0.9168	0.9202	0.9235	0.9268
62	0.8867	0.8904	0.8941	0.8978	0.9015	0.9052	0.9088	0.9125	0.9160	0.9196
63	0.8771	0.8809	0.8848	0.8887	0.8926	0.8965	0.9004	0.9043	0.9081	0.9119
64	0.8670	0.8711	0.8751	0.8792	0.8833	0.8874	0.8915	0.8956	0.8997	0.9037
65	0.8564	0.8606	0.8649	0.8692	0.8735	0.8778	0.8821	0.8864	0.8907	0.8950
66	0.8453	0.8496	0.8541	0.8585	0.8630	0.8676	0.8721	0.8766	0.8812	0.8857
67	0.8337	0.8382	0.8428	0.8475	0.8522	0.8569	0.8617	0.8664	0.8712	0.8760
68	0.8216	0.8263	0.8310	0.8358	0.8407	0.8457	0.8506	0.8556	0.8606	0.8657
69	0.8087	0.8136	0.8185	0.8235	0.8286	0.8337	0.8389	0.8441	0.8493	0.8546
70	0.7952	0.8002	0.8053	0.8105	0.8157	0.8210	0.8264	0.8318	0.8373	0.8428
71	0.7811	0.7862	0.7914	0.7967	0.8022	0.8077	0.8132	0.8189	0.8246	0.8303
72	0.7662	0.7714	0.7768	0.7822	0.7878	0.7935	0.7992	0.8051	0.8110	0.8170
73	0.7505	0.7558	0.7613	0.7669	0.7726	0.7784	0.7844	0.7904	0.7965	0.8028
74	0.7340	0.7394	0.7450	0.7507	0.7566	0.7626	0.7687	0.7749	0.7812	0.7876
75	0.7167	0.7222	0.7279	0.7337	0.7397	0.7458	0.7521	0.7584	0.7650	0.7716
76	0.6988	0.7044	0.7102	0.7161	0.7222	0.7284	0.7348	0.7413	0.7480	0.7548
77	0.6802	0.6859	0.6917	0.6977	0.7039	0.7102	0.7167	0.7234	0.7302	0.7372
78	0.6610	0.6668	0.6727	0.6787	0.6850	0.6914	0.6980	0.7048	0.7117	0.7189
79	0.6414	0.6472	0.6531	0.6592	0.6655	0.6720	0.6787	0.6856	0.6926	0.6999
80	0.6214	0.6271	0.6331	0.6392	0.6456	0.6521	0.6589	0.6658	0.6730	0.6803

	Spouse Age									
Retiree Age	68	69	70	71	72	73	74	75	76	77
28	0.9964	0.9965	0.9967	0.9968	0.9970	0.9971	0.9973	0.9974	0.9975	0.9976
29	0.9960	0.9962	0.9964	0.9965	0.9967	0.9968	0.9970	0.9971	0.9972	0.9974
30	0.9957	0.9958	0.9960	0.9962	0.9963	0.9965	0.9966	0.9968	0.9969	0.9971
31	0.9954	0.9956	0.9958	0.9959	0.9961	0.9963	0.9964	0.9966	0.9967	0.9969
32	0.9951	0.9953	0.9955	0.9957	0.9959	0.9960	0.9962	0.9964	0.9965	0.9967
33	0.9948	0.9950	0.9952	0.9954	0.9956	0.9958	0.9960	0.9962	0.9963	0.9965
34	0.9945	0.9947	0.9950	0.9952	0.9954	0.9956	0.9958	0.9960	0.9962	0.9963
35	0.9942	0.9944	0.9947	0.9949	0.9951	0.9953	0.9956	0.9958	0.9960	0.9961
36	0.9938	0.9941	0.9944	0.9946	0.9949	0.9951	0.9953	0.9955	0.9958	0.9960
37	0.9934	0.9937	0.9940	0.9943	0.9946	0.9948	0.9951	0.9953	0.9955	0.9958
38	0.9930	0.9933	0.9936	0.9940	0.9943	0.9945	0.9948	0.9951	0.9953	0.9955
39	0.9925	0.9929	0.9932	0.9936	0.9939	0.9942	0.9945	0.9948	0.9950	0.9953
40	0.9919	0.9923	0.9927	0.9931	0.9935	0.9938	0.9941	0.9944	0.9947	0.9950
41	0.9912	0.9917	0.9922	0.9926	0.9930	0.9934	0.9937	0.9941	0.9944	0.9947
42	0.9905	0.9910	0.9915	0.9920	0.9924	0.9929	0.9933	0.9936	0.9940	0.9943
43	0.9896	0.9902	0.9908	0.9913	0.9918	0.9923	0.9927	0.9931	0.9935	0.9939
44	0.9886	0.9893	0.9899	0.9905	0.9910	0.9916	0.9921	0.9925	0.9930	0.9934
45	0.9875	0.9882	0.9889	0.9895	0.9902	0.9908	0.9913	0.9918	0.9923	0.9928
46	0.9862	0.9870	0.9877	0.9885	0.9892	0.9898	0.9905	0.9910	0.9916	0.9921
47	0.9847	0.9856	0.9864	0.9872	0.9880	0.9888	0.9894	0.9901	0.9907	0.9913
48	0.9829	0.9839	0.9849	0.9858	0.9867	0.9875	0.9883	0.9890	0.9897	0.9904
49	0.9810	0.9821	0.9831	0.9842	0.9851	0.9860	0.9869	0.9877	0.9885	0.9893
50	0.9787	0.9800	0.9811	0.9823	0.9833	0.9844	0.9853	0.9863	0.9871	0.9880
51	0.9762	0.9775	0.9788	0.9801	0.9813	0.9824	0.9835	0.9845	0.9855	0.9864
52	0.9733	0.9748	0.9762	0.9776	0.9789	0.9802	0.9814	0.9826	0.9837	0.9847
53	0.9701	0.9717	0.9733	0.9748	0.9763	0.9777	0.9790	0.9803	0.9815	0.9827
54	0.9665	0.9683	0.9700	0.9717	0.9733	0.9749	0.9763	0.9778	0.9791	0.9804
55	0.9625	0.9645	0.9664	0.9682	0.9700	0.9717	0.9733	0.9749	0.9764	0.9778
56	0.9581	0.9602	0.9623	0.9643	0.9663	0.9681	0.9699	0.9717	0.9733	0.9749
57	0.9534	0.9557	0.9580	0.9602	0.9623	0.9643	0.9663	0.9682	0.9701	0.9718
58	0.9482	0.9508	0.9532	0.9556	0.9579	0.9602	0.9624	0.9644	0.9665	0.9684
59	0.9427	0.9454	0.9481	0.9507	0.9532	0.9556	0.9580	0.9603	0.9625	0.9646
60	0.9366	0.9396	0.9425	0.9453	0.9480	0.9507	0.9533	0.9558	0.9582	0.9605
61	0.9301	0.9333	0.9364	0.9394	0.9424	0.9453	0.9481	0.9508	0.9535	0.9560
62	0.9231	0.9265	0.9299	0.9332	0.9364	0.9395	0.9425	0.9455	0.9484	0.9511
63	0.9156	0.9193	0.9229	0.9264	0.9299	0.9333	0.9366	0.9398	0.9429	0.9459
64	0.9077	0.9116	0.9155	0.9193	0.9230	0.9267	0.9302	0.9337	0.9371	0.9404
65	0.8992	0.9034	0.9075	0.9116	0.9156	0.9195	0.9234	0.9271	0.9308	0.9344
66	0.8902	0.8946	0.8991	0.9034	0.9077	0.9119	0.9161	0.9201	0.9241	0.9279
67	0.8807	0.8855	0.8901	0.8948	0.8994	0.9039	0.9083	0.9127	0.9170	0.9211
68	0.8707	0.8757	0.8807	0.8856	0.8905	0.8953	0.9001	0.9048	0.9093	0.9138
69	0.8599	0.8652	0.8704	0.8757	0.8809	0.8860	0.8911	0.8961	0.9011	0.9059
70	0.8484	0.8539	0.8595	0.8650	0.8705	0.8760	0.8814	0.8868	0.8921	0.8973
71	0.8361	0.8420	0.8478	0.8536	0.8595	0.8653	0.8711	0.8768	0.8824	0.8880
72	0.8230	0.8291	0.8353	0.8414	0.8476	0.8537	0.8598	0.8659	0.8719	0.8779
73	0.8091	0.8154	0.8218	0.8282	0.8347	0.8412	0.8477	0.8541	0.8605	0.8668
74	0.7941	0.8007	0.8074	0.8141	0.8209	0.8277	0.8345	0.8413	0.8481	0.8549
75	0.7783	0.7852	0.7921	0.7991	0.8062	0.8133	0.8204	0.8276	0.8348	0.8419
76	0.7617	0.7688	0.7760	0.7832	0.7906	0.7980	0.8055	0.8131	0.8206	0.8281
77	0.7443	0.7516	0.7589	0.7665	0.7741	0.7818	0.7896	0.7975	0.8054	0.8133
78	0.7261	0.7336	0.7412	0.7489	0.7568	0.7648	0.7729	0.7811	0.7894	0.7977
79	0.7073	0.7149	0.7227	0.7306	0.7387	0.7470	0.7554	0.7639	0.7725	0.7812
80	0.6879	0.6956	0.7035	0.7117	0.7200	0.7285	0.7371	0.7459	0.7549	0.7639

	Spouse Age									
Retiree Age	78	79	80	81	82	83	84	85	86	87
28	0.9978	0.9979	0.9980	0.9981	0.9982	0.9983	0.9984	0.9985	0.9986	0.9987
29	0.9975	0.9976	0.9978	0.9979	0.9980	0.9981	0.9982	0.9983	0.9984	0.9985
30	0.9972	0.9974	0.9975	0.9976	0.9977	0.9978	0.9979	0.9981	0.9981	0.9982
31	0.9970	0.9972	0.9973	0.9974	0.9976	0.9977	0.9978	0.9979	0.9980	0.9981
32	0.9969	0.9970	0.9971	0.9973	0.9974	0.9975	0.9977	0.9978	0.9979	0.9980
33	0.9967	0.9968	0.9970	0.9971	0.9973	0.9974	0.9975	0.9976	0.9978	0.9979
34	0.9965	0.9967	0.9968	0.9970	0.9971	0.9973	0.9974	0.9975	0.9976	0.9978
35	0.9963	0.9965	0.9967	0.9968	0.9970	0.9971	0.9973	0.9974	0.9975	0.9976
36	0.9961	0.9963	0.9965	0.9967	0.9968	0.9970	0.9971	0.9973	0.9974	0.9975
37	0.9960	0.9962	0.9963	0.9965	0.9967	0.9969	0.9970	0.9972	0.9973	0.9974
38	0.9958	0.9960	0.9962	0.9964	0.9966	0.9967	0.9969	0.9970	0.9972	0.9973
39	0.9955	0.9958	0.9960	0.9962	0.9964	0.9966	0.9968	0.9969	0.9971	0.9972
40	0.9953	0.9955	0.9958	0.9960	0.9962	0.9964	0.9966	0.9968	0.9969	0.9971
41	0.9950	0.9953	0.9955	0.9958	0.9960	0.9962	0.9964	0.9966	0.9968	0.9969
42	0.9946	0.9949	0.9952	0.9955	0.9957	0.9960	0.9962	0.9964	0.9966	0.9968
43	0.9942	0.9946	0.9949	0.9952	0.9954	0.9957	0.9959	0.9962	0.9964	0.9966
44	0.9938	0.9941	0.9945	0.9948	0.9951	0.9954	0.9957	0.9959	0.9961	0.9963
45	0.9932	0.9936	0.9940	0.9944	0.9947	0.9950	0.9953	0.9956	0.9959	0.9961
46	0.9926	0.9931	0.9935	0.9939	0.9943	0.9946	0.9950	0.9953	0.9955	0.9958
47	0.9919	0.9924	0.9929	0.9933	0.9937	0.9941	0.9945	0.9948	0.9951	0.9954
48	0.9910	0.9916	0.9921	0.9926	0.9931	0.9936	0.9940	0.9943	0.9947	0.9950
49	0.9900	0.9906	0.9912	0.9918	0.9923	0.9928	0.9933	0.9937	0.9941	0.9945
50	0.9887	0.9895	0.9902	0.9908	0.9914	0.9920	0.9925	0.9930	0.9934	0.9938
51	0.9873	0.9881	0.9889	0.9897	0.9903	0.9910	0.9916	0.9921	0.9926	0.9931
52	0.9857	0.9866	0.9875	0.9883	0.9891	0.9898	0.9905	0.9911	0.9917	0.9922
53	0.9838	0.9849	0.9858	0.9868	0.9876	0.9884	0.9892	0.9899	0.9905	0.9911
54	0.9817	0.9828	0.9839	0.9850	0.9859	0.9868	0.9877	0.9885	0.9892	0.9899
55	0.9792	0.9805	0.9817	0.9829	0.9840	0.9850	0.9859	0.9868	0.9876	0.9884
56	0.9764	0.9779	0.9793	0.9806	0.9818	0.9829	0.9840	0.9850	0.9859	0.9867
57	0.9735	0.9751	0.9766	0.9781	0.9794	0.9807	0.9819	0.9830	0.9840	0.9850
58	0.9702	0.9720	0.9737	0.9753	0.9768	0.9782	0.9795	0.9808	0.9819	0.9830
59	0.9667	0.9686	0.9705	0.9722	0.9739	0.9755	0.9770	0.9783	0.9796	0.9808
60	0.9627	0.9649	0.9669	0.9689	0.9707	0.9725	0.9741	0.9756	0.9770	0.9783
61	0.9584	0.9608	0.9630	0.9652	0.9672	0.9691	0.9709	0.9726	0.9742	0.9756
62	0.9538	0.9564	0.9588	0.9612	0.9634	0.9655	0.9675	0.9693	0.9711	0.9727
63	0.9488	0.9516	0.9543	0.9569	0.9593	0.9616	0.9638	0.9658	0.9677	0.9695
64	0.9435	0.9466	0.9495	0.9523	0.9550	0.9575	0.9599	0.9621	0.9642	0.9661
65	0.9378	0.9411	0.9443	0.9473	0.9503	0.9530	0.9556	0.9581	0.9603	0.9625
66	0.9316	0.9352	0.9387	0.9420	0.9452	0.9482	0.9510	0.9537	0.9562	0.9585
67	0.9251	0.9290	0.9328	0.9364	0.9399	0.9431	0.9462	0.9492	0.9519	0.9544
68	0.9182	0.9224	0.9265	0.9304	0.9341	0.9377	0.9411	0.9443	0.9472	0.9500
69	0.9106	0.9151	0.9195	0.9238	0.9279	0.9317	0.9354	0.9389	0.9421	0.9451
70	0.9023	0.9072	0.9120	0.9166	0.9210	0.9252	0.9292	0.9330	0.9365	0.9398
71	0.8934	0.8987	0.9039	0.9088	0.9136	0.9182	0.9225	0.9266	0.9305	0.9341
72	0.8837	0.8894	0.8949	0.9003	0.9055	0.9104	0.9151	0.9196	0.9238	0.9277
73	0.8731	0.8792	0.8851	0.8909	0.8965	0.9019	0.9070	0.9118	0.9163	0.9206
74	0.8615	0.8680	0.8744	0.8806	0.8866	0.8924	0.8979	0.9032	0.9081	0.9127
75	0.8490	0.8559	0.8627	0.8694	0.8759	0.8821	0.8880	0.8937	0.8990	0.9041
76	0.8356	0.8430	0.8503	0.8574	0.8643	0.8710	0.8774	0.8835	0.8893	0.8947
77	0.8212	0.8290	0.8368	0.8443	0.8517	0.8589	0.8658	0.8723	0.8785	0.8844
78	0.8060	0.8142	0.8224	0.8305	0.8383	0.8460	0.8533	0.8603	0.8670	0.8733
79	0.7899	0.7986	0.8072	0.8157	0.8240	0.8322	0.8400	0.8475	0.8547	0.8614
80	0.7730	0.7821	0.7911	0.8001	0.8089	0.8175	0.8258	0.8338	0.8415	0.8487

	Spouse Age							
Retiree Age	88	89	90	91	92	93	94	95
28	0.9987	0.9988	0.9989	0.9989	0.9990	0.9990	0.9991	0.9991
29	0.9986	0.9986	0.9987	0.9988	0.9988	0.9989	0.9989	0.9990
30	0.9983	0.9984	0.9985	0.9985	0.9986	0.9987	0.9987	0.9988
31	0.9982	0.9983	0.9984	0.9984	0.9985	0.9986	0.9986	0.9987
32	0.9981	0.9982	0.9983	0.9983	0.9984	0.9985	0.9985	0.9986
33	0.9980	0.9981	0.9981	0.9982	0.9983	0.9984	0.9984	0.9985
34	0.9979	0.9980	0.9980	0.9981	0.9982	0.9983	0.9983	0.9984
35	0.9977	0.9979	0.9979	0.9980	0.9981	0.9982	0.9983	0.9983
36	0.9976	0.9978	0.9979	0.9979	0.9980	0.9981	0.9982	0.9983
37	0.9976	0.9977	0.9978	0.9979	0.9979	0.9980	0.9981	0.9982
38	0.9975	0.9976	0.9977	0.9978	0.9979	0.9980	0.9980	0.9981
39	0.9973	0.9975	0.9976	0.9977	0.9978	0.9979	0.9980	0.9980
40	0.9972	0.9974	0.9975	0.9976	0.9977	0.9978	0.9979	0.9980
41	0.9971	0.9972	0.9974	0.9975	0.9976	0.9977	0.9978	0.9979
42	0.9969	0.9971	0.9972	0.9973	0.9975	0.9976	0.9977	0.9978
43	0.9967	0.9969	0.9971	0.9972	0.9973	0.9974	0.9975	0.9976
44	0.9965	0.9967	0.9969	0.9970	0.9972	0.9973	0.9974	0.9975
45	0.9963	0.9965	0.9967	0.9968	0.9970	0.9971	0.9972	0.9973
46	0.9960	0.9962	0.9964	0.9966	0.9968	0.9969	0.9970	0.9972
47	0.9957	0.9959	0.9961	0.9963	0.9965	0.9967	0.9968	0.9970
48	0.9953	0.9956	0.9958	0.9960	0.9962	0.9964	0.9966	0.9967
49	0.9948	0.9951	0.9954	0.9956	0.9958	0.9961	0.9962	0.9964
50	0.9942	0.9945	0.9949	0.9951	0.9954	0.9956	0.9958	0.9960
51	0.9935	0.9939	0.9942	0.9945	0.9948	0.9951	0.9953	0.9955
52	0.9927	0.9931	0.9935	0.9938	0.9942	0.9945	0.9947	0.9950
53	0.9917	0.9921	0.9926	0.9930	0.9934	0.9937	0.9940	0.9943
54	0.9905	0.9910	0.9915	0.9920	0.9924	0.9928	0.9932	0.9935
55	0.9891	0.9897	0.9903	0.9908	0.9913	0.9917	0.9921	0.9925
56	0.9875	0.9882	0.9889	0.9895	0.9900	0.9905	0.9910	0.9914
57	0.9858	0.9866	0.9874	0.9880	0.9886	0.9892	0.9897	0.9902
58	0.9839	0.9848	0.9857	0.9864	0.9871	0.9877	0.9883	0.9889
59	0.9819	0.9829	0.9838	0.9846	0.9854	0.9861	0.9868	0.9874
60	0.9795	0.9806	0.9817	0.9826	0.9835	0.9843	0.9850	0.9857
61	0.9770	0.9782	0.9793	0.9804	0.9813	0.9822	0.9830	0.9838
62	0.9742	0.9755	0.9768	0.9779	0.9790	0.9800	0.9809	0.9817
63	0.9711	0.9726	0.9740	0.9753	0.9765	0.9775	0.9785	0.9795
64	0.9679	0.9696	0.9711	0.9725	0.9738	0.9750	0.9761	0.9771
65	0.9644	0.9662	0.9679	0.9695	0.9709	0.9722	0.9734	0.9746
66	0.9607	0.9627	0.9645	0.9662	0.9677	0.9692	0.9705	0.9718
67	0.9568	0.9589	0.9609	0.9628	0.9645	0.9661	0.9675	0.9689
68	0.9526	0.9550	0.9571	0.9592	0.9610	0.9628	0.9644	0.9659
69	0.9480	0.9505	0.9529	0.9552	0.9572	0.9591	0.9608	0.9625
70	0.9429	0.9457	0.9483	0.9508	0.9530	0.9551	0.9570	0.9588
71	0.9374	0.9405	0.9434	0.9460	0.9484	0.9507	0.9528	0.9548
72	0.9313	0.9347	0.9378	0.9407	0.9434	0.9458	0.9481	0.9503
73	0.9246	0.9282	0.9316	0.9348	0.9377	0.9404	0.9429	0.9453
74	0.9170	0.9210	0.9248	0.9282	0.9314	0.9343	0.9371	0.9396
75	0.9087	0.9131	0.9171	0.9209	0.9243	0.9275	0.9305	0.9333
76	0.8997	0.9045	0.9088	0.9129	0.9167	0.9202	0.9234	0.9265
77	0.8899	0.8950	0.8997	0.9041	0.9082	0.9120	0.9156	0.9189
78	0.8792	0.8847	0.8899	0.8946	0.8991	0.9032	0.9070	0.9106
79	0.8678	0.8737	0.8792	0.8844	0.8891	0.8936	0.8977	0.9017
80	0.8555	0.8618	0.8678	0.8733	0.8785	0.8833	0.8877	0.8920

APPENDIX A-2. ADJUSTMENT FACTORS FOR THE JOINT AND 75% SURVIVING SPOUSE OPTION

Section 1. The table below shall be used to calculate the Joint and 75% Surviving Spouse Option form of payment if applicable.

	Spouse Age									
Retiree Age	28	29	30	31	32	33	34	35	36	37
28	0.9738	0.9746	0.9754	0.9762	0.9770	0.9778	0.9785	0.9793	0.9801	0.9808
29	0.9715	0.9724	0.9732	0.9741	0.9749	0.9758	0.9766	0.9774	0.9782	0.9790
30	0.9691	0.9700	0.9709	0.9718	0.9727	0.9736	0.9745	0.9754	0.9762	0.9771
31	0.9667	0.9676	0.9686	0.9695	0.9705	0.9714	0.9724	0.9733	0.9743	0.9752
32	0.9641	0.9651	0.9661	0.9671	0.9681	0.9691	0.9701	0.9711	0.9721	0.9731
33	0.9614	0.9624	0.9635	0.9645	0.9656	0.9667	0.9677	0.9688	0.9699	0.9709
34	0.9585	0.9596	0.9607	0.9618	0.9629	0.9640	0.9652	0.9663	0.9674	0.9685
35	0.9554	0.9565	0.9577	0.9589	0.9600	0.9612	0.9624	0.9636	0.9648	0.9660
36	0.9521	0.9533	0.9545	0.9557	0.9569	0.9582	0.9594	0.9607	0.9620	0.9632
37	0.9486	0.9498	0.9511	0.9523	0.9536	0.9549	0.9562	0.9576	0.9589	0.9602
38	0.9448	0.9461	0.9474	0.9487	0.9501	0.9514	0.9528	0.9542	0.9556	0.9570
39	0.9408	0.9421	0.9435	0.9448	0.9462	0.9477	0.9491	0.9506	0.9520	0.9535
40	0.9365	0.9378	0.9392	0.9407	0.9421	0.9436	0.9451	0.9466	0.9482	0.9497
41	0.9319	0.9333	0.9347	0.9362	0.9377	0.9392	0.9408	0.9424	0.9440	0.9457
42	0.9270	0.9284	0.9299	0.9314	0.9330	0.9346	0.9362	0.9378	0.9395	0.9412
43	0.9217	0.9232	0.9247	0.9263	0.9279	0.9295	0.9312	0.9329	0.9347	0.9365
44	0.9161	0.9176	0.9192	0.9208	0.9224	0.9241	0.9259	0.9277	0.9295	0.9313
45	0.9102	0.9117	0.9133	0.9149	0.9166	0.9184	0.9202	0.9220	0.9239	0.9258
46	0.9038	0.9054	0.9070	0.9087	0.9104	0.9122	0.9141	0.9160	0.9179	0.9199
47	0.8971	0.8987	0.9003	0.9020	0.9038	0.9057	0.9075	0.9095	0.9115	0.9135
48	0.8899	0.8915	0.8932	0.8949	0.8968	0.8986	0.9006	0.9026	0.9046	0.9067
49	0.8822	0.8839	0.8856	0.8874	0.8892	0.8911	0.8931	0.8951	0.8973	0.8994
50	0.8741	0.8758	0.8775	0.8793	0.8812	0.8831	0.8851	0.8872	0.8894	0.8916
51	0.8654	0.8671	0.8689	0.8707	0.8726	0.8746	0.8766	0.8788	0.8810	0.8832
52	0.8563	0.8580	0.8598	0.8617	0.8636	0.8656	0.8677	0.8698	0.8721	0.8744
53	0.8467	0.8484	0.8502	0.8521	0.8540	0.8560	0.8582	0.8603	0.8626	0.8650
54	0.8365	0.8382	0.8400	0.8419	0.8439	0.8459	0.8481	0.8503	0.8526	0.8550
55	0.8258	0.8275	0.8293	0.8312	0.8332	0.8353	0.8374	0.8397	0.8420	0.8444
56	0.8146	0.8164	0.8182	0.8201	0.8221	0.8241	0.8263	0.8286	0.8309	0.8334
57	0.8031	0.8048	0.8066	0.8085	0.8105	0.8126	0.8148	0.8171	0.8194	0.8219
58	0.7910	0.7928	0.7946	0.7965	0.7985	0.8006	0.8028	0.8051	0.8075	0.8100
59	0.7786	0.7803	0.7821	0.7840	0.7860	0.7881	0.7903	0.7926	0.7950	0.7975
60	0.7656	0.7673	0.7691	0.7710	0.7730	0.7751	0.7773	0.7796	0.7820	0.7846
61	0.7522	0.7539	0.7557	0.7576	0.7596	0.7617	0.7639	0.7662	0.7686	0.7711
62	0.7384	0.7401	0.7419	0.7438	0.7458	0.7479	0.7501	0.7524	0.7548	0.7573
63	0.7243	0.7260	0.7277	0.7296	0.7316	0.7336	0.7358	0.7381	0.7405	0.7430
64	0.7098	0.7115	0.7133	0.7151	0.7171	0.7191	0.7213	0.7236	0.7260	0.7285
65	0.6950	0.6967	0.6984	0.7002	0.7022	0.7042	0.7064	0.7086	0.7110	0.7135
66	0.6798	0.6815	0.6832	0.6850	0.6869	0.6889	0.6911	0.6933	0.6957	0.6982
67	0.6644	0.6661	0.6678	0.6696	0.6715	0.6735	0.6756	0.6778	0.6801	0.6826
68	0.6487	0.6503	0.6520	0.6538	0.6557	0.6576	0.6597	0.6619	0.6642	0.6667
69	0.6325	0.6341	0.6358	0.6375	0.6394	0.6413	0.6434	0.6456	0.6478	0.6502
70	0.6160	0.6175	0.6191	0.6209	0.6227	0.6246	0.6266	0.6288	0.6310	0.6334
71	0.5990	0.6006	0.6022	0.6039	0.6056	0.6075	0.6095	0.6116	0.6138	0.6162
72	0.5816	0.5831	0.5847	0.5864	0.5881	0.5900	0.5919	0.5940	0.5962	0.5985
73	0.5638	0.5653	0.5668	0.5684	0.5701	0.5720	0.5739	0.5759	0.5780	0.5803
74	0.5455	0.5470	0.5485	0.5501	0.5517	0.5535	0.5554	0.5574	0.5595	0.5617
75	0.5269	0.5283	0.5298	0.5313	0.5330	0.5347	0.5365	0.5384	0.5405	0.5426
76	0.5081	0.5095	0.5109	0.5124	0.5140	0.5157	0.5175	0.5194	0.5214	0.5235
77	0.4891	0.4904	0.4918	0.4932	0.4948	0.4964	0.4982	0.5000	0.5019	0.5040
78	0.4700	0.4712	0.4726	0.4740	0.4755	0.4771	0.4788	0.4806	0.4824	0.4844
79	0.4509	0.4521	0.4534	0.4548	0.4562	0.4578	0.4594	0.4611	0.4630	0.4649
80	0.4318	0.4330	0.4343	0.4356	0.4370	0.4385	0.4401	0.4417	0.4435	0.4454

	Spouse Age									
Retiree Age	38	39	40	41	42	43	44	45	46	47
28	0.9815	0.9822	0.9829	0.9835	0.9842	0.9848	0.9854	0.9860	0.9866	0.9871
29	0.9798	0.9805	0.9813	0.9820	0.9827	0.9834	0.9840	0.9847	0.9853	0.9859
30	0.9779	0.9787	0.9795	0.9803	0.9811	0.9818	0.9825	0.9832	0.9839	0.9846
31	0.9761	0.9770	0.9778	0.9787	0.9795	0.9803	0.9811	0.9818	0.9826	0.9833
32	0.9741	0.9750	0.9760	0.9769	0.9778	0.9787	0.9795	0.9803	0.9811	0.9819
33	0.9720	0.9730	0.9740	0.9750	0.9759	0.9769	0.9778	0.9787	0.9796	0.9804
34	0.9697	0.9707	0.9718	0.9729	0.9739	0.9750	0.9760	0.9769	0.9779	0.9788
35	0.9672	0.9683	0.9695	0.9706	0.9718	0.9729	0.9740	0.9750	0.9761	0.9771
36	0.9645	0.9657	0.9670	0.9682	0.9694	0.9706	0.9718	0.9729	0.9740	0.9751
37	0.9616	0.9629	0.9642	0.9656	0.9668	0.9681	0.9694	0.9706	0.9718	0.9730
38	0.9584	0.9599	0.9613	0.9627	0.9640	0.9654	0.9668	0.9681	0.9694	0.9707
39	0.9550	0.9565	0.9580	0.9595	0.9610	0.9625	0.9639	0.9653	0.9668	0.9681
40	0.9513	0.9529	0.9545	0.9561	0.9576	0.9592	0.9608	0.9623	0.9638	0.9653
41	0.9473	0.9490	0.9506	0.9523	0.9540	0.9556	0.9573	0.9589	0.9606	0.9622
42	0.9430	0.9447	0.9465	0.9482	0.9500	0.9518	0.9535	0.9553	0.9570	0.9587
43	0.9383	0.9401	0.9419	0.9438	0.9457	0.9475	0.9494	0.9513	0.9531	0.9550
44	0.9332	0.9351	0.9370	0.9390	0.9410	0.9429	0.9449	0.9469	0.9489	0.9508
45	0.9278	0.9298	0.9318	0.9338	0.9359	0.9380	0.9400	0.9421	0.9442	0.9463
46	0.9219	0.9240	0.9261	0.9282	0.9304	0.9326	0.9347	0.9370	0.9392	0.9414
47	0.9156	0.9178	0.9200	0.9222	0.9244	0.9267	0.9290	0.9313	0.9337	0.9360
48	0.9089	0.9111	0.9134	0.9157	0.9180	0.9204	0.9228	0.9252	0.9277	0.9301
49	0.9016	0.9039	0.9063	0.9086	0.9111	0.9136	0.9161	0.9186	0.9212	0.9238
50	0.8939	0.8962	0.8986	0.9011	0.9036	0.9062	0.9088	0.9115	0.9141	0.9169
51	0.8856	0.8880	0.8905	0.8930	0.8956	0.8983	0.9010	0.9037	0.9065	0.9094
52	0.8768	0.8792	0.8818	0.8844	0.8871	0.8898	0.8926	0.8955	0.8984	0.9013
53	0.8674	0.8699	0.8725	0.8752	0.8780	0.8808	0.8837	0.8866	0.8896	0.8927
54	0.8575	0.8601	0.8627	0.8654	0.8683	0.8712	0.8741	0.8772	0.8803	0.8835
55	0.8470	0.8496	0.8523	0.8551	0.8579	0.8609	0.8640	0.8671	0.8703	0.8736
56	0.8359	0.8386	0.8413	0.8442	0.8471	0.8502	0.8533	0.8565	0.8598	0.8632
57	0.8245	0.8272	0.8300	0.8329	0.8359	0.8389	0.8421	0.8454	0.8488	0.8523
58	0.8126	0.8153	0.8181	0.8210	0.8241	0.8272	0.8305	0.8338	0.8373	0.8408
59	0.8001	0.8029	0.8057	0.8087	0.8118	0.8150	0.8183	0.8217	0.8252	0.8288
60	0.7872	0.7900	0.7928	0.7958	0.7989	0.8022	0.8055	0.8090	0.8126	0.8163
61	0.7738	0.7765	0.7794	0.7824	0.7856	0.7888	0.7922	0.7957	0.7994	0.8032
62	0.7599	0.7627	0.7656	0.7686	0.7718	0.7751	0.7785	0.7821	0.7857	0.7896
63	0.7457	0.7485	0.7514	0.7544	0.7576	0.7609	0.7643	0.7679	0.7716	0.7755
64	0.7311	0.7339	0.7368	0.7398	0.7430	0.7463	0.7498	0.7534	0.7572	0.7611
65	0.7162	0.7189	0.7218	0.7248	0.7280	0.7313	0.7348	0.7385	0.7422	0.7462
66	0.7008	0.7035	0.7064	0.7094	0.7126	0.7159	0.7194	0.7231	0.7269	0.7308
67	0.6852	0.6879	0.6908	0.6938	0.6970	0.7003	0.7038	0.7074	0.7112	0.7152
68	0.6692	0.6719	0.6748	0.6778	0.6809	0.6842	0.6877	0.6913	0.6951	0.6991
69	0.6528	0.6555	0.6583	0.6612	0.6644	0.6676	0.6711	0.6747	0.6785	0.6825
70	0.6359	0.6386	0.6413	0.6443	0.6474	0.6506	0.6540	0.6576	0.6614	0.6654
71	0.6187	0.6213	0.6240	0.6269	0.6300	0.6332	0.6366	0.6401	0.6439	0.6478
72	0.6009	0.6035	0.6062	0.6090	0.6120	0.6152	0.6186	0.6221	0.6258	0.6297
73	0.5827	0.5852	0.5878	0.5907	0.5936	0.5967	0.6000	0.6035	0.6072	0.6110
74	0.5640	0.5665	0.5691	0.5718	0.5747	0.5778	0.5810	0.5845	0.5881	0.5919
75	0.5449	0.5473	0.5499	0.5526	0.5554	0.5584	0.5616	0.5650	0.5685	0.5722
76	0.5257	0.5280	0.5305	0.5331	0.5359	0.5389	0.5420	0.5453	0.5487	0.5524
77	0.5061	0.5084	0.5108	0.5134	0.5161	0.5190	0.5220	0.5252	0.5286	0.5322
78	0.4865	0.4888	0.4911	0.4936	0.4962	0.4990	0.5020	0.5051	0.5084	0.5119
79	0.4669	0.4691	0.4713	0.4738	0.4763	0.4790	0.4819	0.4849	0.4882	0.4916
80	0.4473	0.4494	0.4516	0.4540	0.4564	0.4591	0.4618	0.4648	0.4679	0.4712

	Spouse Age									
Retiree Age	48	49	50	51	52	53	54	55	56	57
28	0.9876	0.9881	0.9886	0.9891	0.9895	0.9899	0.9904	0.9907	0.9911	0.9915
29	0.9865	0.9870	0.9875	0.9881	0.9885	0.9890	0.9895	0.9899	0.9903	0.9907
30	0.9852	0.9858	0.9864	0.9869	0.9875	0.9880	0.9885	0.9889	0.9894	0.9898
31	0.9840	0.9846	0.9853	0.9859	0.9865	0.9871	0.9876	0.9881	0.9886	0.9891
32	0.9827	0.9834	0.9841	0.9848	0.9854	0.9860	0.9866	0.9872	0.9878	0.9883
33	0.9813	0.9821	0.9828	0.9836	0.9843	0.9850	0.9856	0.9862	0.9868	0.9874
34	0.9797	0.9806	0.9814	0.9822	0.9830	0.9838	0.9845	0.9852	0.9859	0.9865
35	0.9780	0.9790	0.9799	0.9808	0.9817	0.9825	0.9833	0.9840	0.9848	0.9855
36	0.9762	0.9772	0.9782	0.9792	0.9802	0.9811	0.9819	0.9828	0.9836	0.9843
37	0.9742	0.9753	0.9764	0.9775	0.9785	0.9795	0.9804	0.9814	0.9822	0.9831
38	0.9720	0.9732	0.9744	0.9755	0.9767	0.9777	0.9788	0.9798	0.9808	0.9817
39	0.9695	0.9708	0.9721	0.9734	0.9746	0.9758	0.9769	0.9780	0.9791	0.9801
40	0.9668	0.9682	0.9696	0.9710	0.9723	0.9736	0.9749	0.9761	0.9772	0.9784
41	0.9638	0.9653	0.9668	0.9683	0.9698	0.9712	0.9725	0.9739	0.9751	0.9764
42	0.9604	0.9621	0.9637	0.9654	0.9669	0.9685	0.9699	0.9714	0.9728	0.9741
43	0.9568	0.9586	0.9603	0.9621	0.9638	0.9654	0.9671	0.9686	0.9702	0.9716
44	0.9528	0.9547	0.9566	0.9585	0.9603	0.9621	0.9638	0.9656	0.9672	0.9688
45	0.9484	0.9504	0.9525	0.9545	0.9565	0.9584	0.9603	0.9621	0.9639	0.9657
46	0.9436	0.9458	0.9479	0.9501	0.9522	0.9543	0.9564	0.9584	0.9603	0.9622
47	0.9383	0.9407	0.9430	0.9453	0.9475	0.9498	0.9520	0.9542	0.9563	0.9583
48	0.9326	0.9351	0.9375	0.9400	0.9424	0.9448	0.9472	0.9495	0.9518	0.9540
49	0.9264	0.9290	0.9316	0.9342	0.9368	0.9393	0.9419	0.9444	0.9468	0.9492
50	0.9196	0.9223	0.9251	0.9278	0.9306	0.9333	0.9360	0.9387	0.9413	0.9439
51	0.9122	0.9151	0.9180	0.9209	0.9238	0.9267	0.9296	0.9324	0.9353	0.9380
52	0.9043	0.9074	0.9104	0.9135	0.9165	0.9196	0.9226	0.9257	0.9287	0.9317
53	0.8958	0.8990	0.9022	0.9054	0.9086	0.9118	0.9151	0.9183	0.9215	0.9246
54	0.8867	0.8900	0.8933	0.8967	0.9000	0.9034	0.9068	0.9102	0.9136	0.9170
55	0.8769	0.8803	0.8838	0.8873	0.8908	0.8944	0.8980	0.9015	0.9051	0.9087
56	0.8666	0.8701	0.8737	0.8774	0.8810	0.8848	0.8885	0.8923	0.8960	0.8998
57	0.8558	0.8595	0.8632	0.8669	0.8708	0.8746	0.8786	0.8825	0.8865	0.8904
58	0.8445	0.8482	0.8520	0.8559	0.8599	0.8639	0.8680	0.8721	0.8763	0.8804
59	0.8326	0.8364	0.8403	0.8444	0.8485	0.8526	0.8568	0.8611	0.8654	0.8698
60	0.8201	0.8240	0.8281	0.8322	0.8364	0.8407	0.8451	0.8495	0.8540	0.8585
61	0.8071	0.8111	0.8152	0.8194	0.8237	0.8282	0.8327	0.8373	0.8419	0.8466
62	0.7935	0.7976	0.8018	0.8061	0.8106	0.8151	0.8198	0.8245	0.8293	0.8342
63	0.7795	0.7837	0.7879	0.7924	0.7969	0.8015	0.8063	0.8112	0.8161	0.8212
64	0.7652	0.7694	0.7737	0.7782	0.7828	0.7876	0.7924	0.7974	0.8025	0.8077
65	0.7503	0.7545	0.7589	0.7635	0.7682	0.7730	0.7780	0.7831	0.7883	0.7936
66	0.7349	0.7392	0.7437	0.7483	0.7530	0.7580	0.7630	0.7682	0.7735	0.7790
67	0.7193	0.7236	0.7281	0.7328	0.7376	0.7426	0.7477	0.7530	0.7584	0.7640
68	0.7033	0.7076	0.7121	0.7168	0.7217	0.7267	0.7319	0.7373	0.7428	0.7485
69	0.6866	0.6910	0.6955	0.7002	0.7051	0.7102	0.7154	0.7209	0.7265	0.7322
70	0.6695	0.6739	0.6784	0.6831	0.6880	0.6931	0.6984	0.7039	0.7095	0.7154
71	0.6519	0.6563	0.6608	0.6655	0.6704	0.6755	0.6809	0.6864	0.6921	0.6980
72	0.6338	0.6381	0.6426	0.6473	0.6522	0.6573	0.6627	0.6682	0.6739	0.6799
73	0.6151	0.6194	0.6238	0.6285	0.6334	0.6385	0.6438	0.6494	0.6551	0.6611
74	0.5959	0.6001	0.6045	0.6092	0.6140	0.6191	0.6244	0.6299	0.6357	0.6416
75	0.5762	0.5803	0.5847	0.5893	0.5941	0.5992	0.6044	0.6099	0.6156	0.6216
76	0.5563	0.5604	0.5647	0.5692	0.5739	0.5789	0.5841	0.5896	0.5953	0.6012
77	0.5360	0.5400	0.5442	0.5487	0.5534	0.5583	0.5634	0.5688	0.5744	0.5803
78	0.5156	0.5195	0.5237	0.5280	0.5326	0.5375	0.5425	0.5478	0.5534	0.5592
79	0.4952	0.4990	0.5031	0.5073	0.5118	0.5165	0.5215	0.5267	0.5322	0.5379
80	0.4747	0.4785	0.4824	0.4866	0.4910	0.4956	0.5005	0.5056	0.5109	0.5166

	Spouse Age									
Retiree Age	58	59	60	61	62	63	64	65	66	67
28	0.9918	0.9921	0.9925	0.9928	0.9931	0.9933	0.9936	0.9939	0.9941	0.9944
29	0.9911	0.9914	0.9918	0.9921	0.9924	0.9927	0.9930	0.9933	0.9936	0.9938
30	0.9902	0.9906	0.9910	0.9914	0.9917	0.9920	0.9924	0.9927	0.9930	0.9932
31	0.9895	0.9900	0.9904	0.9908	0.9911	0.9915	0.9918	0.9922	0.9925	0.9928
32	0.9888	0.9893	0.9897	0.9901	0.9905	0.9909	0.9913	0.9917	0.9920	0.9923
33	0.9880	0.9885	0.9890	0.9895	0.9899	0.9903	0.9908	0.9911	0.9915	0.9919
34	0.9871	0.9877	0.9882	0.9887	0.9892	0.9897	0.9902	0.9906	0.9910	0.9914
35	0.9861	0.9868	0.9874	0.9879	0.9885	0.9890	0.9895	0.9900	0.9904	0.9909
36	0.9851	0.9858	0.9864	0.9871	0.9877	0.9883	0.9888	0.9893	0.9898	0.9903
37	0.9839	0.9847	0.9854	0.9861	0.9868	0.9874	0.9880	0.9886	0.9891	0.9897
38	0.9826	0.9834	0.9843	0.9850	0.9858	0.9865	0.9871	0.9878	0.9884	0.9890
39	0.9811	0.9821	0.9830	0.9838	0.9846	0.9854	0.9862	0.9869	0.9875	0.9882
40	0.9794	0.9805	0.9815	0.9824	0.9833	0.9842	0.9850	0.9858	0.9865	0.9872
41	0.9776	0.9787	0.9798	0.9808	0.9818	0.9828	0.9837	0.9846	0.9854	0.9862
42	0.9754	0.9767	0.9779	0.9791	0.9802	0.9812	0.9822	0.9832	0.9841	0.9850
43	0.9731	0.9744	0.9758	0.9770	0.9783	0.9794	0.9805	0.9816	0.9826	0.9836
44	0.9704	0.9719	0.9734	0.9748	0.9761	0.9774	0.9786	0.9798	0.9809	0.9820
45	0.9674	0.9691	0.9707	0.9722	0.9737	0.9751	0.9764	0.9778	0.9790	0.9802
46	0.9641	0.9659	0.9676	0.9693	0.9709	0.9725	0.9740	0.9754	0.9768	0.9781
47	0.9604	0.9623	0.9642	0.9661	0.9678	0.9696	0.9712	0.9728	0.9743	0.9758
48	0.9562	0.9583	0.9604	0.9624	0.9644	0.9662	0.9681	0.9698	0.9715	0.9731
49	0.9516	0.9539	0.9562	0.9583	0.9605	0.9625	0.9645	0.9664	0.9683	0.9700
50	0.9465	0.9490	0.9514	0.9538	0.9561	0.9583	0.9605	0.9626	0.9646	0.9665
51	0.9408	0.9435	0.9461	0.9487	0.9512	0.9536	0.9560	0.9582	0.9605	0.9626
52	0.9346	0.9375	0.9403	0.9431	0.9458	0.9484	0.9510	0.9535	0.9559	0.9582
53	0.9278	0.9309	0.9339	0.9369	0.9398	0.9427	0.9455	0.9482	0.9508	0.9533
54	0.9203	0.9236	0.9269	0.9301	0.9332	0.9363	0.9393	0.9423	0.9451	0.9479
55	0.9122	0.9158	0.9192	0.9227	0.9260	0.9293	0.9326	0.9357	0.9388	0.9418
56	0.9036	0.9073	0.9110	0.9146	0.9182	0.9218	0.9253	0.9287	0.9320	0.9353
57	0.8944	0.8983	0.9022	0.9061	0.9100	0.9138	0.9175	0.9211	0.9247	0.9282
58	0.8846	0.8887	0.8929	0.8970	0.9011	0.9051	0.9091	0.9130	0.9169	0.9206
59	0.8742	0.8785	0.8829	0.8873	0.8916	0.8959	0.9001	0.9043	0.9084	0.9124
60	0.8631	0.8677	0.8723	0.8768	0.8814	0.8859	0.8904	0.8949	0.8993	0.9036
61	0.8514	0.8562	0.8610	0.8658	0.8706	0.8754	0.8801	0.8848	0.8895	0.8941
62	0.8391	0.8441	0.8491	0.8541	0.8592	0.8642	0.8692	0.8742	0.8791	0.8840
63	0.8263	0.8314	0.8367	0.8419	0.8472	0.8524	0.8577	0.8630	0.8682	0.8734
64	0.8130	0.8183	0.8237	0.8292	0.8347	0.8402	0.8457	0.8512	0.8567	0.8622
65	0.7990	0.8046	0.8101	0.8158	0.8215	0.8272	0.8330	0.8388	0.8446	0.8503
66	0.7846	0.7902	0.7960	0.8018	0.8077	0.8137	0.8197	0.8257	0.8318	0.8378
67	0.7697	0.7755	0.7814	0.7874	0.7935	0.7997	0.8059	0.8122	0.8185	0.8248
68	0.7543	0.7602	0.7663	0.7724	0.7787	0.7851	0.7915	0.7980	0.8046	0.8112
69	0.7381	0.7442	0.7504	0.7567	0.7631	0.7697	0.7763	0.7830	0.7898	0.7967
70	0.7214	0.7275	0.7339	0.7403	0.7469	0.7536	0.7604	0.7673	0.7743	0.7814
71	0.7040	0.7103	0.7167	0.7232	0.7299	0.7368	0.7438	0.7509	0.7581	0.7654
72	0.6860	0.6923	0.6988	0.7054	0.7122	0.7192	0.7263	0.7336	0.7410	0.7485
73	0.6672	0.6736	0.6801	0.6868	0.6937	0.7008	0.7080	0.7154	0.7230	0.7307
74	0.6478	0.6542	0.6607	0.6675	0.6745	0.6816	0.6890	0.6965	0.7042	0.7120
75	0.6277	0.6341	0.6407	0.6475	0.6545	0.6617	0.6691	0.6767	0.6845	0.6925
76	0.6073	0.6137	0.6203	0.6271	0.6341	0.6413	0.6488	0.6564	0.6643	0.6724
77	0.5864	0.5927	0.5993	0.6061	0.6131	0.6203	0.6278	0.6355	0.6434	0.6516
78	0.5652	0.5715	0.5780	0.5848	0.5918	0.5990	0.6064	0.6141	0.6221	0.6303
79	0.5439	0.5501	0.5566	0.5633	0.5702	0.5774	0.5848	0.5925	0.6004	0.6086
80	0.5224	0.5286	0.5349	0.5416	0.5484	0.5555	0.5629	0.5705	0.5784	0.5866

	Spouse Age									
Retiree Age	68	69	70	71	72	73	74	75	76	77
28	0.9946	0.9948	0.9951	0.9953	0.9955	0.9957	0.9959	0.9961	0.9963	0.9965
29	0.9941	0.9943	0.9946	0.9948	0.9950	0.9952	0.9955	0.9957	0.9959	0.9961
30	0.9935	0.9938	0.9940	0.9943	0.9945	0.9947	0.9950	0.9952	0.9954	0.9956
31	0.9931	0.9934	0.9936	0.9939	0.9942	0.9944	0.9947	0.9949	0.9951	0.9953
32	0.9927	0.9930	0.9933	0.9935	0.9938	0.9941	0.9943	0.9946	0.9948	0.9951
33	0.9922	0.9925	0.9929	0.9932	0.9935	0.9937	0.9940	0.9943	0.9945	0.9948
34	0.9918	0.9921	0.9924	0.9928	0.9931	0.9934	0.9937	0.9940	0.9942	0.9945
35	0.9913	0.9916	0.9920	0.9924	0.9927	0.9930	0.9934	0.9937	0.9939	0.9942
36	0.9907	0.9912	0.9916	0.9919	0.9923	0.9927	0.9930	0.9933	0.9936	0.9939
37	0.9901	0.9906	0.9911	0.9915	0.9919	0.9923	0.9926	0.9930	0.9933	0.9936
38	0.9895	0.9900	0.9905	0.9910	0.9914	0.9918	0.9922	0.9926	0.9930	0.9933
39	0.9888	0.9893	0.9899	0.9904	0.9909	0.9913	0.9918	0.9922	0.9926	0.9930
40	0.9879	0.9885	0.9891	0.9897	0.9902	0.9908	0.9912	0.9917	0.9921	0.9925
41	0.9869	0.9876	0.9883	0.9889	0.9895	0.9901	0.9906	0.9911	0.9916	0.9921
42	0.9858	0.9866	0.9873	0.9880	0.9887	0.9893	0.9899	0.9905	0.9910	0.9915
43	0.9845	0.9854	0.9862	0.9870	0.9877	0.9884	0.9891	0.9897	0.9903	0.9909
44	0.9830	0.9840	0.9849	0.9858	0.9866	0.9874	0.9881	0.9888	0.9895	0.9901
45	0.9813	0.9824	0.9834	0.9844	0.9853	0.9862	0.9870	0.9878	0.9885	0.9892
46	0.9794	0.9806	0.9817	0.9828	0.9838	0.9848	0.9857	0.9866	0.9874	0.9882
47	0.9772	0.9785	0.9798	0.9810	0.9821	0.9832	0.9843	0.9852	0.9862	0.9870
48	0.9746	0.9761	0.9775	0.9789	0.9801	0.9814	0.9825	0.9836	0.9847	0.9856
49	0.9717	0.9734	0.9749	0.9764	0.9778	0.9792	0.9805	0.9817	0.9829	0.9840
50	0.9684	0.9702	0.9720	0.9736	0.9752	0.9767	0.9781	0.9795	0.9808	0.9821
51	0.9647	0.9666	0.9686	0.9704	0.9721	0.9738	0.9754	0.9770	0.9784	0.9798
52	0.9605	0.9627	0.9648	0.9668	0.9687	0.9706	0.9724	0.9741	0.9757	0.9772
53	0.9558	0.9582	0.9605	0.9627	0.9649	0.9669	0.9689	0.9708	0.9726	0.9743
54	0.9506	0.9532	0.9557	0.9581	0.9605	0.9628	0.9649	0.9670	0.9690	0.9709
55	0.9448	0.9476	0.9504	0.9530	0.9556	0.9581	0.9605	0.9628	0.9650	0.9671
56	0.9384	0.9415	0.9445	0.9474	0.9502	0.9530	0.9556	0.9581	0.9605	0.9629
57	0.9317	0.9350	0.9383	0.9414	0.9445	0.9475	0.9503	0.9531	0.9558	0.9583
58	0.9243	0.9279	0.9315	0.9349	0.9382	0.9414	0.9446	0.9476	0.9505	0.9533
59	0.9164	0.9203	0.9241	0.9278	0.9314	0.9349	0.9383	0.9416	0.9448	0.9479
60	0.9079	0.9120	0.9161	0.9201	0.9240	0.9278	0.9315	0.9351	0.9386	0.9419
61	0.8987	0.9031	0.9075	0.9118	0.9160	0.9201	0.9241	0.9280	0.9318	0.9354
62	0.8889	0.8937	0.8984	0.9030	0.9075	0.9119	0.9162	0.9204	0.9245	0.9285
63	0.8785	0.8836	0.8886	0.8935	0.8984	0.9031	0.9078	0.9123	0.9167	0.9210
64	0.8676	0.8730	0.8784	0.8836	0.8888	0.8939	0.8989	0.9037	0.9085	0.9131
65	0.8561	0.8618	0.8674	0.8730	0.8785	0.8840	0.8893	0.8946	0.8997	0.9047
66	0.8439	0.8499	0.8559	0.8618	0.8677	0.8734	0.8792	0.8848	0.8903	0.8956
67	0.8312	0.8375	0.8438	0.8501	0.8563	0.8625	0.8685	0.8745	0.8804	0.8862
68	0.8178	0.8244	0.8311	0.8377	0.8443	0.8508	0.8572	0.8636	0.8699	0.8761
69	0.8036	0.8105	0.8175	0.8244	0.8313	0.8382	0.8451	0.8519	0.8586	0.8652
70	0.7886	0.7958	0.8031	0.8103	0.8176	0.8249	0.8321	0.8393	0.8464	0.8534
71	0.7728	0.7803	0.7879	0.7954	0.8031	0.8107	0.8183	0.8259	0.8334	0.8409
72	0.7561	0.7639	0.7717	0.7796	0.7875	0.7955	0.8035	0.8115	0.8194	0.8273
73	0.7385	0.7465	0.7546	0.7627	0.7710	0.7793	0.7877	0.7960	0.8044	0.8127
74	0.7200	0.7282	0.7365	0.7449	0.7534	0.7621	0.7708	0.7795	0.7883	0.7970
75	0.7006	0.7090	0.7175	0.7261	0.7349	0.7438	0.7528	0.7619	0.7711	0.7802
76	0.6807	0.6891	0.6978	0.7067	0.7157	0.7248	0.7341	0.7436	0.7530	0.7626
77	0.6599	0.6685	0.6773	0.6863	0.6955	0.7049	0.7145	0.7242	0.7340	0.7439
78	0.6387	0.6473	0.6562	0.6654	0.6747	0.6843	0.6941	0.7041	0.7142	0.7244
79	0.6170	0.6257	0.6347	0.6439	0.6534	0.6631	0.6731	0.6833	0.6936	0.7042
80	0.5950	0.6037	0.6127	0.6220	0.6315	0.6414	0.6515	0.6618	0.6724	0.6832

	Spouse Age									
Retiree Age	78	79	80	81	82	83	84	85	86	87
28	0.9967	0.9968	0.9970	0.9972	0.9973	0.9975	0.9976	0.9978	0.9979	0.9980
29	0.9963	0.9965	0.9966	0.9968	0.9970	0.9971	0.9973	0.9974	0.9976	0.9977
30	0.9958	0.9960	0.9962	0.9964	0.9966	0.9968	0.9969	0.9971	0.9972	0.9974
31	0.9956	0.9958	0.9960	0.9962	0.9964	0.9965	0.9967	0.9969	0.9970	0.9972
32	0.9953	0.9955	0.9957	0.9959	0.9961	0.9963	0.9965	0.9967	0.9968	0.9970
33	0.9950	0.9953	0.9955	0.9957	0.9959	0.9961	0.9963	0.9965	0.9966	0.9968
34	0.9948	0.9950	0.9952	0.9955	0.9957	0.9959	0.9961	0.9963	0.9965	0.9966
35	0.9945	0.9948	0.9950	0.9952	0.9955	0.9957	0.9959	0.9961	0.9963	0.9965
36	0.9942	0.9945	0.9948	0.9950	0.9953	0.9955	0.9957	0.9959	0.9961	0.9963
37	0.9940	0.9942	0.9945	0.9948	0.9951	0.9953	0.9955	0.9958	0.9960	0.9962
38	0.9937	0.9940	0.9943	0.9946	0.9948	0.9951	0.9953	0.9956	0.9958	0.9960
39	0.9933	0.9937	0.9940	0.9943	0.9946	0.9949	0.9951	0.9954	0.9956	0.9958
40	0.9929	0.9933	0.9937	0.9940	0.9943	0.9946	0.9949	0.9952	0.9954	0.9956
41	0.9925	0.9929	0.9933	0.9936	0.9940	0.9943	0.9946	0.9949	0.9952	0.9954
42	0.9920	0.9924	0.9928	0.9932	0.9936	0.9940	0.9943	0.9946	0.9949	0.9952
43	0.9914	0.9919	0.9923	0.9928	0.9932	0.9936	0.9939	0.9943	0.9946	0.9949
44	0.9907	0.9912	0.9918	0.9922	0.9927	0.9931	0.9935	0.9939	0.9942	0.9945
45	0.9899	0.9905	0.9911	0.9916	0.9921	0.9926	0.9930	0.9934	0.9938	0.9941
46	0.9890	0.9896	0.9903	0.9909	0.9914	0.9920	0.9925	0.9929	0.9933	0.9937
47	0.9879	0.9886	0.9893	0.9900	0.9906	0.9912	0.9918	0.9923	0.9927	0.9932
48	0.9866	0.9874	0.9882	0.9890	0.9897	0.9904	0.9910	0.9915	0.9920	0.9925
49	0.9850	0.9860	0.9869	0.9878	0.9886	0.9893	0.9900	0.9906	0.9912	0.9917
50	0.9832	0.9843	0.9853	0.9863	0.9872	0.9880	0.9888	0.9895	0.9902	0.9908
51	0.9811	0.9823	0.9835	0.9846	0.9856	0.9865	0.9874	0.9882	0.9889	0.9896
52	0.9787	0.9801	0.9814	0.9826	0.9837	0.9848	0.9858	0.9867	0.9875	0.9883
53	0.9759	0.9775	0.9789	0.9803	0.9816	0.9828	0.9839	0.9849	0.9859	0.9867
54	0.9727	0.9744	0.9761	0.9776	0.9791	0.9804	0.9817	0.9828	0.9839	0.9849
55	0.9691	0.9710	0.9728	0.9745	0.9761	0.9777	0.9791	0.9804	0.9816	0.9827
56	0.9651	0.9672	0.9692	0.9711	0.9729	0.9746	0.9762	0.9776	0.9790	0.9802
57	0.9608	0.9631	0.9653	0.9674	0.9694	0.9713	0.9731	0.9747	0.9762	0.9776
58	0.9560	0.9586	0.9610	0.9634	0.9656	0.9677	0.9696	0.9714	0.9731	0.9747
59	0.9508	0.9537	0.9564	0.9589	0.9614	0.9637	0.9658	0.9678	0.9697	0.9714
60	0.9451	0.9482	0.9512	0.9540	0.9567	0.9592	0.9616	0.9639	0.9659	0.9678
61	0.9389	0.9423	0.9456	0.9487	0.9516	0.9544	0.9570	0.9595	0.9617	0.9639
62	0.9323	0.9360	0.9395	0.9429	0.9461	0.9491	0.9520	0.9547	0.9572	0.9596
63	0.9251	0.9291	0.9330	0.9367	0.9402	0.9435	0.9466	0.9496	0.9524	0.9549
64	0.9176	0.9219	0.9261	0.9301	0.9339	0.9376	0.9410	0.9442	0.9472	0.9500
65	0.9095	0.9142	0.9187	0.9230	0.9272	0.9311	0.9349	0.9384	0.9417	0.9447
66	0.9008	0.9059	0.9108	0.9155	0.9200	0.9242	0.9283	0.9321	0.9357	0.9390
67	0.8918	0.8972	0.9025	0.9076	0.9124	0.9171	0.9215	0.9256	0.9295	0.9332
68	0.8821	0.8879	0.8936	0.8991	0.9044	0.9094	0.9142	0.9187	0.9229	0.9268
69	0.8716	0.8779	0.8840	0.8899	0.8956	0.9010	0.9062	0.9110	0.9156	0.9199
70	0.8603	0.8670	0.8736	0.8799	0.8860	0.8919	0.8975	0.9028	0.9077	0.9124
71	0.8482	0.8554	0.8624	0.8692	0.8758	0.8821	0.8881	0.8939	0.8992	0.9043
72	0.8351	0.8428	0.8503	0.8575	0.8646	0.8714	0.8779	0.8840	0.8899	0.8953
73	0.8210	0.8291	0.8371	0.8448	0.8524	0.8597	0.8666	0.8733	0.8796	0.8854
74	0.8057	0.8143	0.8228	0.8310	0.8391	0.8469	0.8544	0.8615	0.8682	0.8746
75	0.7893	0.7984	0.8073	0.8161	0.8247	0.8330	0.8410	0.8486	0.8558	0.8627
76	0.7721	0.7816	0.7910	0.8003	0.8094	0.8182	0.8267	0.8349	0.8426	0.8499
77	0.7538	0.7638	0.7736	0.7834	0.7930	0.8023	0.8113	0.8200	0.8282	0.8361
78	0.7347	0.7450	0.7554	0.7656	0.7756	0.7855	0.7950	0.8042	0.8130	0.8213
79	0.7148	0.7255	0.7362	0.7469	0.7574	0.7677	0.7778	0.7875	0.7968	0.8056
80	0.6942	0.7052	0.7163	0.7274	0.7383	0.7491	0.7597	0.7699	0.7797	0.7890

	Spouse Age							
Retiree Age	88	89	90	91	92	93	94	95
28	0.9981	0.9982	0.9983	0.9984	0.9985	0.9985	0.9986	0.9987
29	0.9978	0.9979	0.9980	0.9981	0.9982	0.9983	0.9984	0.9985
30	0.9975	0.9976	0.9977	0.9978	0.9979	0.9980	0.9981	0.9982
31	0.9973	0.9974	0.9975	0.9977	0.9978	0.9978	0.9979	0.9980
32	0.9971	0.9973	0.9974	0.9975	0.9976	0.9977	0.9978	0.9979
33	0.9970	0.9971	0.9972	0.9973	0.9974	0.9976	0.9976	0.9977
34	0.9968	0.9969	0.9971	0.9972	0.9973	0.9974	0.9975	0.9976
35	0.9966	0.9968	0.9969	0.9971	0.9972	0.9973	0.9974	0.9975
36	0.9965	0.9966	0.9968	0.9969	0.9970	0.9972	0.9973	0.9974
37	0.9963	0.9965	0.9967	0.9968	0.9969	0.9971	0.9972	0.9973
38	0.9962	0.9964	0.9965	0.9967	0.9968	0.9969	0.9971	0.9972
39	0.9960	0.9962	0.9964	0.9965	0.9967	0.9968	0.9969	0.9971
40	0.9958	0.9960	0.9962	0.9964	0.9965	0.9967	0.9968	0.9969
41	0.9956	0.9958	0.9960	0.9962	0.9964	0.9965	0.9967	0.9968
42	0.9954	0.9956	0.9958	0.9960	0.9962	0.9963	0.9965	0.9966
43	0.9951	0.9954	0.9956	0.9958	0.9960	0.9962	0.9963	0.9965
44	0.9948	0.9951	0.9953	0.9955	0.9957	0.9959	0.9961	0.9963
45	0.9944	0.9947	0.9950	0.9952	0.9955	0.9957	0.9959	0.9960
46	0.9940	0.9944	0.9946	0.9949	0.9952	0.9954	0.9956	0.9958
47	0.9935	0.9939	0.9942	0.9945	0.9948	0.9950	0.9953	0.9955
48	0.9929	0.9933	0.9937	0.9940	0.9943	0.9946	0.9949	0.9951
49	0.9922	0.9927	0.9931	0.9934	0.9938	0.9941	0.9944	0.9946
50	0.9913	0.9918	0.9923	0.9927	0.9931	0.9934	0.9938	0.9941
51	0.9903	0.9908	0.9913	0.9918	0.9922	0.9926	0.9930	0.9933
52	0.9890	0.9897	0.9902	0.9908	0.9913	0.9917	0.9921	0.9925
53	0.9875	0.9883	0.9889	0.9895	0.9901	0.9906	0.9911	0.9915
54	0.9858	0.9866	0.9874	0.9881	0.9887	0.9893	0.9898	0.9903
55	0.9837	0.9846	0.9855	0.9863	0.9870	0.9876	0.9883	0.9888
56	0.9814	0.9824	0.9834	0.9843	0.9851	0.9858	0.9865	0.9872
57	0.9789	0.9801	0.9812	0.9821	0.9831	0.9839	0.9847	0.9854
58	0.9761	0.9774	0.9786	0.9798	0.9808	0.9817	0.9826	0.9834
59	0.9730	0.9745	0.9759	0.9771	0.9782	0.9793	0.9803	0.9812
60	0.9696	0.9713	0.9728	0.9741	0.9754	0.9766	0.9777	0.9787
61	0.9658	0.9676	0.9693	0.9708	0.9722	0.9735	0.9748	0.9759
62	0.9617	0.9637	0.9656	0.9673	0.9688	0.9703	0.9716	0.9728
63	0.9573	0.9595	0.9615	0.9634	0.9651	0.9667	0.9682	0.9695
64	0.9526	0.9550	0.9573	0.9593	0.9612	0.9630	0.9646	0.9661
65	0.9476	0.9502	0.9526	0.9549	0.9570	0.9589	0.9607	0.9623
66	0.9421	0.9450	0.9477	0.9501	0.9524	0.9545	0.9564	0.9582
67	0.9365	0.9397	0.9425	0.9452	0.9477	0.9500	0.9521	0.9541
68	0.9305	0.9339	0.9371	0.9400	0.9427	0.9452	0.9475	0.9497
69	0.9239	0.9276	0.9310	0.9342	0.9371	0.9399	0.9424	0.9448
70	0.9167	0.9207	0.9245	0.9279	0.9311	0.9341	0.9368	0.9394
71	0.9090	0.9133	0.9174	0.9211	0.9246	0.9278	0.9308	0.9336
72	0.9004	0.9051	0.9095	0.9136	0.9174	0.9209	0.9242	0.9272
73	0.8909	0.8961	0.9008	0.9053	0.9094	0.9132	0.9167	0.9201
74	0.8805	0.8861	0.8912	0.8960	0.9005	0.9046	0.9085	0.9121
75	0.8691	0.8751	0.8806	0.8858	0.8906	0.8951	0.8993	0.9032
76	0.8568	0.8632	0.8692	0.8748	0.8800	0.8849	0.8894	0.8937
77	0.8434	0.8503	0.8568	0.8628	0.8684	0.8736	0.8785	0.8831
78	0.8291	0.8365	0.8434	0.8498	0.8559	0.8615	0.8667	0.8717
79	0.8139	0.8218	0.8291	0.8360	0.8425	0.8485	0.8541	0.8594
80	0.7978	0.8062	0.8140	0.8213	0.8281	0.8345	0.8405	0.8462

APPENDIX B. BENEFIT CLAIMS AND APPEALS PROCEDURES

Section 1. CLAIMS FOR BENEFITS

(a) All benefit claims must be filed in writing and submitted on claim forms authorized by the Pension Fund ("Fund"). Claim forms may be obtained from any local union or from the Fund.

(b) To provide sufficient time for processing a claim for retirement pension benefits, a Participant should file a claim form with the Fund at least 6 months before his Retirement Date. An individual making a claim for death benefits or disability benefits should file a claim form as promptly as possible after the death or disability occurs. *See* the Benefits Claim Filing Procedures in Section 7.14 of this Pension Plan.

(c) The Fund, upon its receipt of a written benefit claim form, shall notify the claimant of the Fund's benefit determination within a reasonable period of time and, if a claim is wholly or partially denied, not later than 90 days after the Fund receives the claim, provided that this period may be extended for as much as an additional 90 days if the Fund determines that such an extension is necessary due to special circumstances and notifies the claimant, prior to the expiration of the initial 90-day period, of the circumstances requiring the extension of time and the date by which the Fund expects to render the benefit determination. If such an extension is necessary due to a failure of the claimant to submit information necessary to decide the claim, the notice of extension shall specifically describe the required information, and the claimant shall be afforded at least 45 days from receipt of the notice within which to provide the specified information.

(d) In the event that a time period for notice of any benefit determination by the Fund is extended to allow the claimant to submit information necessary to decide the claim, the time period for making the benefit determination and providing related notice shall be tolled (i.e., not counted) from the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information.

(e) Notice of any adverse benefit determination pursuant to this Section shall be provided in accordance with Section 2 of this APPENDIX B.

Section 2. NOTICE OF ADVERSE BENEFIT DETERMINATIONS

(a) Whenever an adverse benefit determination (as defined in Section 2[b]) is made by the Fund, the Fund shall provide the claimant with written (or electronic) notice of the determination that shall include statements, in a manner calculated to be understood by the claimant, of the following:

(1) the specific reason or reasons for each adverse benefit determination;

(2) references to the specific provisions of this Pension Plan on which each adverse benefit determination is based;

(3) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

(4) a description of the Fund's appellate review procedures and the time limitations applicable to those procedures, including a statement of the claimant's right to

bring a civil action pursuant to Section 502 of the Employee Retirement Income Security Act following an adverse benefit determination at the end of appellate review by the Fund.

(b) An "adverse benefit determination", for all purposes of this APPENDIX B, means any of the following: a denial, reduction or termination of, or a failure to provide or make payment (in whole or in part) for, a benefit, including any such denial, reduction, termination or failure to provide or make payment that is based on any exclusion or any limitation of this Pension Plan as applied to a claim for benefits, or that is based on a determination relative to the question of the claimant's or any other individual's eligibility.

Section 3. PROCEDURES DURING APPELLATE REVIEW OF ADVERSE BENEFIT DETERMINATIONS

(a) Whenever an adverse benefit determination is made by the Fund, there are two available stages of the Fund's appellate review of the determination, the first stage of which is conducted by the Benefits Claim Appeals Committee and the second stage of which is conducted by the Trustee Appellate Review Committee. The Benefits Claim Appeals Committee shall be composed of one or more employees of the Fund appointed to that position by the Executive Director of the Fund, provided that the Executive Director retains the authority to terminate any such appointment at any time.

(b) All authority and responsibilities of the Fund's Board of Trustees with respect to appellate review of adverse benefit determinations is delegated to a committee of Trustees designated as the Trustee Appellate Review Committee.

(c) The following procedures shall govern the operations of the Trustee Appellate Review Committee:

(1) a quorum of the Trustees at any meeting of the Trustee Appellate Review Committee, for the conduct of its business and for all benefit determinations on review by that committee, shall be at least one Employer Trustee and at least one Employee Trustee (all Trustee members of the Board of Trustees are and shall be *de facto* members of the Trustee Appellate Review Committee);

(2) for each matter voted upon at any meeting of the Trustee Appellate Review Committee, the Employee Trustees and the Employer Trustees shall each have the same number of votes based upon the larger number (of Employee Trustees or Employer Trustees) in attendance, provided that each vote shall be cast as the vote of an individual Trustee and not as part of a block, and each determination by the Trustee Appellate Review Committee shall be based upon a majority vote of those present and voting;

(3) the meetings of the Trustee Appellate Review Committee shall be monthly according to a schedule approved by the Trustees;

(4) the Trustees who attend and participate in any meeting of the Trustee Appellate Review Committee shall be vested, relative to all appellate review of adverse benefit determinations, with all authority and responsibilities of the Board of Trustees established by the Fund's benefit plan documents, as heretofore and hereafter amended, including discretionary and final authority in making determinations during all such appellate review;

(5) the Trustees who attend and participate in any meeting of the Trustee Appellate Review Committee shall, in the same meeting, constitute and make decisions of

the Special Hardship Appeal Committee (which decisions shall be recorded in the minutes of the meeting of the Trustee Appellate Review Committee), pursuant to Section 6(f) of APPENDIX B of the Pension Plan; and

(6) the records of monthly meetings of the Trustee Appellate Review Committee, and of its determinations during appellate review, shall be regularly kept and maintained with records of meetings of the Board of Trustees.

(d) At all stages of appellate review of any adverse benefit determination, the following procedures shall be enforced:

(1) the claimant shall be provided an opportunity to submit written comments, documents, records and other information relating to the claim for benefits;

(2) the claimant shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information possessed by the Fund and relevant to the claimant's claim for benefits;

(3) the appellate review shall take into account all comments, documents, records and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination;

(4) the appellate review shall not afford deference to the initial adverse benefit determination by the Fund and shall be conducted by one or more individuals each of whom shall be an appropriate named fiduciary of the Fund who is neither an individual who made the adverse benefit determination that is the subject of the review nor a subordinate of any such individual;

(5) the appellate review shall require that, in deciding an appeal of any adverse benefit determination that is based in whole or in part on a medical judgment, the appropriate named fiduciary shall consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment; and

(6) the appellate review shall require the identification to the claimant of any medical or vocational expert whose advice was obtained on behalf of the Fund in connection with the claimant's adverse benefit determination, whether or not the advice was relied upon in making that determination.

Section 4. TIME LIMITATIONS FOR APPELLATE REVIEW OF ADVERSE BENEFIT DETERMINATIONS

(a) Whenever an adverse benefit determination (as defined in Section 2[b]) is made by the Fund, the claimant may initiate appellate review of the determination by submission to the Fund, within 180 days after the claimant's receipt of the Fund's notice of such determination, of a request for appellate review. All requests for appellate review shall be submitted to the Fund in writing on forms authorized by the Fund.

(b) The Fund, upon its receipt of a claimant's timely written request for appellate review of an earlier adverse benefit determination, shall perform and complete appellate review, and shall notify the claimant of the determinations upon completion of such review, in accordance with the following time limitations:

(1) all appellate review and benefit determinations by the Benefits Claim Appeals Committee shall be completed, and the Fund shall provide written notice to the

claimant of those determinations, no later than 30 days after the Fund's receipt of the claimant's timely written request for appellate review of an adverse benefit determination;

(2) whenever an adverse benefit determination is made by the Benefits Claim Appeals Committee at the end of its appellate review, the claimant may initiate appellate review by the Trustee Appellate Review Committee, by written request to the Fund within 180 days after the claimant's receipt of the Fund's notice of such determination;

(3) appellate review by the Trustee Appellate Review Committee shall allow the claimant to exercise his right to make a personal presentation to Trustees (as provided in Section 6[e]), and all appellate review and benefit determinations by the Trustee Appellate Review Committee shall be completed within a reasonable period of time and at a monthly meeting that takes place no later than 90 or more days after the Fund receives the claimant's timely written request for appellate review by the Trustee Appellate Review Committee (since 29 CFR 2560.503-1[i] extends the aggregate time limit to a first quarterly board meeting more than 30 days after the review receipt's request, or to the "third meeting" in "special circumstances ... such as the need to hold a hearing", and since the same subsection allows an aggregate 120 days for review in "... special circumstances (such as the need to hold a hearing) ...", this maximum complies with the regulation);

(4) after appellate review and benefit determinations by the Trustee Appellate Review Committee, the Fund shall provide written notice to the claimant of those determinations by the Trustees no later than 5 days after the determinations are made;

(5) in the event that any time period for any appellate review by the Fund of an earlier adverse benefit determination, and for notice of the determinations upon completion of such review, is extended based upon a failure by the claimant to submit information necessary to decide the claim, each time period for the conduct and completion of such appellate review, and for making benefit determinations, and for providing notice of those determinations, relative to the claimant's claim, shall be tolled (i.e., not counted) from the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information.

Section 5. NOTICE OF BENEFIT DETERMINATIONS AFTER APPELLATE REVIEW

Whenever a benefit determination is made by the Benefits Claim Appeals Committee or the Trustees after appellate review, the Fund shall provide the claimant with written (or electronic) notice of the determination that shall include statements, in a manner calculated to be understood by the claimant, of the following:

(a) the specific reason or reasons for each adverse benefit determination;

(b) references to the specific provisions of this Pension Plan on which each determination is based;

(c) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefits; and

(d) a description of the Fund's appellate review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action pursuant to Section 502 of the Employee Retirement Income Security Act following an adverse benefit determination at the end of appellate review by the Fund.

Section 6. MISCELLANEOUS PROVISIONS

(a) Any time limitation specified in this APPENDIX B for a determination and/or a notice by the Fund may be waived and/or modified at any time on the basis of a request, agreement or consent by the claimant or by an authorized representative of the claimant, including a retroactive waiver and/or modification of an applicable time limitation after it has expired.

(b) Each member of the Benefits Claim Appeals Committee is vested with discretionary and final authority in making any determination within the scope of this APPENDIX B, except that, upon further appellate review by the Trustees after a determination by the Benefits Claim Appeals Committee, the prior discretionary and final authority of the Benefits Claim Appeals Committee is displaced by the authority of the Trustees, who shall not afford deference to any determination by the Benefits Claim Appeals Committee.

(c) The Trustees are vested with discretionary and final authority in making any determination within the scope of this APPENDIX B.

(d) The burden of proof in demonstrating any fact essential to the approval of any claim for benefits, including eligibility for any claimed benefit and the extent to which a claimed benefit is covered or payable in accordance with this Pension Plan, shall at all times be the responsibility of the claimant, provided that the Fund will at all times during appellate review of an adverse benefit determination provide to the claimant, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information possessed by the Fund and relevant to the claimant's claim for benefits.

(e) Subject to a determination by the Trustee Appellate Review Committee that a personal presentation will be of assistance in augmenting the record of appeal of an adverse benefit determination or in otherwise appropriately resolving the appeal, a claimant may make a personal presentation of his claims to the Trustee Appellate Review committee (either by himself or by his authorized representative, or both). In order to assist the Trustee Appellate Review Committee in determining whether to grant requests to make personal presentations, each such request shall be accompanied by a short written statement explaining why a personal presentation before the Trustee Appellate Review Committee would be of assistance in augmenting the record or in otherwise appropriately resolving the appeal.

(f) A Special Hardship Appeal Committee exists in accordance with APPENDIX H of this Pension Plan and is composed of Trustees who meet on a monthly or other periodic basis and who, as members of such committee, are authorized by the Board of Trustees to consider and determine matters that include:

(1) whether any benefits-related relief within the scope of APPENDIX H should be granted or denied to any individual; and

(2) whether any claim of the Pension Fund, based upon Section 4.13, to restitution from any individual of Periodic Benefit Payments issued during Restricted Reemployment (or other Reemployment) should be enforced or waived or compromised.

Decisions of the Special Hardship Appeal Committee are recorded in minutes of its meetings. Whenever an adverse benefit determination is made by the Special Hardship Appeal Committee, all terms and provisions of Section 2 through Section 6 of this APPENDIX B shall be applicable to such determination, except that the Benefit Claim Appeals Committee is not authorized to participate in any requested appellate review of that determination.

(g) It is a condition precedent to any civil action by a claimant or other individual to recover benefits covered or payable in accordance with this Pension Plan and/or to clarify any individual's rights to past, present or future benefits covered or payable in accordance with this Pension Plan, including any civil action pursuant to Section 502 of the Employee Retirement Income Security Act, that the claimant or other individual files a benefit claim and initiates and actively pursues appellate review of any adverse benefit determination upon any claim, and secures all related benefit determinations by the Fund, in accordance with this APPENDIX B, prior to the commencement of any civil action.

APPENDIX C. SCHEDULE A - EARLY RETIREMENT PENSION AMOUNTS

RETIREMENT AGES

BENEFIT CLASS	56	55	54	53	52	51	50	49	48	47
1	$56.40	$52.80	$49.20	$45.60	$42.00	$38.40	$34.80	$31.20	$27.60	$24.00
2	84.60	79.20	73.80	68.40	63.00	57.60	52.20	46.80	41.40	36.00
2A	117.50	110.00	102.50	95.00	87.50	80.00	72.50	65.00	57.50	50.00
3	131.60	123.20	114.80	106.40	98.00	89.60	81.20	72.80	64.40	56.00
3A	159.80	149.60	139.40	129.20	119.00	108.80	98.60	88.40	78.20	68.00
4	211.50	198.00	184.50	171.00	157.50	144.00	130.50	117.00	103.50	90.00
5	244.40	228.80	213.20	197.60	182.00	166.40	150.80	135.20	119.60	104.00
6	267.90	250.80	233.70	216.60	199.50	182.40	165.30	148.20	131.10	114.00
7	310.20	290.40	270.60	250.80	231.00	211.20	191.40	171.60	151.80	132.00
8	343.10	321.20	299.30	277.40	255.50	233.60	211.70	189.80	167.90	146.00
9	376.00	351.00	328.00	304.00	280.00	256.00	232.00	208.00	184.00	160.00
10	408.90	382.80	356.70	330.60	304.50	278.40	252.30	226.20	200.10	174.00
11	460.60	431.20	401.80	372.40	343.00	313.60	284.20	254.80	225.40	196.00
12	540.50	506.00	471.50	437.00	402.50	368.00	333.50	299.00	264.50	230.00
13	564.00	528.00	492.00	456.00	420.00	384.00	348.00	312.00	276.00	240.00
14	587.50	550.00	512.50	475.00	437.50	400.00	362.50	325.00	287.50	250.00

APPENDIX C. SCHEDULE B - EARLY RETIREMENT PENSION AMOUNTS

RETIREMENT AGES

BENEFIT CLASS	56	55	54	53	52	51	50	49	48	47
1	$56.40	$52.80	$49.20	$45.60	$42.00	$38.40	$34.80	$31.20	$27.60	$24.00
2	84.60	79.20	73.80	68.40	63.00	57.60	52.20	46.80	41.40	36.00
2A	117.50	110.00	102.50	95.00	87.50	80.00	72.50	65.00	57.50	50.00
3	131.60	123.20	114.80	106.40	98.00	89.60	81.20	72.80	64.40	56.00
3A	159.80	149.60	139.40	129.20	119.00	108.80	98.60	88.40	78.20	68.00
4	211.50	198.00	184.50	171.00	157.50	144.00	130.50	117.00	103.50	90.00
5	244.40	228.80	213.20	197.60	182.00	166.40	150.80	135.20	119.60	104.00
6	267.90	250.80	233.70	216.60	199.50	182.40	165.30	148.20	131.10	114.00
7	310.20	290.40	270.60	250.80	231.00	211.20	191.40	171.60	151.80	132.00
8	343.10	321.20	299.30	277.40	255.50	233.60	211.70	189.80	167.90	146.00
9	376.00	352.00	328.00	304.00	280.00	256.00	232.00	208.00	184.00	160.00
10	408.90	382.80	356.70	330.60	304.50	278.40	252.30	226.20	200.10	174.00
11	460.60	431.20	401.80	372.40	343.00	313.60	284.20	254.80	225.40	196.00
12	540.50	506.00	471.50	437.00	402.50	368.00	333.50	299.00	264.50	230.00
13	564.00	528.00	492.00	456.00	420.00	384.00	348.00	312.00	276.00	240.00
14	587.50	550.00	512.50	475.00	437.50	400.00	362.50	325.00	287.50	250.00
15(A) or higher	658.00	616.00	574.00	532.00	490.00	448.00	406.00	364.00	322.00	280.00

APPENDIX D. PARTIAL PENSIONS

(a) **PREFACE:** The following provisions are included to comply with requirements of the National Reciprocal Agreement, effective January 1, 1964, and any other Reciprocal Agreements to which this Pension Fund is a party, and apply only to the following benefits:

(1) Twenty-Year Service Pension;

(2) Early Retirement Pension;

(3) Contributory Credit Pension;

(4) 25-And-Out Pension;

(5) 30-And-Out Pension;

(6) Monthly Disability Benefit;

(7) 50% Surviving Spouse Benefit; and

(8) 60 Month Survivor Benefit.

(b) **PURPOSE:** Partial Pensions are provided under this Pension Plan to a Participant or a former Participant who does not have sufficient Service Credit to be eligible for any benefits because his years of employment were divided between different pension plans or, if eligible, whose benefits would be less than the full amount because his employment was divided.

(c) **DEFINITIONS**

(1) **COMBINED SERVICE CREDIT:** The total of an individual's Service Credit under this Pension Plan and Related Service Credit together comprise the individual's Combined Service Credit. An individual shall not earn more than one year of Combined Service Credit in any calendar year.

(2) **EFFECTIVE DATE:** This Appendix D and the payment of partial pensions shall be effective on January 1, 1964.

(3) **RELATED SERVICE CREDIT:** Service Credit earned and maintained by an individual under a Related Plan shall be recognized under this Pension Plan as Related Service Credit. The Board of Trustees shall determine Service Credit on the basis on which Related Service Credit has been earned and credited under the Related Plan and certified by the Related Plan to this Pension Plan.

(4) **RELATED PLAN:** By resolution adopted, the Board of Trustees may recognize one or more other pension plans, which have executed a Reciprocal Agreement to which this Pension Plan is a party, as a Related Plan.

(5) **TERMINAL PLAN:** The Terminal Plan shall be the plan associated with the Union which represents the individual at the time of, or immediately prior to, his Retirement Date. If an individual was not represented by any Union immediately prior to his Retirement Date, then the Terminal Plan is the plan to which the greatest number of contributions were made on behalf of the individual in the 36 consecutive calendar months immediately preceding his Retirement Date.

(d) **ELIGIBILITY:** An individual shall be eligible for a Partial Pension under this Pension Plan if he meets all of the following requirements:

(1) he would be eligible for any type of pension under this Pension Plan (other than a Partial Pension) if his Combined Service Credit were treated as Service Credit under this Plan; and

(2) he has earned, in addition to any other requirements necessary to be eligible under (1), above, at least two years of Service Credit in this Pension Plan (or a lesser number of years of Service Credit as may be specified in any Reciprocal Agreement to which this Pension Fund is a party) based on actual employment after he became an Employee as defined in Article I, Section 1.14 of this Pension Plan; and

(3) he is found to be (A) eligible for a Partial Pension from a Related Plan and (B) eligible for a Partial Pension from the Terminal Plan; and

(4) he is not eligible to receive payment of a pension from a Related Plan independent of its provisions for a Partial Pension, except that, an individual who is eligible for a pension other than a Partial Pension from this Pension Plan or a Related Plan may elect to waive the other pension and receive the Partial Pension.

(e) **BREAK-IN-SERVICE:** In applying the Break-in-Service rules of this Pension Plan, any period for which an individual has earned Related Service Credit shall not be used to determine whether there has been a period of no Covered Service sufficient to constitute a Break-in-Service.

(f) **ELECTION OF PENSIONS:** If an individual is eligible for more than one type of pension under this Pension Plan, he may elect the type of pension he is to receive.

(g) **PARTIAL PENSION AMOUNT:** The amount of the Partial Pension shall be determined as follows:

(1) the amount of the pension for which the individual would be eligible under this Pension Plan taking into account his Combined Service Credit shall be determined, then

(2) the amount of Contributory Service Credit earned with this Pension Plan shall be divided by the total amount of Contributory Service Credit earned by the individual, then

(3) the result determined in (2), above, shall be multiplied by the pension amount determined in (1), above, and the result shall be the Partial Pension amount payable by this Pension Plan.

(h) **PAYMENT OF PARTIAL PENSIONS:** The payment of a Partial Pension shall be subject to all of the conditions contained in this Pension Plan applicable to other types of benefits.

(i) In the event that any Related Plan, on or after July 20, 2004 liberalizes its service credit rules, or takes other action that has the effect of awarding service credit with retroactive effect (i.e., with respect to services performed in the past or with respect to service credit already granted), in a way that imposes unanticipated costs in the Pension Fund if the Pension Fund were to recognize such service credit for reciprocal pension purposes,

the Pension Fund reserves the right to terminate its participation in any reciprocal pension agreement to which it is a party with such Related Plan.

(j) The Pension Fund is not liable for benefits based upon this APPENDIX D and any Reciprocal Agreement to which the Pension Fund is a party (including the National Reciprocal Agreement for Teamster Pension Funds) to the extent such liability has been transferred pursuant to APPENDIX L of this Pension Plan and the UPS-CSPF Agreement described in APPENDIX L.

APPENDIX E. RULES AND REGULATIONS PERTAINING TO EMPLOYER WITHDRAWAL LIABILITY

Section 1. PREAMBLE

This APPENDIX E to the Central States, Southeast and Southwest Areas Pension Plan (the "Plan") sets forth and describes rules and regulations applicable to the determination and payment of Employer Withdrawal Liability pursuant to the Employee Retirement Income Security Act of 1974 (ERISA), as amended by the Multiemployer Pension Plan Amendments Act of 1980 (the "1980 Act"). The term Employer, as used herein, shall be defined as in ERISA and trades and businesses under common control shall constitute a single Employer as provided under ERISA Section 4001(b). Further, the term Employer refers to both Old Employers and New Employers (as defined in Sections 2.2(a) and 2.2(b), respectively) unless otherwise indicated.

Section 2. CALCULATION OF WITHDRAWAL LIABILITY

Section 2.1 Effective Date

The amount of the unfunded vested benefits allocable to an Employer who withdraws from the Plan on or after October 14, 2011 and who is defined as an "Old Employer" under Section 2.2(a) shall be determined in accordance with Section 2.3. The amount of the unfunded vested benefits allocable to an Employer who withdraws from the Plan on or after October 14, 2011 and who is defined as a "New Employer" under Section 2.2(b) shall be determined in accordance with Section 2.4. The amount of unfunded vested benefits allocable to an Employer who withdraws from the Plan at any time before October 14, 2011 shall be determined in accordance with Section 2 of this Appendix E as in effect on October 13, 2011.

Section 2.2 Definitions

(a) **Old Employer** means any Employer who had an obligation to contribute to the Plan for any period prior to October 14, 2011 and all other trades or businesses under common control with said Employer at any time such that together they constituted a single employer within the meaning of Section 4001(b)(1) of ERISA, 29 U.S.C. § 1301(b)(1), and the regulations promulgated thereunder. The term "Old Employer" includes an Employer and all other trades or businesses who withdrew from the Plan prior to October 14, 2011.

(b) **New Employer** means any Employer who satisfies either of the conditions set forth in paragraphs (1) or (2) below:

(1) The Employer has never been an Old Employer or a trade or business under common control with an Old Employer at any time such that together they constituted a single employer within the meaning of Section 4001(b)(1) of ERISA, 29 U.S.C. § 1301(b)(1), and the regulations promulgated thereunder; or

(2) To the extent the Employer first had an obligation to contribute to the Plan before October 14, 2011 or has ever been considered an Old Employer, the Employer has completely satisfied all withdrawal liability related to its past participation in a lump sum or has provided the Pension Fund with a bond issued by a corporate surety company that is an acceptable surety for purposes of ERISA section 412, or an amount held in escrow by a bank or similar financial institution satisfactory to the Pension Fund for the full amount of the outstanding withdrawal liability.

(3) An Employer satisfying paragraph (1) of this subsection shall be a New Employer on the date its obligation to contribute to the Plan begins. An Employer satisfying paragraph (2) of this subsection shall cease being an Old Employer and shall become a New Employer on the date all of the conditions specified in paragraph (2) are met.

(4) An Old Employer who is or may be obligated under Section 4204 of ERISA, 29 U.S.C. § 1384, as a seller or purchaser, including without limitation the bonding or escrow requirements of Sections 4204(a)(1)(B) and 4204(a)(3) of ERISA, 29 U.S.C. §§ 1384(a)(1)(B) and 1384(a)(3), as well as the liability provisions of Section 4204(a)(1)(C) and 4204(a)(2), 29 U.S.C. §§ 1384(a)(1)(C) and 1384(a)(2), remains subject to those obligations notwithstanding the fact that the Old Employer becomes a New Employer.

(c) **Modified Presumptive Pool** means the pool of assets and associated benefit liabilities relating to Contributions from Old Employers.

(d) **Direct Attribution Pool** means the pool of assets and associated benefit liabilities relating to New Employer Contributions.

(e) **New Employer Contributions** means contributions made by New Employers which are attributable to Participants' service with such Employer for periods during which the Employer qualifies as a New Employer under Section 2.2(b) plus contributions made by an Old Employer during the Plan Year in which such Old Employer becomes a New Employer.

(f) **Modified Presumptive Pool Unfunded Vested Benefits** means all unfunded vested benefits under the Plan minus the Direct Attribution Pool Unfunded Vested Benefits minus the sum of all New Employer's Directly Attributable Unfunded Vested Benefits as calculated under Section 2.4(b).

(g) **Direct Attribution Pool Unfunded Vested Benefits** means all unfunded vested benefits in the Direct Attribution Pool as calculated in Section 2.4(e).

(h) **Plan Year** means the calendar year beginning and including January 1st through and including December 31st.

(i) The definitions applicable to the Appendix E include all definitions stated in Article I and other definitions of the Pension Plan, except to the extent those definitions are contrary to those expressly stated in this Appendix E.

Section 2.3 Calculation of Withdrawal Liability of an Old Employer

The amount of the unfunded vested benefits allocable to an Old Employer who withdraws from the Plan shall be the product of:

(a) an amount equal to:

(1) the Modified Presumptive Pool Unfunded Vested Benefits as of the end of the Plan Year preceding the Plan Year in which the Old Employer withdraws; less

(2) the sum of the value as of such date of all outstanding claims for withdrawal liability of Old Employers which can reasonably be expected to be collected, with respect to Old Employers withdrawing before such Plan Year; multiplied by

(b) a fraction:

(1) the numerator of which is the total amount required to be contributed under the Plan by the Old Employer for the last 10 Plan Years ending before the date on which the Old Employer withdraws; and

(2) the denominator of which is the total amount contributed under the Plan by all Old Employers for the last 10 Plan Years ending before the date on which the Old Employer withdraws, increased by the amount of any Old Employer Contributions owed with respect to earlier periods which were collected in those Plan Years, and decreased by any amount contributed by an Old Employer who withdrew from the Plan during those Plan Years;

Section 2.4 Calculation of Withdrawal Liability of a New Employer

(a) **New Employer's Unfunded Vested Benefit Allocation.** The amount of the unfunded vested benefits allocable to a New Employer who withdraws from the Plan shall be the sum of:

(1) the New Employer's Unfunded Vested Benefits Attributable to Its Participants' Service (determined as of the end of the Plan Year preceding the Plan Year in which the New Employer withdraws, and as described in subsection (b) below); and

(2) the New Employer's Proportionate Share of the Direct Attribution Pool's Unfunded Vested Benefits (determined as of the end of the Plan Year preceding the Plan Year in which the New Employer withdraws) as described in subsection (f) below.

(b) **New Employer's Unfunded Vested Benefits Attributable to Its Participants' Service.** A New Employer's Unfunded Vested Benefits Attributable to Its Participants' Service is equal to the value of nonforfeitable benefits under the Plan which are attributable to Participants' service with such New Employer (including service based upon contributions deemed New Employer Contributions under Section 2.2(b)) decreased by the New Employer's Share of the Direct Attribution Plan Assets which is allocated to the New Employer under Section 2.4(d). The amount equal to the value of nonforfeitable benefits under the Plan which are attributable to a Participants' service with such New Employer shall be determined by multiplying the Participant's nonforfeitable benefits by a fraction the numerator of which is the Participant's Contributory Service Credit earned with such New Employer (including Contributory Service Credit earned with an Old Employer during the Plan Year in which such Old Employer becomes a New Employer) and the denominator of which is the Participant's total years of Contributory Service Credit earned with all Employers. To the extent that the New Employer's Unfunded Vested Benefits Attributable to Its Participants' Service is less than zero, the New Employer's Directly Attributable Unfunded Vested Benefits shall be deemed to be zero.

(c) **Direct Attribution Pool Plan Assets.** The value of Direct Attribution Pool Plan Assets determined under this Section 2.4(c) (a portion of which is to be allocated to the New Employer as provided under Section 2.4(d)) is the sum of: all New Employer Contributions made for each Plan Year preceding the Plan Year in which the New Employer withdraws, plus all withdrawal liability payments made by New Employers for withdrawals occurring as New Employers for each Plan Year preceding the Plan Year in which the New Employer withdraws, plus investment earnings or losses for each Plan Year preceding the Plan Year in which the New Employer withdraws attributable as provided under Section 2.4(c)(1), minus administrative expenses for each Plan Year

preceding the Plan Year in which the New Employer withdraws attributable as provided under Section 2.4(c)(2), minus all benefit payments which are made for each Plan Year preceding the Plan Year in which the New Employer withdraws that are attributable to service with New Employers as provided under Section 2.4(c)(3).

(1) Investment earnings or losses attributable to the Direct Attribution Plan Pool Plan Assets shall be calculated for each Plan Year by applying the rate of return or loss on all Plan assets for each Plan Year beginning after October 14, 2011 and ending with the last day of the Plan Year prior to the Plan Year of the New Employer's withdrawal to the amount of Direct Attribution Plan Pool Plan Assets (after the application of paragraphs (2) and (3) of this subsection (c)) as of the last day of the Plan Year preceding the Plan Year in which the New Employer withdraws. For the Plan Year that includes October 14, 2011, the rate of return or loss shall be applied proportionate to the period after October 14, 2011 as compared to the entire Plan Year.

(2) Administrative expenses attributable to the Direct Attribution Pool Plan Assets shall be calculated for each Plan Year beginning after October 14, 2011 and ending with the last day of the Plan Year prior to the Plan Year of the New Employer's withdrawal by multiplying the total Plan administrative expenses for a Plan Year by a fraction the numerator of which is the total number of Participants whose last Contributory Service Credit earned under the Plan as of the last day of the Plan Year was earned with a New Employer and the denominator is the total number of Participants in the Plan as of the last day of the Plan Year. For the Plan Year that includes October 14, 2011, the administrative expenses shall be applied proportionate to the period after October 14, 2011 as compared to the entire Plan Year.

(3) Benefit payments that are attributable to service with New Employers shall mean the pro rata portion of a Participant's benefits determined by multiplying the benefit payments by a fraction the numerator of which is the Participant's years of Contributory Service Credit earned with New Employers (including a Participant's Contributory Service Credit with an Old Employer during the Plan Year in which such Participant's Old Employer becomes a New Employer) and the denominator of which is the Participant's total years of Contributory Service Credit earned with all Employers.

(d) **New Employer's Share of Direct Attribution Pool Plan Assets.** The New Employer's Share of Direct Attribution Pool Plan Assets shall be determined by multiplying the value of the Direct Attribution Pool Plan Assets determined under Section 2.4(c) by the fractions in subparagraphs (d)(1) and (d)(2) of this subsection -

(1) The first fraction –

(i) the numerator of which is the value of nonforfeitable benefits (including such benefits attributable to contributions deemed New Employer Contributions under Section 2.2(b)) which are attributable to Participants' service with all New Employers who have an obligation to contribute under the Plan in the Plan Year preceding the Plan Year in which the New Employer withdraws, and

(ii) the denominator of which is the value of all nonforfeitable benefits (including such benefits attributable to contributions deemed New Employer Contributions under Section 2.2(b)) attributable to all New Employers under the Plan; and

(2) The second fraction –

(i) the numerator of which is the value of the nonforfeitable benefits (including such benefits attributable to contributions deemed New Employer Contributions under Section 2.2(b)) which are attributable to the New Employer, and

(ii) the denominator of which is the value of the nonforfeitable benefits (including such benefits attributable to contributions deemed New Employer Contributions under Section 2.2(b)) which are attributable to service with all New Employers who have an obligation to contribute under the Plan in the Plan Year preceding the Plan Year in which the New Employer withdraws.

(e) **Direct Attribution Pool's Unfunded Vested Benefits.** The amount of the Direct Attribution Pool's Unfunded Vested Benefits for a Plan Year preceding the Plan Year in which a New Employer withdraws is equal to:

(1) an amount equal to –

(i) The value of all nonforfeitable benefits attributable to service with all New Employers (including such benefits attributable to contributions deemed New Employer Contributions under Section 2.2(b)) under the Plan at the end of such Plan Year; reduced by

(ii) The value of nonforfeitable benefits under the Plan at the end of such Plan Year which are attributable to Participants' service with New Employers (including such benefits attributable to contributions deemed New Employer Contributions under Section 2.2(b)) who have an obligation to contribute under the Plan for such Plan Year; reduced by

(2) an amount equal to –

(i) The value of the Direct Attribution Pool Plan Assets as of the end of such Plan Year as determined under Section 2.4(c), reduced by

(ii) The value of the Direct Attribution Pool Plan Assets as of the end of such Plan Year as determined under Section 2.4(c) multiplied by the fraction in Section 2.4(d)(1); reduced by

(3) The value of all outstanding claims for withdrawal liability which can reasonably be expected to be collected with respect to New Employers withdrawing before the Plan Year preceding the Plan Year in which the New Employer withdraws.

If the Direct Attribution Pool's Unfunded Vested Benefits is less than zero, it shall be deemed to be zero.

(f) **New Employer's Proportionate Share of the Direct Attribution Pool's Unfunded Vested Benefits.** The New Employer's Proportionate Share of the Direct Attribution Pool Unfunded Vested Benefits described in Section 2.4(a)(2) for a Plan Year is the amount determined under Section 2.4(e) multiplied by a fraction-

(1) the numerator of which is the value of the nonforfeitable benefits (including such benefits attributable to contributions deemed New Employer Contributions under Section 2.2(b)) which are attributable to the New Employer, and

(2) the denominator of which is the value of the nonforfeitable benefits (including such benefits attributable to contributions deemed New Employer Contributions under Section 2.2(b)) which are attributable to service with all New Employers who have an obligation to contribute under the Plan in the Plan Year preceding the Plan Year in which the New Employer withdraws.

Section 2.5 Effect of Complete Withdrawal of All Old Employers

If all Old Employers completely withdraw from the Pension Fund, the Direct Attribution Pool and the Modified Presumptive Pool shall be discontinued and the amount of unfunded vested benefits allocable to an Employer that withdraws from the Pension Fund at any time beginning with the first day of the Plan Year in which all Old Employers cease to be obligated to contribute to the Fund shall be determined in accordance with Section 2 of this Appendix E as in effect on October 13, 2011 (the "Pre-2011 Methodology").

Section 2.6 Effect of Complete Withdrawal of All New Employers

If in any Plan Year all New Employers completely withdraw from the Pension Fund, the Direct Attribution Pool and the Modified Presumptive Pool shall be discontinued and the amount of unfunded vested benefits allocable to an Employer that withdraws in the following Plan Year shall be determined in accordance with Section 2 of this Appendix E as in effect on October 13, 2011 (the "Pre-2011 Methodology").

Section 2.7 Allocation of Reallocation Liability in the Event of Mass Withdrawal

In the event that, within the meaning of ERISA§ 4219(c)(1)(D), every Employer withdraws from the Plan or substantially all Employers withdraw from the Plan pursuant to an arrangement to withdraw (thus triggering a "Mass Withdrawal"), any Employers who are subject to Mass Withdrawal reallocation liability within the meaning of 29 C.F.R. § 4219.2(b)(2):

(a) Shall have their initial allocable share of such reallocation liability determined as follows:

Initial allocable share. Except as otherwise provided in subsection (c) below, an Employer's initial allocable share shall be equal to the product of the plan's unfunded vested benefits to be reallocated, multiplied by a fraction--

(1) The numerator of which is the sum of the Employer's initial withdrawal liability and the Employer's redetermination liability, if any; and

(2) The denominator of which is the sum of all initial withdrawal liabilities and all the redetermination liabilities of all Employers liable for reallocation liability; and

(b) Shall have their allocation of unassessable amounts determined as follows:

Allocation of unassessable amounts. If after computing each Employer's initial allocable share of unfunded vested benefits related to the Mass Withdrawal, the Trustees determine that any portion of an Employer's initial allocable share is unassessable as withdrawal liability because of the limitations in ERISA § 4225, the Trustees shall allocate any such unassessable amounts among all other liable Employers. This allocation shall be done by prorating the unassessable amounts on the basis of each such Employer's initial allocable share. No Employer shall be liable for unfunded vested benefits allocated under subsection (a) or this subsection (b) to another Employer that are determined to be unassessable or uncollectible subsequent to the Trustees' demand for payment of reallocation liability.

(c) **Special rule for certain Employers with no or reduced initial withdrawal liability due to application of the free-look or *de minimis* rules.** If an Employer has no initial withdrawal liability because of the application of the free-look rule in ERISA § 4210, then, in computing the fraction prescribed in subsection (b), the Plan shall use the Employer's allocable share of unfunded vested benefits, determined under ERISA § 4211 at the time of the Employer's withdrawal and adjusted in accordance with ERISA § 4225, if applicable. If an Employer's initial withdrawal liability was reduced pursuant to ERISA § 4209 (a) or (b) and the Employer is not liable for *de minimis* amounts, then, in computing the fraction prescribed in subsection (b), the Plan shall use the Employer's allocable share of unfunded vested benefits, determined under ERISA § 4211 at the time of the Employer's withdrawal and adjusted in accordance with ERISA § 4225, if applicable.

(d) **Special rule for determining the Initial withdrawal liability of certain New Employers.**

(1) In the event of a Mass Withdrawal occurring on or before the end of the second full Plan year after the date on which a New Employer has qualified for New Employer status by meeting the requirements of Para. 2.2(b)(2) of this Appendix E and satisfying its withdrawal liability related to its past participation in the Plan, such New Employer's initial withdrawal liability (for purposes of any allocations of reallocation liability to be made under subsection (a), (b) and (c) of this section 2.7) shall be equal to the greater of (A) the amount of withdrawal liability that the Employer is deemed to have satisfied in order to qualify as a New Employer, and (B) the New Employer's initial withdrawal liability upon its actual withdrawal from the Plan in connection with such Mass Withdrawal.

(2) In the event of a Mass Withdrawal occurring after the end of the second full Plan year after the date on which a New Employer has qualified for New Employer status by meeting the requirements of Para. 2.2(b)(2) of this Appendix E and satisfying its withdrawal liability related to its past participation in the Plan, any such New Employer's initial withdrawal liability (for purposes of any allocations of reallocation liability to be made under subsection (a), (b) and (c) of this section 2.7) shall be equal to the amount (if any) of the New Employer's initial withdrawal liability upon its actual withdrawal from the Plan in connection with such Mass Withdrawal.

Section 2.8 Trustee Determinations

The determinations pursuant to Section 2 of this Appendix E and Section 4202 of ERISA shall be based upon authorization by the Board of Trustees, except that any such determination may be initially authorized between board meetings by action of at least one Employer Trustee and at least one Employee Trustee (which action is to be recorded in a written document) provided such action is ratified by the Board of Trustees at its next meeting.

Section 3. SPECIAL RULES WITH RESPECT TO EMPLOYER CONTRIBUTIONS

For purposes of determining the denominator defined at Sections 2.3(b)(2), 2.4(d)(2), 2.4(e)(3)(ii), and 2.4(f)(2), the amount of Employer Contributions "made" or "contributed" with respect to a Plan Year shall be based upon the amount of Employer Contributions reported on the Form 5500 filed by the Plan for such Plan Year.

Section 4. ACTUARIAL ASSUMPTIONS

The actuarial assumptions used to determine the unfunded vested benefits of the Plan shall be determined by the Plan actuary based on his/her best estimate and in accordance with ERISA § 4213.

Section 5. PAYMENT OF WITHDRAWAL LIABILITY

(a) The amount of payment shall be calculated as follows:

(1) Except as provided in (2) and (4) below, and in (c) and (d) below; the Employer shall pay the amount determined under Section 2 of this Appendix E appropriately adjusted for partial withdrawal and de minimis reductions of $50,000 or less as provided in ERISA Sections 4206 and 4209(a), over the period of years required to amortize the amount in level annual payments determined under (3) below, calculated as if the first payment were made on the first day of the Plan year following the Plan Year in which the withdrawal occurs and as if each subsequent payment were made on the first day of each subsequent Plan Year. Such amortization period shall be determined based on actuarial assumptions used in the most recent actuarial valuation of the Plan.

(2) If the amortization period described in (1) above exceeds 20 years, the liability of the Employer shall be limited to the first 20 annual payments determined in (3) below.

(3) Except as provided in (5) below, the amount of each annual payment shall be the product of:

(A) the average number of weeks of contributions for the three consecutive Plan Years, during the 10 consecutive Plan Years ending before the date of withdrawal, in which the Employer had an obligation to contribute to the Plan for the greatest number of weeks of contributions; and

(B) the highest contribution rate at which the Employer had an obligation to contribute to the Plan during the 10 Plan Years ending with the Plan Year in which the withdrawal occurs.

(4) In the event of a withdrawal of all or substantially all Employers which contribute to the Plan (as described in Section 4219(c)(1)(D) of ERISA) (2) above shall not apply, and total unfunded vested benefits shall be allocated among all such

Employers according to regulations established by the Pension Benefit Guaranty Corporation (the "PBGC").

(5) As described in Section 4219(c)(1)(E) of ERISA, the amount of annual payment may be adjusted in the event of a partial withdrawal.

(b) Withdrawal liability shall be payable monthly, according to the schedule determined by the Trustees. Payment of withdrawal liability shall commence no later than 60 days after demand is made therefore by the Trustees.

(c) An Employer shall be entitled to prepay his withdrawal liability and accrued interest without penalty.

(d) Non-payment by an Employer of any amounts due shall not relieve any other Employer from its obligation to make payment. In addition to any other remedies to which the parties may be entitled, an Employer shall be obligated to pay interest on withdrawal liability owed to the Fund from the date when the payment was due to the date when the payment is made together with all expenses of collection incurred by the Trustees, including but not limited to attorneys' fees and such fees for late payment as the Trustees determine and as permitted by law. The interest payable by an Employer, in accordance with the preceding sentence, shall be computed and charged to the Employer at an annualized interest rate equal to two percent (2%) plus the prime interest rate established by JPMorgan Chase Bank, NA (New York, New York) for the fifteenth (15th) day of the month for which the interest is charged. Any judgment against an Employer for withdrawal liability payments owed to this Fund, shall include the greater of (a) a doubling of interest computed and charged in accordance with this section or (b) single interest computed and charged in accordance with this section plus liquidated damages in the amount of 20% of the unpaid withdrawal liability payments. The interest rate after entry of a judgment against an Employer for withdrawal liability shall be due from the date the judgment is entered until the date of payment, shall be computed and charged to the Employer on the entire judgment balance at an annualized interest rate equal to two percent (2%) plus the prime interest rate established by JPMorgan Chase Bank, NA (New York, New York) for the fifteenth (15th) day of the month for which the interest is charged and shall be compounded annually.

(e) In the event of a default, the outstanding amount of the withdrawal liability shall immediately become due and payable. A default occurs if:

(1) the Employer fails to make, when due, any payments of withdrawal liability, if such failure is not cured within 60 days after such Employer receives written notification from the Fund of such failure; or

(2) the Trustees, in their discretion, deem the Fund insecure as a result of any of the following events with respect to the Employer:

(A) the Employer's insolvency, or any assignment by the Employer for the benefit of creditors, or the Employer's calling of a meeting of creditors for the purpose of offering a composition or extension to such creditors, or the Employer's appointment of a committee of creditors or liquidating agent, or the Employer's offer of a composition or extension to creditors,

(B) the Employer's failure or inability to pay its debts as they become due;

(C) the commencement of any proceedings by or against the Employer (with or without the Employer's consent) pursuant to any bankruptcy or insolvency

laws or any laws relating to the relief of debtors, or the readjustment, composition or extension of indebtedness, or to the liquidation, receivership, dissolution or reorganization of debtors;

(D) the withdrawal, revocation or suspension, by any governmental or judicial entity or by any national securities exchange or association, of any charter, license, authorization, or registration required by the Employer in the conduct of its business;

(E) the cessation of all or substantially all of an Employer's operations, or the liquidation of all or substantially all of an Employer's assets;

(F) the existence of a delinquency in any amount owed to the Pension Fund including, without limitation, the payment of contributions or prior withdrawal liability; or

(G) any other event or circumstance which in the judgment of the Trustees materially impairs the Employer's credit worthiness or the Employer's ability to pay its withdrawal liability when due.

Section 6. RESOLUTION OF DISPUTES

Any dispute concerning whether a complete or partial withdrawal has occurred, concerning the amount and/or payment of any withdrawal liability or any other matter pertaining to ERISA Sections 4201 through 4219 and ERISA Section 4225 will be resolved in the following manner:

(a) REVIEW BY THE FUND: If, within ninety (90) days after an Employer receives a notice and demand for payment of withdrawal liability from the Fund, such Employer in writing to the Fund (i) requests a review of any specific matter relating to the determination of such liability and the schedule of payments, (ii) identifies any inaccuracy in the determination of the amount of the unfunded vested benefits allocable to the Employer, or (iii) furnishes any additional relevant information to the Fund, a review may be conducted by the Withdrawal Liability Review Committee. The Withdrawal Liability Review Committee consists of members of Staff of the Fund selected by the Executive Director of the Fund. The Withdrawal Liability Review Committee is responsible for the review of any matter pertaining to withdrawal liability which is timely made and the recommendation for decisions on such matters to the Trustees. This Committee acts by a majority of its members present and voting in making recommendations regarding the action which the Trustees may follow in determining questions of withdrawal liability. The decision of the Trustees may be communicated in writing to the Employer including the basis for the decision and the reason(s) for any change in the determination of an Employer's liability or schedule for liability payments.

(b) ARBITRATION: Within 60 days following the earlier of receipt of a written decision from the Trustees in accordance with subparagraph (a) above, or 120 days after an Employer has made a timely written request for a review of such withdrawal liability matters specified above, either the Employer or the Fund may initiate an arbitration proceeding as provided herein.

(1) Manner of Initiation: Arbitration is initiated by written notice to the Chicago Regional Office of the American Arbitration Association ("AAA") with copies to the Fund (or if initiated by the Fund to the Employer) and the bargaining representative (if any) of the affected employees of the Employer. Such arbitration will be conducted, except as otherwise provided in these rules, in accordance with the "Multiemployer Pension Plan Arbitration Rules" (the "AAA Rules") administered by the AAA. The

initial filing fee is to be paid by the party initiating the arbitration proceeding. Arbitration is timely initiated if received by the AAA along with the initial filing fee within the time period prescribed by ERISA Section 4221(a)(1).

(2) Venue: All arbitrations under this Section shall be conducted in Chicago, Illinois. Any actions pursuant to ERISA §4221(b)(2), 29 U.S.C. §1401(b)(2), to enforce, vacate or modify any awards entered in such arbitrations shall be filed in the United States District Court for the Northern District of Illinois, Eastern Division.

(3) Preliminary Statements: The Employer shall file with the AAA and serve upon the Fund at least 21 days prior to the hearing a Preliminary Statement. The Plan shall file with the AAA and serve upon the Employer a responsive Preliminary Statement at least seven days prior to the hearing. Each preliminary statement shall contain: (1) a statement of the factual and legal contentions of the party with respect to each of the issues before the arbitrator; (2) a list identifying the name, address, and occupation of each witness to be called by the party at the hearing and a specific description of the matters upon which the witness will testify; (3) a list describing each exhibit which the party will offer in evidence; and (4) a statement of the relief sought by the party.

(c) LITIGATION: Section 43(c) of the AAA Rules shall not apply. Within 30 days after the issuance of a final award by an arbitrator in accordance with these procedures, any party to such arbitration proceeding may bring an action in an appropriate United States district court to enforce, modify, or vacate the arbitration award, in accordance with ERISA Sections 4221 and 4301.

Section 7 CONSTRUCTION INDUSTRY EXEMPTION

ERISA section 4203(b) shall apply to those Employers described in ERISA section 4203(b)(1).

Section 8 FIVE-YEAR FREE LOOK RULE

(a) Pursuant to ERISA Section 4210, 29 U.S.C. §1390, an employer who withdraws from the Plan in a complete or partial withdrawal is not liable to the Plan if the Employer:

(1) first had an obligation to contribute to the Plan after September 26, 1980;

(2) had an obligation to contribute to the Plan for no more than 5 consecutive plan years preceding the date of its withdrawal;

(3) was required to make contributions to the Plan for each such plan year in an amount equal to less than 2 percent of the sum of all employer contributions made to the Plan for each such year as reported on the Form 5500 filed by the Plan for each such year; and

(4) has never avoided withdrawal liability because of the application of this Section 8 of Appendix E.

(b) Paragraph (a) of this section shall apply to an Employer with respect to the plan only if -

(1) the plan is not a plan which primarily covers employees in the building and construction industry;

(2) the plan makes this exception applicable (as it has in paragraph (a) of this section);

(3) the plan provides (as it does in Appendix G, section (a)(5)) that the reduction under §411(a)(3)(E) of the Internal Revenue Code of 1954 applies with respect to the employees of the Employer; and

(4) the ratio of the assets of the plan for the plan year preceding the first plan year for which the Employer was required to contribute to the plan to the benefit payments made during that plan year was at least 8 to 1.

Section 9. ADJUSTMENT OF LIABILITY FOR WITHDRAWAL SUBSEQUENT TO PARTIAL WITHDRAWAL

The amount of credit an Employer receives for payment of a prior year's partial withdrawal liability is determined in accordance with applicable regulations (29 CFR §4206). Pursuant to 29 CFR §4206, the amortization period defined at 29 CFR §4206.9 shall be ten years. A New Employer shall not be entitled to credit for any prior withdrawal liability incurred as an Old Employer.

Section 10. NO REDUCTION OR WAIVER OF LIABILITY FOR NEW EMPLOYER

An Employer shall not be entitled to a reduction or waiver of withdrawal liability under ERISA sections 4207 or 4208 based upon the payment of withdrawal liability as an Old Employer for its resumption or continuation of participation in the Pension Fund as a New Employer.

APPENDIX F. RULES PERTAINING TO HOURLY RATES FOR CONSTRUCTION INDUSTRY PARTICIPANTS

Section 1. CONSTRUCTION AND BUILDING MATERIALS INDUSTRY DEFINED

The construction or building materials industry for purposes of this Appendix shall be defined as all Contributing Employers in the construction industry relating to the contracting or subcontracting of work to be done at the site of the construction, alteration, painting, or repair of a building, structure, highway, excavation, or other work, and(or) whose principal business is the supply and(or) transportation to and from such job sites of material, equipment or supplies to be utilized by an employee performing such construction work.

The definition in the preceding paragraph applies only for the purpose of this Appendix F and does not apply for any other purpose including, without limitation, the definition of "building and construction industry" for purposes of ERISA § 4203 (b).

Section 2. HOURLY CONTRIBUTION OBLIGATION

(a) Any Collective Bargaining Agreement between a Union and a Contributing Employer in the construction or building materials industry with an effective date on or after September 1, 1985 may require hourly Contributions as set forth in (b) below.

(b) **SCHEDULE B OF BENEFIT CLASSES AND REQUIRED MINIMUM HOURLY CONTRIBUTION RATES**

Employer Benefit Class	Maximum Twenty-Year Service Pension Benefits Ages 57	58	59	60 to 64	65 Plus	Hourly Contribution Rates
14	625	625	625	775	775	$1.75
15						
(A)	700	750	800	900	900	$1.90
(B)	700	750	800	900	900	$2.05
(C)	700	750	800	900	900	$2.20
16						
(A)	700	750	800	900	1100	$2.45
(B)	700	750	800	900	1100	$2.55
(C)	700	750	800	900	1100	$2.65
17a						
(A)	700	750	800	900	1100	$2.85
(B)	700	750	800	900	1100	$3.15
(C)	700	750	800	900	1100	$3.40
(D)	700	750	800	900	1100	$3.70

Employer Benefit Class	Maximum Twenty-Year Service Pension Benefits Ages 57	58	59	60 to 64	65 Plus	Hourly Contribution Rates
17b						
(A)	700	750	800	900	1100	$2.85
(B)	700	750	800	900	1100	$3.15
(C)	700	750	800	900	1100	$3.45
(D)	700	750	800	900	1100	$3.90
18						
(A)	700	750	800	900	1100	$3.80*
(A)	700	750	800	900	1100	$3.90*
(B)	700	750	800	900	1100	$4.25
(C)	700	750	800	900	1100	$4.70
(D)	700	750	800	900	1100	$4.95
(E)	700	750	800	900	1100	$5.20
18+						
(A)	700	750	800	900	1100	$4.40
(B)	700	750	800	900	1100	$4.85
(C)	700	750	800	900	1100	$5.10
(D)	700	750	800	900	1100	$5.35

Benefit Class 18+ of a Participant must be based upon the Continuous Contribution Method and not upon the Non-Continuous Contribution Method or any other method.

* If the Bargaining Unit is moving from Benefit Class 17a to Benefit Class 18, the hourly contribution rate for the first year is $3.80; otherwise it is $3.90.

(c) If a Collective Bargaining Agreement requires a Contributing Employer to make hourly Contributions, then an hourly Contribution is required to be made on an Employee's behalf for each hour that he performs one Hour of Service.

(d) If a Collective Bargaining Agreement requires a Contributing Employer to make hourly Contributions, then an Employee shall earn one hour of Contributory Service for each hour of Contributions required to be made on his behalf.

(e) If a Collective Bargaining Agreement requires a Contributing Employer to make hourly Contributions, then an Employee shall earn one hour of Vesting Service for each hour of Contributions required to be made on his behalf.

(f) Self-Contributions made under Article I, Section 1.08 for periods during which the Collective Bargaining Agreement covering the Employee requires hourly Contributions shall be limited to 40 hours of Self-Contributions per week.

Section 3. RULES FOR DETERMINING SERVICE CREDIT WHEN HOURLY CONTRIBUTIONS ARE REQUIRED

(a) For purposes of Article I, Section 1.10, 30 hours of Contributions required to be made on behalf of a Participant shall be considered equivalent to one week of Contributions.

(b) For any calendar year during which a Participant has had an hour of Contributions required to be made on his behalf, the number of hours of Vesting Service due to employment under a Collective Bargaining Agreement requiring hourly Contributions during such year divided by 600 shall be added to the sum determined in Article I, Section 1.40 for the purpose of determining whether he has had a Year of Participation.

(c) For any calendar year during which a Participant has had an hour of Contributions required to be made on his behalf and during which he has at least a Year of Participation, the number of hours of Contributory Service during such year divided by 1,200 shall be added to the sum determined in Article I, Section 1.10(a)(2)(B) for the purpose of determining his Contributory Service Credit for that year.

(d) For any calendar year during which a Participant has had an hour of Contributions required to be made on his behalf, the number of hours of Vesting Service due to employment under a Collective Bargaining Agreement requiring hourly Contributions during such year divided by 300 shall be added to the sum determined in Article I, Section 1.23(b) for the purpose of determining whether he has had a One-Year Break-in-Service.

(e) For any calendar year during which a Participant has had an hour of Contributions required to be made on his behalf, the number of hours of Vesting Service due to employment under a Collective Bargaining Agreement requiring hourly Contributions during such year divided by 600 shall be added to the sum determined in Article I, Section 1.37 for the purpose of determining whether he has earned a Vesting Service Year.

Section 4. DETERMINATION OF THE BENEFIT CLASS OF A PARTICIPANT WITH HOURLY CONTRIBUTIONS

(a) Continuous Contribution Method: The Benefit Class of a Participant who has had Continuous Contributions during his last 5 calendar years shall be the Benefit Class corresponding to the rate of his last weekly Continuous Contribution, his last daily Continuous Contribution in effect for at least his last 5 days of Contributory Service, or his last hourly Continuous Contribution in effect for at least his last 30 hours of Contributory Service.

(b) Non-Continuous Contribution Method: The Benefit Class of a Participant who has not had Continuous Contributions shall be determined by the Non-Continuous Contribution Method described in Article III, Section 3.03(b). For the purpose of determining a Participant's Benefit Class under the Non-Continuous Contribution Method, 30 hours of Contributions shall be equivalent to one week of Contributions and the dollar amount shall be the equivalent weekly Contribution.

APPENDIX G. ACCEPTANCE POLICIES FOR BARGAINING UNITS

The Acceptance Policies in this Appendix G have been adopted by the Board of Trustees for Bargaining Units that have not had prior coverage under this Pension Fund. These policies make it possible for a Bargaining Unit Employee who has never been covered by a Collective Bargaining Agreement (as defined in Article I, Section 1.06) to earn Vesting Service, Non-Contributory Service Credit and Contributory Service Credit for his past employment with the Contributing Employer that begins making Contributions on his behalf.

(a) **GENERAL POLICY APPLICABLE TO A BARGAINING UNIT:**

A Bargaining Unit may be accepted under this General Policy subject to the following conditions:

(1) **BENEFIT CLASS:** The Bargaining Unit must be covered by a Collective Bargaining Agreement requiring Employer Contributions at any Benefit Class under Schedule B.

(2) **AGE AND SERVICE OF EMPLOYEES:** The Employees in the Bargaining Unit may be any age and have any number of years of past employment with the Contributing Employer that becomes required to make Employer Contributions to the Pension Fund on their behalf.

(3) **EARNING VESTING SERVICE AND NON-CONTRIBUTORY SERVICE CREDIT FOR PAST EMPLOYMENT:** An Employee who is a member of a Bargaining Unit on the "Effective Date of Acceptance" (as hereinafter defined), shall earn Vesting Service and Non-Contributory Service Credit for his periods of past employment according to the following:

(A) he shall earn Vesting Service for all of his continuous past employment with the Contributing Employer that begins making Contributions on behalf of the Employees in his Bargaining Unit; and

(B) he shall earn Non-Contributory Service Credit according to Article I, Section 1.22(c) for all of his employment with the Contributing Employer that begins making Contributions on behalf of the Employees in his Bargaining Unit, unless such employment was as a manager, supervisor, business partner, sole proprietor or business owner with supervisor authority. The "Effective Date of Acceptance" of a Bargaining Unit is the date Contributions to the Pension Fund begin on behalf of Employees who are members of a Bargaining Unit accepted under this policy or the Alternative Policy in (b), below.

(C) Non-Contributory Service Credit earned according to (a)(3)(B), above, shall be subject to the limitations in Article I, Section 1.20(a)(4).

An Employee who is on lay-off, sick leave or authorized leave of absence on the Effective Date of Acceptance of his Bargaining Unit under this policy, shall be eligible to earn Vesting Service and Non-Contributory Service Credit according to the above.

(4) **EARNING VESTING SERVICE AND CONTRIBUTORY SERVICE CREDIT FOR FUTURE EMPLOYMENT:** An Employee who is a member of a Bargaining Unit accepted under this policy, shall earn Vesting Service and Contributory Service Credit for periods of future employment according to the benefit eligibility provisions of the Pension Plan.

(5) **CANCELLATION OF VESTING SERVICE AND NON-CONTRIBUTORY SERVICE CREDIT EARNED:** In the event a Bargaining Unit either voluntarily or involuntarily withdraws from the Pension Fund during the "Five-Year Free Look" period defined in Section 8 of Appendix E, the Vesting Service and Non-Contributory Service Credit earned by an Employee under (a)(3), above, shall be canceled. After the "Five-Year Free Look" period expires, the provisions of Article I, Section 1.38 shall be applied in the event of a Voluntary Withdrawal.

(6) **BENEFIT ELIGIBILITY:** The benefit eligibility rules of the Pension Plan, including the Break-in-Service rules, shall be used to determine whether an Employee in a Bargaining Unit accepted under this policy receives any benefit from the Pension Fund, and the Forms of Payment provisions of the Pension Plan shall be used to determine the manner in which any benefit to be received shall be paid.

(b) **ALTERNATIVE POLICY APPLICABLE TO A BARGAINING UNIT THAT HAD PRIOR PENSION PLAN COVERAGE FOR ITS MEMBERS:** A Bargaining Unit whose members have been covered by another pension plan may be accepted under this Alternative Policy rather than the General Policy stated above, subject to the following conditions:

(1) **BENEFIT CLASS:** The Employees in the Bargaining Unit must be covered by a Collective Bargaining Agreement requiring Employer Contributions under a Schedule B Benefit Class that provides benefits comparable to the benefits payable to them by the prior pension plan.

(2) **AGE AND SERVICE OF EMPLOYEES:** The Bargaining Unit must consist of less than 20% of Employees who are at an age greater than 55 with 15 or more years of past employment with the Contributing Employer that becomes required to make Employer Contributions to the Pension Fund on their behalf.

(3) **EARNING VESTING SERVICE, NON-CONTRIBUTORY SERVICE CREDIT AND CONTRIBUTORY SERVICE CREDIT FOR PAST EMPLOYMENT:** An Employee who is a member of a Bargaining Unit on the "Effective Date of Acceptance" (as defined in (a)(3), above), shall earn Vesting Service, Non-Contributory Service Credit and Contributory Service Credit for periods of past employment according to the following:

(A) he shall earn Vesting Service for all of his continuous past employment with the Contributing Employer that begins making Contributions on behalf of the Employees in his Bargaining Unit; and

(B) he shall earn Non-Contributory Service Credit according to Article I, Section 1.22(c) of the Pension Plan for all of his employment with the Contributing Employer required to make Contributions on behalf of the Employees in his Bargaining Unit, except that, no Non-Contributory Service Credit will be earned for:

(i) employment as a manager, supervisor, business partner, sole proprietor or business owner with supervisory authority; or

(ii) employment for which he earns Contributory Service Credit according to (b)(3)(C), below.

(C) he shall earn Contributory Service Credit under this Pension Plan for any contributory service credit he had earned under the prior pension plan if he had become a participant vested under the prior pension plan.

Non-Contributory Service Credit earned according to (b)(3)(B), above, shall be subject to the limitations in Article I, Section 1.20(a)(4) of the Pension Plan.

An Employee who is on lay-off, sick leave, or authorized leave of absence on the Effective Date of Acceptance of his Bargaining Unit under this policy, shall be eligible to earn Vesting Service, Non-Contributory Service Credit and Contributory Service Credit according to the above.

(4) **EARNING VESTING SERVICE AND CONTRIBUTORY SERVICE CREDIT FOR FUTURE EMPLOYMENT:** An Employee who is a member of a Bargaining Unit accepted under this policy, shall earn Vesting Service and Contributory Service Credit for periods of future employment according to the benefit eligibility provision of the Pension Plan.

(5) **CANCELLATION OF VESTING SERVICE, NON-CONTRIBUTORY SERVICE CREDIT AND CONTRIBUTORY SERVICE CREDIT EARNED:** In the event a Bargaining Unit accepted under this policy either voluntarily or involuntarily withdraws from the Pension Fund during the "Five-Year Free Look" period defined in Section 8 of Appendix E, the Vesting Service, Non-Contributory Service Credit and Contributory Service Credit earned by an Employee under (b)(3), above, shall be canceled. After the "Five-Year Free Look" period expires, the provisions of Article I, Section 1.38 shall be applied in the event of a Voluntary Withdrawal.

(6) **BENEFIT ELIGIBILITY:** The benefit eligibility rules of the Pension Plan, including the Break-in-Service rules, shall be used to determine whether an Employee who is a member of a Bargaining Unit accepted under this policy receives any benefit from the Pension Fund, and the Forms of Payment provisions of the Pension Plan shall be used to determine the manner in which any benefit to be received shall be paid, except that:

(A) The Twenty-Year Service Pension, Early Retirement Pension, Deferred Pension and Twenty-Year Deferred Pension shall be reduced by the amount of any benefit payable under the prior pension plan.

(B) The eligibility requirements for the Contributory Credit Pension, 25-And-Out Pension and 30-And-Out Pension shall also include the condition that at least ½ of the Contributory Service Credit needed for these benefits be earned after the Effective Date of Acceptance of a Bargaining Unit under this policy. These benefits shall also be reduced by the amount of any benefit payable under the prior pension plan.

(c) **POLICY UNDER WHICH VESTING SERVICE, NON-CONTRIBUTORY SERVICE CREDIT AND CONTRIBUTORY SERVICE CREDIT WILL BE RECOGNIZED:** Any Vesting Service, Non-Contributory Service Credit and Contributory Service Credit being claimed by an Employee in a Bargaining Unit accepted under the provisions of this Appendix G, must be reported to the Pension Fund at the time the Bargaining Unit petitions for acceptance. Only an Employee who is a member of a Bargaining Unit on

the Effective Date of Acceptance shall be eligible to have Vesting Service, Non-Contributory Service Credit and Contributory Service Credit recognized by the Pension Fund according to the provisions of this Appendix G. An Employee who is hired or rehired and becomes a member of a Bargaining Unit after its Effective Date of Acceptance shall not be eligible to claim any Vesting Service, Non-Contributory Service Credit or Contributory Service Credit under this Appendix G.

APPENDIX H. THE SPECIAL ELIGIBILITY APPENDIX

During 1987, a settlement was finalized in a class action lawsuit (Dutchak, Brock and Sullivan v. Fitzsimmons) that had been pending in the United States District Court in Chicago. This Appendix H adds a series of amendments to the Pension Plan to comply with this settlement. In general, the provisions of this Appendix H make the federal law requirements of the Employee Retirement Income Security Act of 1974 (ERISA), retroactive to February 1, 1955 (the inception of the Pension Fund) so as to cover any Participant or former Participant. The purpose of this Appendix H is to set forth the special eligibility amendments that apply to those who are affected by this settlement. These special eligibility amendments supersede any other provisions of this Pension Plan to the extent they are in conflict with those provisions.

(a) If any Participant is entitled to benefits under any provisions of the Pension Plan other than these amendments, those other benefits must be paid in full and set off against any benefit payable because of the amendments. This will not result in a decrease in the total benefit to which any Participant is entitled.

(b) Prior to ERISA, which became law in 1974, the Fund did not provide any form of vested benefits; that is (with one exception), no Participant was guaranteed a benefit unless the Participant had met all eligibility criteria at the time of the Participant's retirement. The ERISA rules, in general, provide a benefit to every Participant with 10 years of contributions made or required to be made to the Pension Fund not interrupted by a Break-in-Service (absence from contributory coverage) regardless whether the Participant subsequently left the Pension Fund for any period of time, however long, before retiring. As a result of these amendments, any Participant who has ever had 10 years of contributions made or required to be made to the Pension Fund on his behalf may receive a Vested Pension calculated under the ERISA mandated formula. Specifically, under these amendments, any Participant who is eligible to retire before December 31, 2015, will be entitled to choose either the benefits for which that Participant qualifies under the Pension Plan as it existed before these amendments became effective or, in the alternative, to receive a Vested Pension based upon all contributions required to be made to the Pension Fund on behalf of the Participant since 1955 (not counting certain non-contributory service as defined in the Pension Plan) if the Participant has received 10 Vesting Service Years (as defined in the Pension Plan), regardless whether at least 3 of those years were received after December 31, 1970 and regardless whether he was a Participant as defined by the Pension Plan.

(c) Under the earlier pension plans, a Participant could have a Break-in-Service, and lose Service Credit if he left the Pension Fund for 2 to 5 years, regardless whether he returned to coverage at a later date. The Break could cause the loss of a Participant's entire pension. These amendments, however, will be subject to the ERISA Break-in-Service rules, which permit a Participant to regain all Service Credit if he returns to the Pension Fund in less years than he was originally in the Fund, regardless whether the Covered Service, Service Credit and Vesting Service occurred at any time after February 1, 1955. In all cases, the Break-in-Service rule which is most advantageous to the Participant will be applied in determining his eligibility for any benefit.

(d) Service in a different fund which has reciprocity with the Pension Fund, or in another pension plan established by collective bargaining with an International Brotherhood of Teamsters affiliate which this Pension Fund does not have a reciprocal agreement, will not constitute a Break-in-Service regardless whether it is treated as Service Credit in this Pension Fund for purposes of the Pension Plan for employment covered by another pension plan. This amendment will remain in effect until December 31, 2015.

(e) At present, the Pension Fund normally pays disability benefits on the same schedule as Social Security Disability Benefits; starting the 1st day of the month after 5 full calendar months of total disability. The present rules, however, delay such payments (and do not pay for the period of such delay) if a Participant does not file his claim for disability benefits during this 5 month period, so that a tardy filing will cause denial of benefits for any time prior to the 3rd month after such late claim. As a result of these amendments, the tardy filing rule will be waived so that the first monthly payment of a Disability Pension Benefit for any Participant disabled between the effective date of this amendment and December 31, 2015, will become due on the 1st day of the month after such Participant has been disabled for 5 full calendar months (and is otherwise eligible for a benefit under the Pension Plan).

(f) Each participant receiving a Disability Pension Benefit of $100 as of October 15, 1981, will receive a $10 increase in his monthly payments effective retroactively to November 1, 1981 and to and including December 31, 2015, so long as that Participant is otherwise eligible under the Pension Plan. If the Disability Pension Benefit is increased above $150 before December 31, 2015, the eligible Participant will receive that increased benefit plus $15 per month, until December 31, 2015, at which time all additional payments made under this amendment will terminate totally, provided that Participants who qualified for a Disability Pension Benefit prior to December 31, 2015 and began to receive the increased monthly payments described under this Section (f) prior to that date, shall, subject to the requirements of all other provisions of this Pension Plan, continue to receive those increased payments.

(g) A Special Hardship Appeal Committee will be created, composed of one Union Trustee and one Employer Trustee. This Committee will meet at least once each calendar quarter and may meet more often at its discretion. For each hardship claim presented, the Committee will attempt to reach fair and internally consistent decisions and will keep files which will include a summary of the basis of the claim and the Committee's findings and disposition of the claim. In addition, the Committee will maintain an index to all such files. These records will be available for inspection by any Participant or his attorney. The procedure for review of a claim by the Special Hardship Appeal Committee will be the same as that for review by the Board of Trustees as described in the Pension Plan, except to the extent that procedure is inconsistent with the procedure provided in this amendment.

(h) The Special Hardship Appeal Committee will review appeals by and grant benefits to any Participant who does not qualify for benefits under the Pension Plan in cases where substantial justice requires deviation from the specific eligibility rules of the Pension Plan; these cases must substantially conform to circumstances in which:

(1) the Participant would have been eligible for benefits but for written misinformation provided by the Pension Fund or its Employees;

(2) the Participant would have been eligible for benefits but for inadequate or tardy release of information about the Pension Fund's eligibility rules or his status under these rules;

(3) the Participant has at least 20 years of Covered Service on or after his 47th birthday, was not an active Employee on his 50th birthday, and demonstrated confusion as to the application of Pension Plan rules to those circumstances by having made a reasonably contemporaneous claim for benefits;

(i) Any benefits payable to a Participant or former Participant becoming eligible under the terms of these amendments which have a present value (as computed by the Pension

Fund's actuary) of $2,500 or less at the time the benefits become effective, may (if the Pension Fund elects) be paid in lump-sum equivalent to the amount of that present value.

(j) Any payment which would have been made to a deceased Participant under the amendments if not for the Participant's death, will be payable to the estate of the deceased Participant or those of the Participant's heirs as may be determined by the Pension Fund. Any payment of death benefits to which any person would be entitled under the amendments will be made to the person who would have been entitled to a death benefit at the time of the death of the Participant.

(k) These amendments are enacted pursuant to the settlement and will expire and cease being effective on December 31, 2015, however, a Participant who is entitled to receive benefits other than the disability pension provided by the amendments (but subject to the final proviso clause concerning increased disability pension benefits set forth in section (f) of this Appendix H and the other eligibility rules of the Pension Plan) will continue to receive those benefits for the remainder of his life. Subject to any limitations of ERISA or any other applicable legal requirements, the Board of Trustees reserves the right to amend the Pension Plan to suspend or eliminate any of the benefits required by the amendments if the lawsuits are reopened or revived by court order in a way which challenges the general principles of the amendments and the settlement upon which they are based.

APPENDIX I. MEDICAL BENEFITS ACCOUNTS

Section 1. PREAMBLE

This Appendix I is added to the Pension Plan by the Board of Trustees, effective on and after June 1, 1999, in order to establish a basis for benefits to be payable by the Pension Fund in accordance with Section 401(h) of the Internal Revenue Code, which currently provides that "a pension or annuity plan may provide for the payment of benefits for sickness, accident, hospitalization, and medical expenses of retired employees, their spouses and their dependents" if certain conditions are satisfied.

Section 2. DEFINITIONS

The definitions applicable to this Appendix I include all definitions stated in Article I and other provisions of the Pension Plan, as heretofore and hereafter amended, and the following:

(a) **"Eligible Medical Beneficiary"** means any person (1) who is a Pensioner receiving monthly retirement pension benefits from the Pension Fund or the Spouse of such a Pensioner and (2) who is eligible to receive Medical Benefits in accordance with a Medical Benefits Account; and

(b) **"Health and Welfare Fund"** means Central States, Southeast and Southwest Areas Health and Welfare Fund; and

(c) **"Medical Benefits"** means those benefits which are specified in a Medical Benefits Account; and

(d) **"Medical Benefits Account"** means a plan established by the Board of Trustees to provide benefits in accordance with Section 401(h) of the Internal Revenue Code, provided that the terms and provisions of each such separate plan shall be specified in a resolution adopted by the Board of Trustees; and

(e) **"Spouse"** means any person (1) who is married to a Pensioner in a legally recognized civil or religious ceremony or (2) who is a party to a common-law marriage with a Pensioner in a jurisdiction in which common-law marriages are recognized to be valid, provided that the Pension Fund receives evidence confirming that all prerequisites to the validity of a common-law marriage, in that jurisdiction, have been satisfied.

Section 3. MEDICAL BENEFITS ACCOUNTS

(a) The Board of Trustees amends the Pension Plan by the addition of this Appendix I, effective on and after June 1, 1999, as the basis for Medical Benefits to be payable by the Pension Fund in accordance with separate Medical Benefits Accounts, the terms and provisions of each such separate account to be specified in a resolution adopted by the Board of Trustees.

(b) The funding for the payment of all Medical Benefits in accordance with Medical Benefits Accounts shall be derived entirely from Contributions payable by Contributing Employers in accordance with Collective Bargaining Agreements and from investment earnings.

(c) The terms and provisions of the Pension Plan relating to plan administration, including Article VII and Appendix B, are incorporated by reference into, and shall be applicable to, this Appendix I.

(d) The Health and Welfare Fund shall provide administrative services in disbursing Medical Benefits in accordance with Medical Benefits Accounts, in exchange for which the Health and Welfare Fund shall receive reasonable compensation from the Pension Fund in amounts sufficient to reimburse the Health and Welfare Fund for the costs it incurs in providing such services.

(e) Medical Benefits Account 18+ is established, effective on and after June 1, 1999, and is based upon the following terms and provisions:

(1) the funding for the payment of all Medical Benefits in accordance with Medical Benefits Account 18+ shall be derived entirely from a portion of the Contributions that are payable by Contributing Employers in accordance with Collective Bargaining Agreements that specify Benefit Class 18+ Contribution rates (and from investment earnings), provided that the portion of those Contributions allocable to Medical Benefits Account 18+ shall be limited to $6.00 per weekly Contribution or $1.20 per daily contribution or $.15 per hourly Contribution, and provided further that the Pension Fund shall not be obligated to fund Medical Benefits except to the extent of such specified portion of Contributions and investment earnings thereon; and

(2) the Medical Benefits that will be payable to an Eligible Medical Beneficiary in accordance with Medical Benefits Account 18+ will be equal to the Prescription Drug Benefit which is specified (as of June 1, 1999) in the Retiree Plan Document of the Health and Welfare Fund, the terms and exclusions of which are hereby incorporated by reference, provided that the Pension Fund will pay 80% of covered Prescription Drug Benefit charges, and provided further that such payments by the Pension Fund will be limited to $1,000 per Eligible Medical Beneficiary in each calendar year, and provided further that the terms, limitations and exclusions of Medical Benefits payable in accordance with Medical Benefits Account 18+ may be amended by the Board of Trustees at any time and to any lawful extent and purpose; and

(3) Medical Benefits in accordance with Medical Benefits Account 18+ will be payable to a Pensioner receiving monthly retirement benefits from the Pension Fund (only during periods in which such monthly benefits are payable), and to the Spouse of such a Pensioner, **if:**

(A) the Pensioner meets each of the requirements of Section 4.04(d)(7) and qualifies for a Contributory Credit Pension under Benefit Class 18+; and

(B) the Pensioner has at least 20 years of Contributory Service Credit; and

(C) the Pensioner's Retirement Date is during the period from the initial effective date through the expiration date of a Collective Bargaining Agreement which covers members of his Bargaining Unit and which provides for Employer Contributions at a rate corresponding to Benefit Class 18+; provided that such Medical Benefits will be payable only on and after the 65th birthday of a Pensioner or Spouse.

Section 4. MISCELLANEOUS

In order to comply with the Internal Revenue Code, administration of each Medical Benefits Account shall comply with the following requirements:

(a) all Medical Benefits shall be subordinate to the retirement pension benefits provided by and in accordance with the Pension Plan, provided that the aggregate actual Contributions allocated to Medical Benefits Accounts (when added to aggregate actual Contributions allocable to life insurance protection provided by and in accordance with the Pension Plan) shall not exceed 25% of all actual Contributions to the Pension Fund (other than Contributions allocated to the funding of past service credits) after the date on which a Medical Benefit Account is first established by the Pension Fund; and

(b) a separate account shall be established and maintained with respect to Contributions allocated to each Medical Benefits Account, provided that this separate account requirement is for recordkeeping purposes only and that the funds allocated to Medical Benefits Accounts will be collectively invested with funds set aside for retirement purposes without identification of which investment properties are allocable to each account, and provided further that the investment earnings attributable to Medical Benefits Accounts must be allocated to each such account in a reasonable manner; and

(c) each Contributing Employer, at or before the time he remits any Contribution to the Pension Fund of which part is to be allocated to a Medical Benefits Account, must designate the portion of the Contribution that is allocable to a Medical Benefits Account, and all Contributions by Contributing Employers to Medical Benefits Accounts must be reasonable and ascertainable; and

(d) it shall be impossible, at any time prior to the satisfaction of all liabilities under the Pension Plan to provide Medical Benefits, for any part of the corpus or income of a Medical Benefits Account (as recorded in a separate account) to be used for, or diverted to, any purpose other than the providing of such Medical Benefits (within the taxable year or thereafter), provided that it is permissible to apply corpus and/or income of a Medical Benefits Account to the payment of necessary or appropriate expenses of administering a Medical Benefits Account; and

(e) in the event the interest of an Eligible Medical Beneficiary in a Medical Benefits Account is forfeited prior to termination of the account, an amount equal to the amount of the forfeiture shall be applied as soon as possible to reduce Contributions to fund Medical Benefits payable in accordance with the account; and

(f) in the case of any Pensioner who is a “key employee” (meaning a person who, at any time during the plan year or any preceding plan year during which Contributions were made to the Pension Fund on his or her behalf, was a “key employee” as defined in Section 416[i] of the Internal Revenue Code as heretofore or hereafter amended), a separate account shall be established and maintained for Medical Benefits payable on behalf of such Pensioner and his or her Spouse, and such Medical Benefits (for any plan year in which the person is a “key employee”) shall be payable for such Pensioner and his or her Spouse only from such separate account; and

(g) upon the satisfaction of all liabilities under the Pension Plan to provide Medical Benefits from a Medical Benefits Account, all of the corpus and income remaining in the Medical Benefits Account (as recorded in a separate account) shall be credited or refunded to the Contributing Employers whose Contributions funded the account, provided that such credits or refunds shall be limited to entities which are then Contributing Employers.

APPENDIX J-1. GROCERY WAREHOUSE PLAN A

Section 1. PREAMBLE

This Appendix J-1 is added to the Pension Plan by the Board of Trustees, effective on and after January 1, 2000, in order to establish the basis for the initial participation in the Pension Plan, after that date, of certain newly hired Employees of Contributing Employers which are Grocery Warehouse Employers. A principal objective of this Appendix J-1 is to fortify the contribution base of the Pension Fund by attracting certain additional Contributing Employers and Participants and by enabling certain existing Contributing Employers to continue their participation in the Pension Fund. The terms and provisions of this Appendix J-1 are available only to those Contributing Employers (and Participants employed by them) whose participation in this Grocery Warehouse Plan is expressly authorized and approved by the Trustees. (This Appendix J-1 is inapplicable to any Collective Bargaining Agreement [including any renewal or extension of an earlier Collective Bargaining Agreement] that is initially effective in a period that begins on or after July 1, 2006. If the expiration date of a Collective Bargaining Agreement of a Grocery Warehouse Employer was on or after July 1, 2006, and the agreement is amended to provide an expiration date prior to July 1, 2006, the amended agreement will not be accepted by the Pension Fund and this Appendix J-1 will be inapplicable to the amended agreement after its pre-amendment expiration date. *See* Appendix J-2 of the Pension Plan.)

Section 2. DEFINITIONS

The definitions applicable to this Appendix J-1 include all definitions stated in Article I and other provisions of the Pension Plan, as heretofore and hereafter amended, and the following:

(a) "Grocery Warehouse Employer" means a Contributing Employer which is bound by the terms of a Teamster Contract and which is engaged in grocery warehouse operations. The Trustees of the Pension Fund are vested with discretionary and final authority in determining whether or not a specific Contributing Employer is a Grocery Warehouse Employer and each such determination shall be binding upon that Contributing Employer, all other Contributing Employers and all Participants and beneficiaries of the Pension Fund.

(b) "Grocery Warehouse Employee", within the scope and for purposes of this Appendix J-1, means a Participant (1) who is employed by a Grocery Warehouse Employer, (2) whose employment is limited to grocery warehouse operations and (3) whose initial employment by his Grocery Warehouse Employer begins during the period from January 1, 2000, through the date of the first expiration on or after July 1, 2006, of a Collective Bargaining Agreement (including any renewal or extension of an earlier agreement) of his Grocery Warehouse Employer. ("Grocery Warehouse Employee" does not include any employee who performs truck driving and/or other non-warehouse services for his Grocery Warehouse Employer.) The Trustees of the Pension Fund are vested with discretionary and final authority in determining whether or not a specific Participant is a Grocery Warehouse Employee and each such determination shall be binding upon that Participant, his Contributing Employer, all other Contributing Employers and all Participants and beneficiaries of the Pension Fund.

Section 3. AUTHORIZED LESS-THAN-100% EMPLOYER CONTRIBUTIONS (AND CONTRIBUTORY SERVICE CREDIT) DURING INITIAL EMPLOYMENT OF GROCERY WAREHOUSE EMPLOYEES

(a) Each Grocery Warehouse Employer shall be authorized and obligated to remit Employer Contributions on behalf of each Grocery Warehouse Employee it first employs on a date that is on or after January 1, 2000, and prior to July 1, 2006, beginning no later than the Contribution Start Date of that employee (as determined pursuant to this subsection), at no less than the following percentage of the Contribution Rates specified in Section 3.01(d) of the Pension Plan:

(1) 20% throughout the first 12-month period after the Contribution Start Date; and

(2) 40% throughout the second 12-month period after the Contribution Start Date; and

(3) 60% throughout the third 12-month period after the Contribution Start Date; and

(4) 80% throughout the fourth 12-month period after the Contribution Start Date; and

(5) 100% on and after the fourth anniversary of the Contribution Start Date.

For each Grocery Warehouse Employer whose initial Collective Bargaining Agreement providing for the above-described phased-in Employer Contributions is first effective on a date after March 31, 2005, the Contribution Start Date of each Grocery Warehouse Employee it first employs during or after the term of that agreement shall be the 31st calendar day after such employment begins. For each Grocery Warehouse Employer whose initial Collective Bargaining Agreement providing for the above-described phased-in Employer Contributions was first effective before April 1, 2005, the Contribution Start Date of each Grocery Warehouse Employee it first employs on or after January 1, 2000, shall be no later than the date of that employee's initial completion of 1,000 Hours of Service in a 12-month period based upon his compensated employment by that Grocery Warehouse Employer, provided that, for each renewal or extension of a Collective Bargaining Agreement of such Grocery Warehouse Employer that is first effective on or after April 1, 2005, the Contribution Start Date of each Grocery Warehouse Employee it first employs during or after the term of that renewed or extended agreement shall be the 31st calendar day after such employment begins.

(b) Any Collective Bargaining Agreement that provides for a schedule of phased-in Employer Contributions over a maximum 48-month period as authorized by (a), *supra*, shall specify the full Contribution Rate to which each percentage is applicable and shall separately specify the amount and duration of each such percentage.

(c) Any Participant on whose behalf Employer Contributions are owed at less than 100% of the applicable Contribution Rate(s) during the first 48 months after his Contribution Start Date, pursuant to (a) and (b), *supra*, shall, during that same period, earn full Contributory Service for the purposes of both calculating a Year of Participation and preventing a One-Year Break-in-Service (and a Break-in-Service) as if the Participant's Employer Contributions were owed at 100% (rather than partial percentages) of the full Contribution Rate(s), provided that only the same partial percentages of Contributory Service will be included in calculating Contributory Service Credit.

(d) Any Participant on whose behalf Employer Contributions are owed at less than 100% of the applicable Contribution Rate(s) during the first 48 months after his Contribution Start Date, pursuant to (a) and (b), *supra*, shall earn full Vesting Service throughout that period

as if the Participant's Employer Contributions were owed at 100% (rather than partial percentages) of the full Contribution Rate(s).

(e) Any Participant on whose behalf Employer Contributions are owed at less than 100% of the applicable Contribution Rate(s) during the first 48 months after his Contribution Start Date, pursuant to (a) and (b), *supra*, shall be limited to the same partial amount of Contributory Service Credit during that 48-month period (for example, if the Participant's Employer Contributions are owed at 20%, 40%, 60% and 80% of the full Contribution Rate[s], respectfully, during the first four 12-month periods after his Contribution Start Date, he will be entitled to Contributory Service Credit limited to the same corresponding percentage of each week, day or other partial period within each such 12-month period), and shall be limited to the same partial periods of Contributions solely for the purposes of calculating Continuous Contributions and calculating the amount of reemployment of a recovered (former) Disabled Participant or a reemployed Pensioner that may be credited toward the 250-week minimum provided in Section 4.14.

(f) The terms and provisions of this Appendix J-1 shall be applied to each newly hired Grocery Warehouse Employee without taking into account any of his prior employment, except employment by the same Grocery Warehouse Employer. Each Grocery Warehouse Employer may owe partial rather than full Employer Contributions on behalf of each of its Grocery Warehouse Employees, during only the first 48 months after an employee's first Contribution Start Date during his initial employment by that Grocery Warehouse Employer, to the extent authorized by this Appendix J-1 (even if its employment of that employee is not continuous throughout that 48-month period).

APPENDIX J-2. GROCERY WAREHOUSE PLAN B

Section 1. PREAMBLE

This Appendix J-2 is added to the Pension Plan by the Board of Trustees, effective on and after July 1, 2006, in order to establish the basis for the initial participation in the Pension Plan, after that date, of certain newly hired Employees of Contributing Employers which are Grocery Warehouse Employers. A principal objective of this Appendix J-2 is to fortify the contribution base of the Pension Fund by attracting certain additional Contributing Employers and Participants and by enabling certain existing Contributing Employers to continue their participation in the Pension Fund. The terms and provisions of this Appendix J-2 are available only to those Contributing Employers (and Participants employed by them) whose participation in this Grocery Warehouse Plan is expressly authorized and approved by the Trustees.

Section 2. DEFINITIONS

The definitions applicable to this Appendix J-2 include all definitions stated in Article I and other provisions of the Pension Plan, as heretofore and hereafter amended, and the following:

(a) "Grocery Warehouse Employer" means a Contributing Employer which is bound by the terms of a Teamster Contract and which is engaged in grocery warehouse operations. The Trustees of the Pension Fund are vested with discretionary and final authority in determining whether or not a specific Contributing Employer is a Grocery Warehouse Employer and each such determination shall be binding upon that Contributing Employer, all other Contributing Employers and all Participants and beneficiaries of the Pension Fund.

(b) "Grocery Warehouse Employee", within the scope and for purposes of this Appendix J-2, means a Participant (1) who is employed by a Grocery Warehouse Employer, (2) whose employment is limited to grocery warehouse operations and (3) whose initial employment by his Grocery Warehouse Employer begins on or after the inception date of the first Collective Bargaining Agreement of his Grocery Warehouse Employer (including any renewal or extension of an earlier agreement) that becomes effective on or after July 1, 2006. ("Grocery Warehouse Employee" does not include any employee who performs truck driving and/or other non-warehouse services for his Grocery Warehouse Employer.) The Trustees of the Pension Fund are vested with discretionary and final authority in determining whether or not a specific Participant is a Grocery Warehouse Employee and each such determination shall be binding upon that Participant, his Contributing Employer, all other Contributing Employers and all Participants and beneficiaries of the Pension Fund. (A Participant who, as of June 30, 2006, is a "Grocery Warehouse Employee" within the scope and for purposes of Appendix J-1, and whose first Contribution Start Date for Appendix J-1 purposes was after June 30, 2002, may prospectively be reclassified as a "Grocery Warehouse Employee" within the scope and purposes of this Appendix J-2, but only for the remainder of the first 48 months after his first Contribution Start Date for Appendix J-1 purposes, provided that any such reclassification is contingent on prior approval by the Trustees of a corresponding amendment to his Contributing Employer's Collective Bargaining Agreement [the Trustees are vested with discretionary and final authority in determining whether or not to approve such an amendment].)

Section 3. AUTHORIZED LESS-THAN-100% EMPLOYER CONTRIBUTIONS (AND CONTRIBUTORY SERVICE CREDIT) DURING INITIAL EMPLOYMENT OF GROCERY WAREHOUSE EMPLOYEES

(a) Each Grocery Warehouse Employer shall be authorized and obligated to remit Employer Contributions on behalf of each Grocery Warehouse Employee it first employs on or after July 1, 2006, beginning no later than the Contribution Start Date of that employee (as determined pursuant to this subsection), at no less than the following percentage of the Contribution Rates specified in Section 3.01(d) of the Pension Plan:

(1) 50% throughout the first 36-month period after the Contribution Start Date; and

(2) 100% on and after the third anniversary of the Contribution Start Date.

For each Grocery Warehouse Employer whose initial Collective Bargaining Agreement providing for the above-described phased-in Employer Contributions is first effective on a date on or after July 1, 2006, the Contribution Start Date of each Grocery Warehouse Employee it first employs on or after that date shall be the 31st calendar day after such employment begins.

(b) Any Collective Bargaining Agreement that provides for a schedule of phased-in Employer Contributions over a maximum 36-month period as authorized by (a), *supra*, shall specify the full Contribution Rate to which the 50% percentage is applicable and shall specify the amount and duration of the 50% obligation.

(c) Any Participant on whose behalf Employer Contributions are owed at 50% of the applicable Contribution Rate(s) during the first 36 months after his Contribution Start Date, pursuant to (a) and (b) *supra*, shall, during that same period, earn full Contributory Service for the purposes of both calculating a Year of Participation and preventing a One-Year Break-in-Service (and a Break-in-Service) as if the Participant's Employer Contributions were owed at 100% (rather than 50%) of the full Contribution Rate(s).

(d) Any Participant on whose behalf Employer Contributions are owed at 50% of the applicable Contribution Rate(s) during the first 36 months after his Contribution Start Date, pursuant to (a) and (b), *supra*, shall earn full Vesting Service throughout that period as if the Participant's Employer Contributions were owed at 100% (rather than 50%) of the full Contribution Rate(s).

(e) Any Participant on whose behalf Employer Contributions are owed at 50% of the applicable Contribution Rate(s) during the first 36 months after his Contribution Start Date, pursuant to (a) and (b), *supra*, shall earn full Contributory Service Credit throughout that period as if the Participant's Employer Contributions were owed at 100% (rather than 50%) of the full Contribution Rate(s) and, during that same 36-month period, 100% of the total weeks of Contributions will be included in any calculations of Continuous Contributions (Section 3.02) and of the amount of reemployment of a recovered (former) Disabled Participant or a reemployed Pensioner that may be credited toward the 250-week minimum provided in Section 4.14.

(f) The terms and provisions of this Appendix J-2 shall be applied to each newly hired Grocery Warehouse Employee without taking into account any of his prior employment, except employment by the same Grocery Warehouse Employer. Each Grocery Warehouse Employer may owe 50% rather than full Employer Contributions

on behalf of each of its Grocery Warehouse Employees for only the first 36 months after an employee's first Contribution Start Date that occurs during his initial employment by that Grocery Warehouse Employer, and only to the extent authorized by this Appendix J-2 (even if its employment of that employee is not continuous throughout that 36-month period).

APPENDIX K-1. MINIMUM EMPLOYER CONTRIBUTION REQUIREMENTS

Section 1. PREAMBLE

This Appendix K-1 is added to the Pension Plan by the Board of Trustees, effective on and after November 8, 2005, in order to enable the Pension Fund to comply with minimum funding standards imposed by federal law. The Pension Fund is required to comply with minimum funding standards established by Section 302 of ERISA, 29 U.S.C. § 1082, and Section 412 of the Internal Revenue Code, 26 U.S.C. § 412. A letter from Internal Revenue Service ("IRS") dated July 13, 2005, to Thomas C. Nyhan, Executive Director of the Pension Fund, states in part (emphasis added):

> "This letter constitutes notice that your request for a 10-year extension for amortizing the unfunded liabilities described in section 412 (b) (2) (B) of the Internal Revenue Code ('Code') and section 302 (b) (2) (B) of the Employee Retirement Income Security Act of 1974 ('ERISA'), has been approved subject to the following conditions:"
>
> * * * * *
>
> **"... If any one of these conditions is not satisfied, the approval to extend the amortization periods for amortizing the unfunded liabilities would be retroactively null and void."**

The Trustees have received recommendations, information and expert advice that addition of this Appendix K-1 to the Pension Plan will be a reasonable measure to enable the Pension Fund to comply with the required conditions of the above-referenced IRS letter dated July 13, 2005, to prevent a deficiency in the Pension Fund's funding standard account and to comply with minimum funding standards imposed by ERISA and the Internal Revenue Code.

Section 2. DEFINITIONS

The definitions applicable to this Appendix K-1 include all definitions stated in Article I and other provisions of the Pension Plan.

Section 3. MINIMUM EMPLOYER CONTRIBUTION REQUIREMENTS

Every Collective Bargaining Agreement which required Employer Contributions to the Pension Fund as of November 8, 2005, and which as of that date was scheduled to expire between that date and December 31, 2006, and which is renewed for periods beyond its expiration shall require each Contributing Employer bound by that renewal agreement to make increased Employer Contributions to the Pension Fund at Contribution rates at least equal to the following requirements (with exceptions specified in Section 4)[1*]:

---

[*] As used in the Appendix K-1, "Current" means the final Employer Contribution rate for the highest Benefit Class negotiated in the Collective Bargaining Agreement expiring between November 8, 2005, and December 31, 2006; "Rate/Wk" means Weekly Employer Contribution Rates; "Rate/Day" means Daily Employer Contribution Rates; and "Rate/Hr" means Hourly Employer Contribution Rates.

Schedule A (Benefit Class 1-14):

Benefit Class	Current Rate/Wk	Year 1 Rate/Wk	Year 2 Rate/Wk	Year 3 Rate/Wk	Year 4 Rate/Wk	Year 5 Rate/Wk
1	$ 5.00	$ 5.40	$ 5.80	$ 6.20	$ 6.60	$ 7.10
2	7.00	7.50	8.00	8.60	9.20	9.80
2A	9.00	9.60	10.30	11.30	11.80	12.60
3	11.00	11.80	12.60	13.50	14.40	15.40
3A	13.00	13.90	14.90	15.90	17.00	18.20
4	16.00	17.10	18.30	19.60	21.00	22.50
5	18.50	19.80	21.20	22.70	24.30	26.00
6	21.00	22.50	24.10	25.80	27.60	29.50
7	24.00	25.70	27.50	29.40	31.50	33.70
8	27.00	28.90	30.90	33.10	35.40	37.90
9	30.00	32.10	34.30	36.70	39.30	42.10
10	33.00	35.30	37.80	40.40	43.20	46.20
11	37.00	39.60	42.40	45.40	48.60	52.00
12	41.00	43.90	47.00	50.30	53.80	57.60
13	46.00	49.20	52.60	56.30	60.20	64.40
14	51.00	54.60	58.40	62.50	66.90	71.60

Schedule B (Benefit Class 1-14)

Benefit Class	Current Rate/Wk	Year 1 Rate/Wk	Year 2 Rate/Wk	Year 3 Rate/Wk	Year 4 Rate/Wk	Year 5 Rate/Wk
1	$ 6.00	$ 6.40	$ 6.80	$ 7.30	$ 7.80	$ 8.30
2	8.00	8.60	9.20	9.80	10.50	11.20
2A	10.00	10.70	11.40	12.20	13.10	14.00
3	12.00	12.80	13.70	14.70	15.70	16.80
3A	15.00	16.10	17.20	18.40	19.70	21.10
4	18.00	19.30	20.70	22.10	23.60	25.30
5	21.00	22.50	24.10	25.80	27.60	29.50
6	24.00	25.70	27.50	29.40	31.50	33.70
7	27.00	28.90	30.90	33.10	35.40	37.90
8	30.00	32.10	34.30	36.70	39.30	42.10
9	33.00	35.30	37.80	40.40	43.20	46.20
10	36.00	38.50	41.20	44.10	47.20	50.50
11	40.00	42.80	45.80	49.00	52.40	56.10
12	44.00	47.10	50.40	53.90	57.70	61.70
13	49.00	52.40	56.10	60.00	64.20	68.70
14	55.00	58.90	63.00	67.40	72.10	77.10

Schedule B (Benefit Class 15[A] through 18+)

Benefit Class	Current Rate/Wk	Year 1 Rate/Wk	Year 2 Rate/Wk	Year 3 Rate/Wk	Year 4 Rate/Wk	Year 5 Rate/Wk
15A	$ 61.00	$ 65.30	$ 69.90	$ 74.80	$ 80.00	$ 85.60
15B	65.00	69.60	74.50	79.70	85.30	91.30
15C	69.00	73.80	79.00	84.50	90.40	96.70
16	85.00	91.00	97.40	104.20	111.50	119.30
17A	118.00	126.30	135.10	144.60	154.70	165.50
17B	124.00	132.70	142.00	151.90	162.50	173.90
18	166.00	177.60	190.00	203.30	217.50	232.70
18+	180.00	192.20	205.20	219.10	234.00	250.00

Benefit Class	Current Rate/Day	Year 1 Rate/Day	Year 2 Rate/Day	Year 3 Rate/Day	Year 4 Rate/Day	Year 5 Rate/Day
15A	$13.00	$13.90	$14.90	$15.90	$17.00	$18.20
15B	13.80	14.80	15.80	16.90	18.10	19.40
15C	14.60	15.60	16.70	17.90	19.20	20.50
16	17.80	19.00	20.30	21.70	23.20	24.80
17A	24.40	26.10	27.90	29.90	32.00	34.20
17B	25.60	27.40	29.30	31.40	33.60	36.00
18	34.00	36.40	38.90	41.60	44.50	47.60
18+	36.80	39.30	42.00	44.90	48.00	51.30

Benefit Class	Current Rate/Hr	Year 1 Rate/Hr	Year 2 Rate/Hr	Year 3 Rate/Hr	Year 4 Rate/Hr	Year 5 Rate/Hr
15A	$1.90	$2.00	$2.10	$2.20	$2.40	$2.60
15B	2.05	2.20	2.40	2.60	2.80	3.00
15C	2.20	2.40	2.60	2.80	3.00	3.20
16	2.65	2.80	3.00	3.20	3.40	3.60
17A	3.70	4.00	4.30	4.60	4.90	5.20
17B	3.90	4.20	4.50	4.80	5.10	5.50
18	5.20	5.60	6.00	6.40	6.80	7.30

Section 4. EXCEPTIONS

The terms and requirements of Section 3 of this Appendix K-1 will not be applicable to any Collective Bargaining Agreement expiring between November 8, 2005, and December 31, 2006, if the expiration date of the agreement is prior to January 1, 2006, and the renewal of the agreement is ratified prior to January 1, 2006, provided that the renewal Collective Bargaining Agreement must be received by the Pension Fund prior to July 1, 2006, in order to qualify for the exception described in this sentence.

APPENDIX K-2. MINIMUM EMPLOYER CONTRIBUTION REQUIREMENTS (NOVEMBER 8, 2006 UPDATE)

Section 1. PREAMBLE

This Appendix K-2 is added to the Pension Plan by the Board of Trustees, effective on and after November 8, 2006, in order to enable the Pension Fund to comply with minimum funding standards imposed by federal law. The Pension Fund is required to comply with minimum funding standards established by Section 302 of ERISA, 29 U.S.C. § 1082, and Section 412 of the Internal Revenue Code, 26 U.S.C. § 412. A letter from Internal Revenue Service ("IRS") dated July 13 2005, to Thomas C. Nyhan, Executive Director of the Pension Fund, states in part (emphasis added):

> "This letter constitutes that your request for a 10-year extension for amortizing the unfunded liabilities described in section 412(b)(2)(B) of the Internal Revenue Code ('Code') and section 302(b)(2)(B) of the Employee Retirement Income Security Act of 1974 ('ERISA'), has been approved subject to the following conditions:"
>
> * * * * *
>
> **"... If any one of these conditions is not satisfied, the approval to extend the amortization periods for amortizing the unfunded liabilities would be retroactively null and void."**

The Trustees have received recommendations, information and expert advice that addition of this Appendix K-2 to the Pension Plan will be a reasonable measure to enable the Pension Fund to comply with the required conditions of the above-referenced IRS letter dated July 13, 2005, to prevent a deficiency in the Pension Fund's funding standard account and to comply with minimum funding standards imposed by ERISA and the Internal Revenue Code.

Section 2. DEFINITIONS

The definitions applicable to this Appendix K-2 include all definitions stated in Article I and other provisions of the Pension Plan.

Section 3. MINIMUM EMPLOYER CONTRIBUTION REQUIREMENTS

Every Collective Bargaining Agreement requiring Employer Contributions to the Pension Fund as of January 1, 2007, and scheduled to expire between that date and December 31, 2007, which is renewed for periods beyond its expiration, shall require each Contributing Employer bound by that renewal agreement to make increased Employer Contributions to the Pension Fund at Contribution rates at least equal to the following requirements*:

---

* As used in the Appendix K-1, "Current" means the final Employer Contribution rate for the highest Benefit Class negotiated in the Collective Bargaining Agreement expiring between January 1, 2007, and December 31, 2007; "Rate/Wk" means Weekly Employer Contribution Rates; "Rate/Day" means Daily Employer Contribution Rates; and "Rate/Hr" means Hourly Employer Contribution Rates.

Schedule A (Benefit Class 1-14):

Benefit Class	Current Rate/Wk	Year 1 Rate/Wk	Year 2 Rate/Wk	Year 3 Rate/Wk	Year 4 Rate/Wk	Year 5 Rate/Wk
1	$ 5.00	$ 5.40	$ 5.80	$ 6.30	$ 6.80	$ 7.30
2	7.00	7.60	8.20	8.90	9.60	10.40
2A	9.00	9.70	10.50	11.30	12.20	13.20
3	11.00	11.90	12.90	13.90	15.00	16.20
3A	13.00	14.00	15.10	16.30	17.60	19.00
4	16.00	17.30	18.70	20.20	21.80	23.50
5	18.50	20.00	21.60	23.30	25.20	27.20
6	21.00	22.70	24.50	26.50	28.60	30.90
7	24.00	25.90	28.00	30.20	32.60	35.20
8	27.00	29.20	31.50	34.00	36.70	39.60
9	30.00	32.40	35.00	37.80	40.80	44.10
10	33.00	35.60	38.40	41.50	44.80	48.40
11	37.00	40.00	43.20	46.70	50.40	54.40
12	41.00	44.30	47.80	51.60	55.70	60.20
13	46.00	49.70	53.70	58.00	62.60	67.60
14	51.00	55.10	59.50	64.30	69.40	75.00

Schedule B (Benefit Class 1-14)

Benefit Class	Current Rate/Wk	Year 1 Rate/Wk	Year 2 Rate/Wk	Year 3 Rate/Wk	Year 4 Rate/Wk	Year 5 Rate/Wk
1	$ 6.00	$ 6.50	$ 7.00	$ 7.60	$ 8.20	$ 8.90
2	8.00	8.60	9.30	10.00	10.80	11.70
2A	10.00	10.80	11.70	12.60	13.60	14.70
3	12.00	13.00	14.00	15.10	16.30	17.60
3A	15.00	16.20	17.50	18.90	20.40	22.00
4	18.00	19.40	21.00	22.70	24.50	26.50
5	21.00	22.70	24.50	26.50	28.60	30.90
6	24.00	25.90	28.00	30.20	32.60	35.20
7	27.00	29.20	31.50	34.00	36.70	39.60
8	30.00	32.40	35.00	37.80	40.80	44.10
9	33.00	35.60	38.40	41.50	44.80	48.40
10	36.00	38.90	42.00	45.40	49.00	52.90
11	40.00	43.20	46.70	50.40	54.40	58.80
12	44.00	47.50	51.30	55.40	59.80	64.60
13	49.00	52.90	57.10	61.70	66.60	71.90
14	55.00	59.40	64.20	69.30	74.80	80.80

Schedule B (Benefit Class 15[A] through 18+)

Benefit Class	Current Rate/Wk	Year 1 Rate/Wk	Year 2 Rate/Wk	Year 3 Rate/Wk	Year 4 Rate/Wk	Year 5 Rate/Wk
15A	$ 61.00	$ 65.90	$ 71.20	$ 76.90	$ 83.10	$ 89.80
15B	65.00	70.20	75.80	81.90	88.50	95.60
15C	69.00	74.50	80.50	86.90	93.90	101.40
16	85.00	91.80	99.10	107.00	115.60	124.80
17a	118.00	127.40	137.60	148.60	160.50	173.30
17b	124.00	133.90	144.60	156.20	168.70	182.20
18	166.00	179.30	193.60	209.10	225.80	243.90
18+	180.00	193.90	208.90	225.10	242.60	261.50

Benefit Class	Current Rate/Day	Year 1 Rate/Day	Year 2 Rate/Day	Year 3 Rate/Day	Year 4 Rate/Day	Year 5 Rate/Day
15A	$ 13.00	$ 14.00	$ 15.10	$ 16.30	$ 17.60	$ 19.00
15B	13.80	14.90	16.10	17.40	18.80	20.30
15C	14.60	15.80	17.10	18.50	20.00	21.60
16	17.80	19.20	20.70	22.40	24.20	26.10
17a	24.40	26.40	28.50	30.80	33.30	36.00
17b	25.60	27.60	29.80	32.20	34.80	37.60
18	34.00	36.70	39.60	42.80	46.20	49.90
18+	36.80	39.70	42.80	46.10	49.70	53.60

Benefit Class	Current Rate/Hr	Year 1 Rate/Hr	Year 2 Rate/Hr	Year 3 Rate/Hr	Year 4 Rate/Hr	Year 5 Rate/Hr
15A	$ 1.90	$ 2.10	$ 2.30	$ 2.50	$ 2.70	$ 2.90
15B	2.05	2.20	2.40	2.60	2.80	3.00
15C	2.20	2.40	2.60	2.80	3.00	3.20
16	2.65	2.90	3.10	3.30	3.60	3.90
17a	3.70	4.00	4.30	4.60	5.00	5.40
17b	3.90	4.20	4.50	4.90	5.30	5.70
18	5.20	5.60	6.00	6.50	7.00	7.60

APPENDIX L. TRANSFER OF LIABILITIES TO THE UPS TRANSFER PLAN

Section 1. PREAMBLE

This Appendix L is added to the Pension Plan ("this Pension Plan") by the Board of Trustees, effective on and after January 1, 2008, in accordance with certain rights, obligations, terms and provisions in an agreement signed and effective on September 30, 2007, between United Parcel Service, Inc. and the Trustees of the Pension Fund.

Section 2. DEFINITIONS

The definitions applicable to this Appendix L include all definitions stated in Article I and other provisions of this Pension Plan, as heretofore and hereafter amended, and the following:

(a) **"Accrued Benefit Payable at Age 65"** means the Accrued Benefit of a Participant under this Pension Plan, as determined and calculated in accordance with this Pension Plan (as stated on December 26, 2007), both (1) that has been earned as of December 26, 2007 (including post-retirement death benefits payable to a surviving spouse that are part of a survivor annuity form of benefit, pursuant to Section 4.10 of this Pension Plan), and (2) that will be or would have been payable from and/or after the first day of the month following the 65th birthday of a Participant who is a member of the UPS Transfer Group if the Participant as of December 26, 2007, had sustained a Break-in-Service (as defined in Section 1.05[a] of this Pension Plan) and there had been no transfer of liabilities of the Pension Fund to the UPS Transfer Plan pursuant to the UPS-CSPF Agreement.

(b) **"CSPF Participant Not in Pay Status"** means a Participant who both (1) as of January 1, 2008, was not a Pensioner as defined in Section 1.25 of this Pension Plan and (2) as of January 1, 2008, had not submitted to the Pension Fund a valid and bona fide application (that had been received by the Pension Fund before January 1, 2008) to become a Pensioner and to commence to receive retirement benefit payments from the Pension Fund on a date before January 1, 2008.

(c) **"Non-Retired UPS Participant"** means each individual who both (1) as of January 1, 2008, was a CSPF Participant Not in Pay Status and (2) either (A) as of January 1, 2008, was both employed by the UPS Employer and not employed by any other employer that was then a Contributing Employer (as defined in Section 1.07 of this Pension Plan) or (B) as of the last Hour of Service (as defined in Section 1.17 of this Pension Plan) earned by the individual under the Pension Fund prior to January 1, 2008, was employed by the UPS Employer.

(d) **"UPS-CSPF Agreement"** means an agreement which was signed and effective on September 30, 2007, between United Parcel Service, Inc. and the Trustees of the Pension Fund, which agreement is entitled "SPIN-OFF AND WITHDRAWAL LIABILITY AGREEMENT AND RELEASE".

(e) **"UPS Employer"** means a group consisting of United Parcel Service, Inc., and all other trades and businesses under common control with United Parcel Service, Inc. as described in section 4001(b)(1) of the Employee Retirement Income Security Act of 1974, as amended, and each entity that is a member of that group.

(f) **"UPS Transfer Group"** means the Non-Retired UPS Participants, the liabilities for whose rights to benefits from the Pension Fund were, are and will be transferred from the Pension Fund to the UPS Transfer Plan pursuant to the UPS-CSPF Agreement.

(g) **"UPS Transfer Plan"** means the plan or plans maintained by the UPS Employer to which liabilities of the Pension Fund were, are and will be transferred pursuant to the UPS-CSPF Agreement.

Section 3. TRANSFER OF LIABILITIES

(a) The Board of Trustees amends this Pension Plan by the addition of this APPENDIX L, effective on and after January 1, 2008, to effectuate and evidence a complete transfer of liabilities from the Pension Fund to the UPS Transfer Plan on that date to the extent that such transfer of liabilities is contemplated by and in accordance with the UPS-CSPF Agreement.

(b) Effective on and after January 1, 2008, all liabilities of the Pension Fund for any and all benefits that the Pension Fund would have paid at any time on and after January 1, 2008, to any Participants who are members of the UPS Transfer Group and to any other individuals to the extent that their benefits from the Pension Fund would have been based upon Service Credit (as defined in this Pension Plan) of Participants who are members of the UPS Transfer Group, including retirement, survivor, death, disability and all other benefits of any kind, are transferred from the Pension Fund to the UPS Transfer Plan, except:

(1) relative to every Participant who is a member of the UPS Transfer Group and is alive on the Participant's 65th birthday that is on a date after January 1, 2008, whether or not the Participant is employed on that 65th birthday and whether or not the Participant has retired as of that 65th birthday, the Pension Fund will be responsible to pay the Accrued Benefit Payable at Age 65 to that Participant beginning on the first day of the next month after that 65th birthday, provided that:

(A) the amount of the monthly benefits payable by the Pension Fund will be calculated on the basis of a Retirement Date on the Participant's 65th birthday, provided that there will be no reduction if the Participant actually retired and began to receive a retirement pension from the UPS Transfer Plan prior to that date, and provided further that such amount will be no greater than the amount of monthly benefits being paid by the UPS Transfer Plan as of the date on which benefits are first payable by the Pension Fund pursuant to this subsection (b); and

(B) if the Participant is married on a retirement date prior to the Participant's 65th birthday and is receiving a retirement pension from the UPS Transfer Plan as of that 65th birthday, the Participant's binding and effective election to receive or waive a qualified post-retirement joint and survivor annuity ("JSO benefit") from the UPS Transfer Plan will be irrevocable and will be binding upon the Pension Fund, the Participant and the Participant's spouse on and after the Participant's 65th birthday, and the monthly benefits payable by the Pension Fund, if the Participant's election was to receive a JSO benefit from the UPS Transfer Plan, will be in the form of a JSO benefit payable pursuant to Section 4.10 of this Pension Plan, reduced by adjustment factors for that benefit as stated in this Pension Plan, provided further that only the individual who was the Participant's spouse on the date on which distribution of a retirement pension from the UPS Transfer Plan to the Participant commenced will be considered by the Pension Fund to be the Participant's spouse for JSO benefit purposes (and only that individual will be eligible to receive a JSO benefit, calculated according to this Pension Plan, if that individual survives the retired Participant); and

(C) if, on the Participant's retirement date prior to the Participant's 65th birthday, either the Participant is not married or the Participant is married and makes a binding and effective election to waive the JSO benefit from the UPS Transfer Plan with consent by the Participant's spouse, and the Participant is receiving a retirement pension from the UPS Transfer Plan on that 65th birthday, the monthly benefits payable by the Pension Fund will be continued for the lifetime of the Participant and there will be no JSO benefit payable by the Pension Fund; and

(2) relative to every Participant who is a member of the UPS Transfer Group and who dies on a date that is after January 1, 2008, and prior to the date that would have been the Participant's 65th birthday, if the Participant was married on a retirement date prior to the Participant's 65th birthday and elected to receive a qualified post-retirement joint and survivor annuity ("JSO benefit") from the UPS Transfer Plan, and if the Participant's surviving spouse (determined as of the date on which distribution of a retirement pension from the UPS Transfer Plan commenced) is receiving monthly JSO benefits from the UPS Transfer Plan that commenced after the Participant's death and are still being paid on the date that would have been the Participant's 65th birthday, the Pension Fund will be responsible to pay the surviving spouse's share of the Participant's Accrued Benefit Payable at Age 65 to that surviving spouse beginning on the first day of the next month after what would have been the Participant's 65th birthday, calculated in the form of a JSO benefit payable pursuant to Section 4.10 of this Pension Plan, reduced by adjustment factors for that benefit as stated in this Pension Plan, provided that there will be no reduction based upon the Participant's earlier retirement age and receipt of a retirement pension from the UPS Transfer Plan prior to the Participant's 65th birthday, and further provided that such amount will be no greater than the amount of monthly benefits being paid by the UPS Transfer Plan as of the date on which benefits are first payable by the Pension Fund pursuant to this subsection (b).

Relative to every Participant who is a member of the UPS Transfer Group and who dies on a date that is after January 1, 2008, and prior to the date that would have been the Participant's 65th birthday, if the Participant never retired and never began to receive a retirement pension from the UPS Transfer Plan before his death, the Pension Fund will not be responsible to pay any benefits to the Participant's surviving spouse or to any other individual as a result of the death of the Participant.

(c) Effective on and after January 1, 2008, all liabilities of the Pension Fund for all benefit rights of Non-Retired UPS Participants (whether payable before or after age 65), payable at any time on and after January 1, 2008, to the extent those liabilities are based upon the National Reciprocal Agreement for Teamster Pension Funds, are transferred from the Pension Fund to the UPS Transfer Plan.

(d) No assets will be transferred from the Pension Fund to the UPS Transfer Plan. All liabilities transferred from the Pension Fund to the UPS Transfer Plan pursuant to the UPS-CSPF Agreement will immediately cease to be liabilities of the Pension Fund and will be immediately assumed by the UPS Transfer Plan. The Pension Fund will have no responsibility for payment of any liabilities transferred from the Pension Fund to the UPS Transfer Plan pursuant to the UPS-CSPF Agreement.

APPENDIX M-1. REHABILITATION PLAN

Section 1. PREAMBLE AND DEFINITIONS.

This Appendix M-1 is added to the Pension Plan effective on and after March 26, 2008 in order to comply with the requirements of the Pension Protection Act of 2006 ("PPA"). The Central States, Southeast and Southwest Areas Pension Fund (the "Fund") was certified on March 24, 2008 by its actuary to be in "critical status" (sometimes referred to as the "red zone") under the PPA. The Fund's Board of Trustees, as the plan sponsor of a "critical status" pension plan, is charged under the PPA with developing a "rehabilitation plan" designed to improve the financial condition of the Fund in accordance with the standards set forth in the PPA. That is the purpose of this Rehabilitation Plan.

Under the PPA, a rehabilitation plan must include one or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted by the parties obligated under agreements participating in the pension plan, may reasonably be expected to enable the Fund to emerge from critical status in accordance with the rehabilitation plan. The PPA also provides that one of the rehabilitation plan schedules of benefits and contributions shall be designated the "default" schedule. The default schedule must assume that there are no increases in contributions under the plan other than the increases necessary to emerge from critical status after future benefit accruals and other benefits have been reduced to the maximum extent permitted by law. The PPA also creates certain categories of "adjustable benefits" which may be reduced or eliminated dependent upon the outcome of bargaining over the rehabilitation plan schedules and dependent on the exercise of certain flexibility and discretion conferred upon the Board of Trustees by the PPA. Adjustable benefits that may be affected in this manner include post-retirement death benefits, early retirement benefits or retirement-type subsidies, and generally any benefit that would be payable prior to normal retirement age (age 65 benefits under the Fund's Plan Document – or, as discussed below, a Contribution Based Benefit actuarially reduced to be equivalent to an age 65 benefit).

Unless otherwise indicated, all capitalized terms herein shall have the definitions and meanings assigned to them in the Fund's Pension Plan Document.

Section 2. SCHEDULES OF CONTRIBUTIONS AND BENEFITS.

With the PPA requirements outlined above in mind, the Fund's Board of Trustees hereby provides the following PPA Schedules to the parties charged with bargaining over agreements requiring contributions to the Fund.

A. PRIMARY SCHEDULE (PRESERVES ALL CURRENT BENEFITS).

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers are in compliance with this Primary Schedule, there will be no change in benefit formulas, levels or payment options in effect on January 1, 2008.

However, subject to the notice requirements of the PPA and other applicable law, any Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers incur a Rehabilitation Plan Withdrawal on or after March 26, 2008 shall have their Adjustable Benefits listed in Section 2(F) below eliminated or reduced to the extent indicated in Subsection B(1) below.

2. Contributions

Compliance with the Primary Schedule requires annually compounded contribution rate increases effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each agreement anniversary date (or reallocation anniversary, where applicable) during the term of the new bargaining agreement to the extent indicated below, depending on the year that the new agreement is effective (as shown below). Note that all contribution rate increases are annually compounded on the total contribution rate (including any reallocations of employee benefit contributions or agreed mid-contract contribution increases) immediately prior to the increase.

- Pre-2006 agreements: 7% per year (beginning with 2006 agreement anniversary or reallocation dates)
- 2006 agreements: 7% per year
- 2007 agreements: 8% per year
- 2008 agreements: 8% per year
- 2009 agreements: 8% per year

The required annual rate increase may be provided through annual allocations to pension contributions of general and aggregate employee benefit contribution increases that were negotiated at the outset of an agreement, but were not specifically allocated to pension contributions until subsequent contract years. The Primary Schedule requires 8% per year contribution rate increases for the first 5 years, 6% per year contribution rate increases for the next 3 years and 4% per year contribution rate increases each year thereafter for 2008 agreements under the Primary Schedule and comparable rate increases over time for all other agreements under the Primary Schedule (*see* Exhibit A).

B. DEFAULT SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non- Bargaining Unit employee groups participating in the Fund) whose Contributing Employers agree to comply with this Default Schedule [or who become subject to the Default Schedule due to a failure to achieve an agreement to accept one of the Rehabilitation Plan Schedules within the time frame specified under ERISA § 305(e)(3)(C)], the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Default Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee groups participating in the Fund):

- Adjustable Benefits listed in Section 2(F) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit

payable at age 65 is reduced by ½% per month for each month prior to age 65 at the time of retirement, with a minimum retirement age of 57.

2. Contributions

Compliance with the Default Schedule consists of annually compounded contribution rate increases of 4% effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each anniversary thereof during the term of the agreement.

3. Effect of agreement to or imposition of Default Schedule.

(i) If a Contributing Employer agrees to the Default Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

(ii) If a Contributing Employer becomes subject to the Default Schedule by operation of ERISA Section 305(e)(3)(C), because the bargaining parties have failed to adopt either of the Schedules compliant with this Rehabilitation Plan within 180 days of the expiration of their prior Collective Bargaining Agreement, the Fund will then accept a Collective Bargaining Agreement that is compliant with the Primary Schedule described in this Rehabilitation Plan, provided that such new Collective Bargaining Agreement provides for Primary Schedule contribution rates that are retroactive to the expiration date of the last Collective Bargaining Agreement that covered the affected Bargaining Unit.

C. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER INCURRING A REHABILITATION PLAN WITHDRAWAL.

Subject to the provisos indicated in the final clauses of this Subsection C, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(F)) shall be eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] with the Fund is on or after April 8, 2008, and:

(1) whose last Hour of Service prior to January 1, 2008 was earned while employed by United Parcel Service, Inc. (“UPS”), or with any trades or businesses at any time under common control with UPS, within the meaning of ERISA § 4001(b)(1); *or*

(2) who *(i)* has earned or earns an Hour of Service while employed with a Contributing Employer (or any predecessor or successor entity) that at any time on or after March 26, 2008 incurs a Rehabilitation Plan Withdrawal (*see* Section 2(G) below), and *(ii)* whose *last* year of Contributory Service Credit *prior* to the Rehabilitation Plan Withdrawal was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) ultimately incurring such Withdrawal.

Provided, however, that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant Subsection C(2) above, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the earlier of: (i) the date of such Rehabilitation Plan Withdrawal or (ii)

the date of the expiration of the last Collective Bargaining Agreement requiring Employer Contributions under the Primary Schedule prior to such Withdrawal, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

And provided further that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant to Subsection C(2) above, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date of the Rehabilitation Plan Withdrawal.

D. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DEFAULT SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection D, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(F)) shall be eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Default Schedule described herein; and

(2) whose *last* year of Contributory Service Credit *prior* to the Employer's becoming subject to the Default Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Default Schedule.

Provided, however, that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant to this Subsection D, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Default Schedule, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

And provided further that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant this Subsection D, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Default Schedule.

E. RESTORATION OF ADJUSTED BENEFITS.

Any Participant who incurs a benefit adjustment or elimination under the terms of Sections 2(A), 2(B), 2(C) or 2(D) above may have those affected benefits restored if, subsequent to the event causing the benefit adjustment, the Participant:

(1) in the case of benefit adjustment caused by a Rehabilitation Plan Withdrawal (*see* Section 2(G) below), permanently ceases all employment with, and performance of services in any capacity for, the Contributing Employer (and any successors or trades or businesses under common control with such Employer within the meaning of ERISA § 4001(b)(1)) within 60 days of the occurrence of such Rehabilitation Plan Withdrawal; and

(2) in any case, subsequently earns one year of Contributory Service Credit with a Contributing Employer while that Employer is in compliance with the Primary Schedule described herein.

F. ADJUSTABLE BENEFITS.

As used herein, Adjustable Benefits shall mean and include:

(1) Any right to receive a Retirement Pension Benefit (Pension Plan, Article IV) prior to age 65 [including without limitation any pre-age 65 benefits that would otherwise be payable as *(i)* a Twenty Year Service Pension (Pension Plan § 4.01); *(ii)* a Contributory Credit Pension (Pension Plan § 4.04); *(iii)* a Vested Pension (Pension Plan § 4.07); (i*v*) a Deferred Pension (Pension Plan § 4.08); or *(v)* a Twenty-Year Deferred Pension (Pension Plan § 4.09)].

(2) Early retirement benefit or retirement-type subsidies [including without limitation *(i*) an Early Retirement Pension (Pension Plan Section 4.02); (*ii)* a 25-And-Out Pension (Pension Plan Section 4.05); or a 30-And-Out Pension (Pension Plan Section 4.06)].

(3) All Disability Benefits not yet in pay status (Pension Plan, Article V).

(4) Before Retirement Death Benefits (Pension Plan, Article VI) other than the 50% surviving spouse benefit.

(5) Post-retirement death benefits that are not part of the annuity form of payment.

(6) All Partial Pensions (Pension Plan, Appendix D), to the extent any such pension is tied to one or more of the Adjustable Benefits listed above.

(7) All Contribution-Based Pensions (Pension Plan § 4.03) except that, assuming the Participant meets all other requirements for receiving a Contribution-Based Pension, the Contribution-Based Pension is payable at age 65 reduced by ½% per month for each month prior to age 65 at the time of retirement with a minimum retirement age of 57. Such minimum retirement age shall not apply if the Participant retired prior to age 57 before the Participant's Adjustable Benefits were eliminated or reduced. In such circumstance, the Participant shall be entitled to receive the Contribution-Based Pension reduced by ½% per month for each month prior to age 65 at the time of retirement.

(8) To the extent not already included in paragraphs (1) – (7) above, the following categories of benefits listed and defined as "adjustable benefits" under ERISA § 305(e)(8)(iv):

(i) benefits, rights, and features under the plan, including post-retirement death benefits, 60-month guarantees, disability benefits not yet in pay status, and similar benefits,

(ii) any early retirement benefit or retirement-type subsidy (within the meaning of ERISA section 204(g)(2)(A)) and any benefit payment option (other than the qualified joint and survivor annuity), and

(iii) benefit increases that would not be eligible for a guarantee under ERISA Section 4022A on the first day of the Fund's initial critical year under the PPA because the increases were adopted (or, if later, took effect) less than 60 months before such first day.

Provided, however, that except as provided in subparagraph (8)(iii) above, nothing in this paragraph shall be construed to reduce the level of a Participant's accrued benefit payable at normal retirement.

G. REHABILITATION PLAN WITHDRAWAL.

Subject to the discretionary authority of the Board of Trustees indicated in the final clause of this Section 2(G), a "Rehabilitation Plan Withdrawal" occurs on the date a Contributing Employer is no longer required to make Employer Contributions to the Pension Fund under one or more of its Collective Bargaining Agreements as a result of actions by members of a Bargaining Unit (or its representatives) or the Contributing Employer, which actions include, but are not limited to the following:

(1) decertification or other removal of the Union as a bargaining agent;

(2) ratification or other acceptance of a Collective Bargaining Agreement which permits withdrawal of the Bargaining Unit, in whole or in part, from the Pension Plan;

(3) administrative termination of the Contributing Employer with respect to any or all of its Collective Bargaining Agreements due to: (i) a violation of the Fund's rules with respect to the terms of a Collective Bargaining Agreement [including, without limitation, a provision providing for a split bargaining unit]; or (ii) a violation of any other Fund rule or policy [including, without limitation, practices or arrangements that result in adverse selection];

(4) any transaction or other event [including without limitation, a merger, consolidation, division, asset sale (other than an asset sale complying with ERISA § 4204), liquidation, dissolution, joint venture, outsourcing, subcontracting] whereby all or a portion of the operations for which the Contributing Employer has an obligation to contribute are continued (whether by the Contributing Employer or by another party) in whole or in part without maintaining the obligation to contribute to the Fund under the same or better terms (including, for example, as to number of participants and contribution rate) as existed before the transaction.

Provided, however, that with respect to the circumstances described in Subparas. (3)(ii) or (4) above, the Board of Trustees shall have full discretionary authority to consider,

weigh and balance the following factors in determining whether a Rehabilitation Plan Withdrawal has occurred:

(i) the extent to which the affected Bargaining Unit or its bargaining representative participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the cessation of Employer Contributions;

(ii) the extent to which the affected Bargaining Unit benefited, directly or indirectly, from the cessation of Employer Contributions;

(iii) the extent to which the affected Bargaining Unit, or its bargaining representative, resisted or attempted to resist, or acquiesced in, the cessation of Employer Contributions;

(iv) the extent to which the affected Bargaining Unit, or any of its members, become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Contributing Employer who incurred the cessation of Employer Contributions; and

(v) the extent of the hardship that might be incurred by members of the affected Bargaining Unit by the elimination of Adjustable Benefits.

Section 3. REHABILITATION PLAN STANDARDS AND OBJECTIVES.

The Schedules of Contributions and Benefits discussed above have been formulated by the Fund's Board of Trustees as reasonable measures which, under reasonable actuarial assumptions, are designed and projected to --

- Meet the increasingly stringent requirements of the amortization extension granted to the Fund by the Internal Revenue Service (IRS) in July 2005. The requirements include a–funded ratio and a required minimum credit balance requirement (*see* attached Exhibit B) (pertinent portions of IRS amortization extension).

- Enable the Fund to emerge from critical status in approximately the year 2028.

The annual standards for meeting the requirements of the Rehabilitation Plan are as follows:

- The annual actuarial valuation for the Fund shows that, as of the valuation date, the Fund satisfies the annual funding ratio and required credit balance conditions contained in the IRS amortization extension approval letter.

- Actuarial projections updated for each year show, based on reasonable assumptions, that under the Rehabilitation Plan and its schedules (as amended and updated from time to time) the Fund will continue to satisfy the increasingly more stringent IRS amortization extension requirements.

- Actuarial projections updated for each year show, based on reasonable assumptions, that under the Rehabilitation Plan and its schedules (or as amended from time to time) the Fund is expected to emerge from Critical Status. The Board of Trustees recognize that actual experience may differ from their reasonable assumptions, and therefore the exact year of emergence may be difficult to predict.

Section 4. ALTERNATIVES CONSIDERED BY THE TRUSTEES.

The Board of Trustees considered numerous alternatives (including combinations of contribution rate increases and benefit adjustments) that would satisfy the amortization extension conditions and might enable the Fund to emerge from Critical Status either by the end of ten year PPA Rehabilitation Period (which begins on January 1, 2011 and ends on December 31, 2020). Some of the alternatives considered were determined to be unreasonable measures. The various default and alternative schedules considered included the following:

Schedules considered by the Board of Trustees to emerge by the end of the Rehabilitation Period on December 31, 2020

Schedule	Benefit Reductions	Contribution Rate Increases
Default	Immediate maximum Critical Status benefit cuts for all participants to the extent permitted by law	15% per year until emergence in 2021 (plus an additional 1.6% annual increase for Benefit Classes 14 and below)
Alternative 1	Maintain current benefits	17% per year until emergence in 2021
Alternative 2	On the second anniversary of the new bargaining agreement, reduce the future benefit accrual rate from 1% of contributions payable at age 62 to 1% of contributions at payable at age 65	16% per year until emergence in 2021

The Board of Trustees concluded that utilizing any and all *possible* measures to emerge from Critical Status by the end of the 10-year presumptive Rehabilitation Period described in ERISA section 305(e)(4) would be unreasonable and would involve considerable risk to the Fund and Fund participants. In particular, the Board of Trustees concluded that the continued existence of the Fund and the Trustees' ability to maintain and improve the Fund's funded status in accordance with the terms of the IRS approved amortization extension would be jeopardized by any attempt to emerge from critical status by the end of the presumptive 10-year Rehabilitation Period.

As shown above, emergence by the end of the presumptive 10 year Rehabilitation Period could require double-digit annual contribution rate increases. For example, the daily contribution rate would generally have to grow from $52 to over $300. Therefore, the Trustees concluded that annual contribution rate increases above the 8%/6%/4% level in the Primary Schedule were not reasonable and could trigger mass withdrawals and significant losses to the Fund and the participants.

In the last several years, the Trustees have implemented numerous measures to improve the Fund's funding. These have included:

- Reducing the benefit accrual rate from 2% of contributions to 1% of contributions;
- Protecting the "and-out" and early retirement benefits while freezing them at their year-end 2003 levels;

- Obtaining agreements from the major bargaining parties to reallocate about $400 million per year of benefit contributions to the Pension Fund;

- Obtaining the amortization extension with its IRS-imposed conditions; and

- Requiring as a condition of continued participation in the Fund that new bargaining agreements in the last several years include significant annual contribution rate increases.

The Board of Trustees determined that mandating additional significant benefit cuts, or mandating contribution rate increases at levels beyond those required in recent years, would substantially accelerate the rate at which employers would withdraw from the Fund, in large part because the Union could conclude that it would be in its members' best interest to agree to withdrawals.

EXHIBIT A

Primary Schedule: Contribution Rate Increases By Bargaining Agreement Year (all rate increases are to be compounded annually)

Calendar Year of Contribution Rate Increase	Year of New Bargaining Agreement			
	2006	2007	2008	2009
2006	7%			
2007	7%	8%		
2008	7%	8%	8%	
2009	7%	8%	8%	8%
2010	7%	8%	8%	8%
2011	6%	8%	8%	8%
2012	5%	6%	8%	8%
2013	4%	4%	6%	8%
2014	4%	4%	6%	8%
2015	4%	4%	6%	8%
2016	4%	4%	4%	6%
2017	4%	4%	4%	4%
2018	4%	4%	4%	4%
2019	4%	4%	4%	4%
2020	4%	4%	4%	4%
2021	4%	4%	4%	4%
2022	4%	4%	4%	4%
2023	4%	4%	4%	4%
2024	4%	4%	4%	4%
2025	4%	4%	4%	4%
2026	4%	4%	4%	4%
2027	4%	4%	4%	4%

EXHIBIT B

Significant Index No. 0412.00-00

200620024

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

FEB 22 2006

SE:T:EP:RA:T:A2

In re:

Fund =

Industry =

This letter constitutes notice that your request for a 10-year extension for amortizing the unfunded liabilities described in section 412(b)(2)(B) of the Internal Revenue Code ("Code") and section 302(b)(2)(B) of the Employee Retirement Income Security Act of 1974 ("ERISA"), has been approved subject to the following conditions:

(1) A credit balance is maintained such that the credit balance is at least as large as the accumulation (at the plan's valuation rate) of the amortized (at the Plan's valuation rate over a period of 15 years) differences between the amortization payments of the extended bases (amortized at the section 6621(b) rate) and the amortization payments of such bases had such bases been extended and amortized at the Plan's valuation rate;

(2) The Plan's funded ratio, calculated by dividing the market value of Plan assets as of the Plan's valuation date by the Plan's actuarial accrued liability (computed using the unit credit method and the Plan assumptions as of January 1, 2004), is:

(a) no less than 59% for each valuation date from January 1, 2005, through January 1, 2011, inclusive;
(b) no less than 60% as of January 1, 2012 and as of January 1, 2013;
(c) no less than 61% as of January 1, 2014, and as of January 1, 2015;
(d) no less than 62% as of January 1, 2016;

(e) for each valuation date subsequent to January 1, 2016, no less than 1% greater than the floor funded ratio as of the previous valuation date. (For example, because the floor funded ratio as of January 1, 2016, is 62%, the funded ratio must be at least 63% as of January 1, 2017, and 64% as of January 1, 2018); and

(3) For each plan year that the extension remains in effect, starting with the plan year beginning January 1, 2004, a copy of the actuarial valuation report for each plan year will be provided to this office by September 15 of the following calendar year at the address below:

Your authorized representative agreed to these conditions in a letter dated July 13, 2005. If any one of these conditions is not satisfied, the approval to extend the amortization periods for amortizing the unfunded liabilities would be retroactively null and void. However, the Service will consider modifications of these conditions especially in the event that unforeseen circumstances beyond the control of the Fund cause the actual experience of the Plan to fail the funded ratio condition. An example of such an unforeseen circumstance would include a market fluctuation affecting the value of the Plan's assets. Of course, any request for a modification is considered another ruling request and would be subject to an additional user fee.

The extensions of the amortization periods of the unfunded liabilities of the Plan have been granted in accordance with section 412(e) of the Code and section 304(a) of ERISA. Section 412(e) of the Code and section 304(a) of ERISA authorize the Secretary to extend the period of time required to amortize any unfunded liability (described in section 412(b)(2)(B) of the Code and section 302(b)(2)(B) of ERISA) of a plan for a period of time (not in excess of 10 years) if the Secretary determines that such extension would carry out the purposes of ERISA and would provide adequate protection for participants under the plan and their beneficiaries and if the Secretary determines that the failure to permit such extension would (1) result in (A) a substantial risk to the voluntary continuation of the plan, or (B) a substantial curtailment of pension benefit levels or employee compensation, and (2) be adverse to the interests of plan participants in the aggregate.

APPENDIX M-2. REHABILITATION PLAN (INCLUDING 2010 UPDATE)

Section 1. PREAMBLE AND DEFINITIONS.

An amended Appendix M was added to the Pension Plan effective on and after December 31, 2010 in order to update the Rehabilitation Plan in compliance with the requirements of the Pension Protection Act of 2006 ("PPA"). This Appendix M-2 is added to the Pension Plan in order to incorporate effective as of May 17, 2011, the Distressed Employer Schedule provisions (Section 2(C) and 2(F) below) into the Rehabilitation Plan.

The Central States, Southeast and Southwest Areas Pension Fund (the "Fund") was initially certified on March 24, 2008 by its actuary to be in "critical status" (sometimes referred to as the "red zone") under the PPA; the Fund's actuary has also certified the Fund to be in critical status for the 2009 and 2010 plan years. The Fund's Board of Trustees, as the plan sponsor of a "critical status" pension plan, is charged under the PPA with developing a "rehabilitation plan" designed to improve the financial condition of the Fund in accordance with the standards set forth in the PPA, and with annually updating the rehabilitation plan. Although for plan year 2009 the Fund was exempt from the update requirement, pursuant to an election under the Worker Retiree and Employer Recovery Act of 2008, for plan year 2010 the PPA provisions concerning the rehabilitation plan update process are applicable to the Fund. The purpose of this updated Rehabilitation Plan is to comply with those PPA provisions.

Under the PPA, a rehabilitation plan, including annual updates to the plan, must include one or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted by the parties obligated under agreements participating in the pension plan, may reasonably be expected to enable the Fund to emerge from critical status in accordance with the rehabilitation plan. The PPA also provides that one of the rehabilitation plan schedules of benefits and contributions shall be designated the "default" schedule. The default schedule must assume that there are no increases in contributions under the plan other than the increases necessary to emerge from critical status after future benefit accruals and other benefits have been reduced to the maximum extent permitted by law. The PPA also creates certain categories of "adjustable benefits" which may be reduced or eliminated dependent upon the outcome of bargaining over the rehabilitation plan schedules and dependent on the exercise of certain flexibility and discretion conferred upon the Board of Trustees by the PPA. Adjustable benefits that may be affected in this manner include post-retirement death benefits, early retirement benefits or retirement-type subsidies, and generally any benefit that would be payable prior to normal retirement age (age 65 benefits under the Fund's Plan Document – or, as discussed below, a Contribution Based Benefit actuarially reduced to be equivalent to an age 65 benefit). As noted, the PPA also requires annual updates of the rehabilitation plan.

Unless otherwise indicated, all capitalized terms herein shall have the definitions and meanings assigned to them in the Fund's Pension Plan Document.

Section 2. SCHEDULES OF CONTRIBUTIONS AND BENEFITS.

With the PPA requirements outlined above in mind, the Fund's Board of Trustees hereby provides the following PPA Schedules to the parties charged with bargaining over agreements requiring contributions to the Fund.

A. PRIMARY SCHEDULE (EXCEPT AS NOTED, PRESERVES ALL CURRENT BENEFITS).

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers are in compliance with this Primary Schedule, there will be no change in benefit formulas, levels or payment options in effect on January 1, 2008, *except that* as provided in Section 2(J) below, Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Further, subject to the notice requirements of the PPA and other applicable law, any Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers incur a Rehabilitation Plan Withdrawal on or after March 26, 2008 shall have their Adjustable Benefits listed in Section H below eliminated or reduced to the extent indicated in Subsection B(1) below.

2. Contributions

Compliance with the Primary Schedule requires annually compounded contribution rate increases in accordance with Exhibit A effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each agreement anniversary date (or reallocation anniversary, where applicable) during the term of the new bargaining agreement to the extent indicated in Exhibit A, depending on the year that the new agreement is effective. Note that all contribution rate increases are annually compounded on the total contribution rate (including any reallocations of employee benefit contributions or agreed mid-contract contribution increases) immediately prior to the increase.

The required annual rate increase may be provided through annual allocations to pension contributions of general and aggregate employee benefit contribution increases that were negotiated at the outset of an agreement, but were not specifically allocated to pension contributions until subsequent contract years. The Primary Schedule requires 8% per year contribution rate increases for the first 5 years, 6% per year contribution rate increases for the next 3 years and 4% per year contribution rate increases each year thereafter for 2008 agreements under the Primary Schedule and comparable rate increases over time for all other agreements under the Primary Schedule (*see* Exhibit A).

Provided, however, that absent further amendment to this rehabilitation plan, as of June 1, 2011, any Collective Bargaining Agreement requiring contributions of (1) $348 per week for each full-time employee with respect to Participants covered by the National Master Automobile Transporter Agreement, and (2) $342 per week for each full-time employee with respect to all other Participants, will be deemed to be in compliance with the Primary Schedule *without* the need for additional annual rate increases.

B. DEFAULT SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non- Bargaining Unit employee groups participating in the Fund) whose Contributing Employers agree to comply with this Default Schedule [or who become subject to the Default Schedule due to a failure to achieve an agreement to accept one of the Rehabilitation Plan Schedules within the time frame specified under ERISA § 305(e)(3)(C)], the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Default Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee groups participating in the Fund):

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by ½% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57.

2. Contributions

Compliance with the Default Schedule consists of annually compounded contribution rate increases of 4% effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each anniversary thereof during the term of the agreement.

3. Effect of agreement to or imposition of Default Schedule.

(i) If a Contributing Employer agrees to the Default Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

(ii) If a Contributing Employer becomes subject to the Default Schedule by operation of ERISA Section 305(e)(3)(C), because the bargaining parties have failed to adopt either of the Schedules compliant with this Rehabilitation Plan within 180 days of the expiration of their prior Collective Bargaining Agreement, the Fund will then accept a Collective Bargaining Agreement that is compliant with the Primary Schedule described in this Rehabilitation Plan, provided that such new Collective Bargaining Agreement provides for Primary Schedule contribution rates that are retroactive to the expiration date of the last Collective Bargaining Agreement that covered the affected Bargaining Unit.

C. DISTRESSED EMPLOYER SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers and contribution rates have been specifically accepted and approved by the Board of Trustees as satisfying the Qualifications for the Distressed Employer Schedule (as set forth in Section 2(C)(2) below), the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Distressed Employer Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee group participating in the Fund) that is accepted by the Board of Trustees as qualifying under the Distressed Employer Schedule:

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by ½% per month for each month prior to age 65 with a minimum retirement age of 57, *except that*, for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) have not achieved a Retirement Date on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57, *and except that* any Participant who (i) has achieved a minimum age of 55 as of the date of the Distressed Employer's termination of participation in the Fund (*see* Section 2(C)(2) below) and (ii) has accrued a minimum of 25 years credit towards a Contributory Credit Pension or an And-Out Pension as of that date (*see* Pension Plan §§ 4.04, 4.05 and 4.06), shall be entitled to retain his eligibility for (but not gain further credit towards) any such Pension, *provided that* any such Participant has a minimum retirement age of 62.

2. Contributions and Qualifications for the Distressed Employer Schedule.

The Board of Trustees may deem a Collective Bargaining Agreement with contribution rates not in compliance with either the Primary Schedule or the Default Schedule to be in compliance with and subject to the Distressed Employer Schedule, if in the Board of Trustees' sole discretion, the Board determines that the Contributing Employer meets each of the following qualifications:

(i) the common stock of the Employer or its parent corporation (or other affiliate under 80% or more common control with the Employer) is publicly traded and registered pursuant to the securities laws of the United States;

(ii) the Employer has previously incurred a termination of its participation in the Fund due to an inability to remain current in its Contribution obligations, and the Employer was in terminated status immediately prior to executing the Agreement sought to be qualified under the Distressed Employer Schedule;

(iii) during the last ten years in which the Employer participated in the Fund prior to its termination, it had paid contributions to the Fund on behalf of at least 1,000 full-time employees per month (or had, including part-time employees,

paid contributions on behalf of the equivalent of at least 1,000 full-time employees per month for the specified ten year period);

(iv) the Employer submits to a review of its financial condition and operations by the Fund's Staff and outside expert and consultants, and agrees to reimburse the Fund for all fees and expenses incurred by the Fund in this review (including, but not limited to, reimbursement to the Fund for the time devoted by the Fund's Staff to any such review, with this reimbursement to be made at market rates for comparable services performed by Fund's Staff);

(v) on the basis of this financial and operational review, it appears that the Employer is not able to contribute to the Fund at a higher rate than is indicated in the Collective Bargaining Agreement proposed for acceptance under the Distressed Employer Schedule, *and* that acceptance of the proposed Agreement is in the best interest of the Fund under all the circumstances and advances the goals of this Rehabilitation Plan; and

(vi) the Employer provides the Fund with first lien collateral in any and all unencumbered assets to the fullest extent it is able in order to fully secure (i) any delinquent or deferred Contribution obligations owed to the Fund, (ii) the Employer's obligation to make current and future pension contributions to the Fund, and (iii) any future withdrawal liability potentially incurred by the Employer (with the amount of such potential withdrawal liability to be determined based on estimates to be provided by the Fund).

3. Effect of agreement to or imposition of the Distressed Employer Schedule.

If a Contributing Employer becomes subject to the Distressed Employer Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

D. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER INCURRING A REHABILITATION PLAN WITHDRAWAL.

Subject to the provisos indicated in the final clauses of this Subsection D, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] with the Fund is on or after April 8, 2008, and:

(1) whose last Hour of Service prior to January 1, 2008 was earned while employed by United Parcel Service, Inc. ("UPS"), or with any trades or businesses at any time under common control with UPS, within the meaning of ERISA § 4001(b)(1); *or*

(2) who *(i)* has earned or earns an Hour of Service while employed with a Contributing Employer (or any predecessor or successor entity) that at any time on or after March 26, 2008 incurs a Rehabilitation Plan Withdrawal (*see* Section 2(I) below), and *(ii)* whose *last* year of Contributory Service Credit *prior* to the Rehabilitation Plan Withdrawal was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) ultimately incurring such Withdrawal.

Provided, however, that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant Subsection D(2) above, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the earlier of: (i) the date of such Rehabilitation Plan Withdrawal or (ii) the date of the expiration of the last Collective Bargaining Agreement requiring Employer Contributions under the Primary Schedule prior to such Withdrawal, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

And provided further that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant to Subsection D(2) above, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date of the Rehabilitation Plan Withdrawal.

E. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DEFAULT SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection E, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Default Schedule described herein; and

(2) whose *last* year of Contributory Service Credit *prior* to the Employer's becoming subject to the Default Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Default Schedule.

Provided, however, that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant to this Subsection E, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Default Schedule, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

And provided further that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant this Subsection E, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Default Schedule.

F. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DISTRESSED EMPLOYER SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection F, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (with the exception indicated in Subsection C(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Distressed Employer Schedule described herein; and

(2) whose last year of Contributory Service Credit prior to the Employer's becoming subject to the Distressed Employer Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Distressed Employer Schedule.

Provided, however, that any Pensioner otherwise subject to the reduction in Adjustable Benefits indicated in the Distressed Employer Schedule, due to his Contributing Employer becoming subject to that Schedule pursuant to this Subsection F, who has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Distressed Employer Schedule, shall not be subject to the reduction of Adjustable Benefits otherwise mandated by the Distressed Employer Schedule provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date, and provided further that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no Pensioners with Retirement Dates prior to September 24, 2010 shall be subject to such Distressed Employer Schedule benefit reduction.

And provided further that the spouse of any Participant otherwise subject to the reduction of Adjustable Benefits, due to his Contributing Employer becoming subject to the Distressed Employer Schedule pursuant to this Subsection F, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such surviving spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Distressed Employer Schedule, *and provided* further in any event that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no spouse shall be subject to such Distressed Employer Schedule benefit reduction if the Participant's death occurred prior to September 24, 2010.

G. RESTORATION OF ADJUSTED BENEFITS.

Any Participant who incurs a benefit adjustment or elimination under the terms of Sections 2(A), 2(B), 2(C), 2(D), 2(E) or 2(F) above may have those affected benefits restored if, subsequent to the event causing the benefit adjustment, the Participant:

(1) in the case of benefit adjustment caused by a Rehabilitation Plan Withdrawal (*see* Section 2(I) below), permanently ceases all employment with, and performance of services in any capacity for, the Contributing Employer (and any successors or trades or businesses under common control with such Employer within the

meaning of ERISA § 4001(b)(1)) within 60 days of the occurrence of such Rehabilitation Plan Withdrawal; and

(2) in any case, subsequently earns one year of Contributory Service Credit with a Contributing Employer while that Employer is in compliance with the Primary Schedule described herein.

H. ADJUSTABLE BENEFITS.

As used herein, Adjustable Benefits shall mean and include:

(1) Any right to receive a Retirement Pension Benefit (Pension Plan, Article IV) prior to age 65 [including without limitation any pre-age 65 benefits that would otherwise be payable as *(i)* a Twenty Year Service Pension (Pension Plan § 4.01); *(ii)* a Contributory Credit Pension (Pension Plan § 4.04); *(iii)* a Vested Pension (Pension Plan § 4.07); (i*v*) a Deferred Pension (Pension Plan § 4.08); or *(v)* a Twenty-Year Deferred Pension (Pension Plan § 4.09)].

(2) Early retirement benefit or retirement-type subsidies [including without limitation *(i*) an Early Retirement Pension (Pension Plan Section 4.02); (*ii)* a 25-And-Out Pension (Pension Plan Section 4.05); or a 30-And-Out Pension (Pension Plan Section 4.06)].

(3) All Disability Benefits not yet in pay status (Pension Plan, Article V).

(4) Before Retirement Death Benefits (Pension Plan, Article VI) other than the 50% surviving spouse benefit.

(5) Post-retirement death benefits that are not part of the annuity form of payment.

(6) All Partial Pensions (Pension Plan, Appendix D), to the extent any such pension is tied to one or more of the Adjustable Benefits listed above.

(7) All Contribution-Based Pensions (Pension Plan § 4.03) except that, assuming the Participant meets all other requirements for receiving a Contribution-Based Pension, the Contribution-Based Pension is payable at age 65 reduced by ½% per month for each month prior to age 65 at the time of retirement with a minimum retirement age of 57. Such minimum retirement age shall not apply if the Participant retired prior to age 57 before the Participant's Adjustable Benefits were eliminated or reduced. In such circumstance, the Participant shall be entitled to receive the Contribution-Based Pension reduced by ½% per month for each month prior to age 65 at the time of retirement. *Provided, however,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the reductions in the Contribution-Based Pensions payable at age 65 referenced in this subparagraph (7) shall be based on actuarial equivalence in accordance with the Schedule attached as Exhibit B hereto.

(8) To the extent not already included in paragraphs (1) – (7) above, the following categories of benefits listed and defined as "adjustable benefits" under ERISA § 305(e)(8)(iv):

(i) benefits, rights, and features under the plan, including post-retirement death benefits, 60-month guarantees, disability benefits not yet in pay status, and similar benefits,

(ii) any early retirement benefit or retirement-type subsidy (within the meaning of ERISA section 204(g)(2)(A)) and any benefit payment option (other than the qualified joint and survivor annuity), and

(iii) benefit increases that would not be eligible for a guarantee under ERISA Section 4022A on the first day of the Fund's initial critical year under the PPA because the increases were adopted (or, if later, took effect) less than 60 months before such first day.

Provided, however, that except as provided in subparagraph (8)(iii) above, nothing in this paragraph shall be construed to reduce the level of a Participant's accrued benefit payable at normal retirement.

I. REHABILITATION PLAN WITHDRAWAL.

Subject to the discretionary authority of the Board of Trustees indicated in the final clause of this Section 2(I), a "Rehabilitation Plan Withdrawal" occurs on the date a Contributing Employer (a) is no longer required to make Employer Contributions to the Pension Fund under one or more of its Collective Bargaining Agreements, or (b) undergoes a significant reduction in its obligation to make Employer Contributions resulting from outsourcing or subcontracting work covered by the applicable Collective Bargaining Agreement(s), as a result of actions by members of a Bargaining Unit (or its representatives) or the Contributing Employer, which actions include, but are not limited to the following:

(1) decertification or other removal of the Union as a bargaining agent;

(2) ratification or other acceptance of a Collective Bargaining Agreement which permits withdrawal of the Bargaining Unit, in whole or in part, from the Pension Plan;

(3) administrative termination of the Contributing Employer with respect to any or all of its Collective Bargaining Agreements due to: (i) a violation of the Fund's rules with respect to the terms of a Collective Bargaining Agreement [including, without limitation, a provision providing for a split bargaining unit]; or (ii) a violation of any other Fund rule or policy [including, without limitation, practices or arrangements that result in adverse selection];

(4) any transaction or other event [including without limitation, a merger, consolidation, division, asset sale (other than an asset sale complying with ERISA § 4204), liquidation, dissolution, joint venture, outsourcing, subcontracting] whereby all or a portion of the operations for which the Contributing Employer has an obligation to contribute are continued (whether by the Contributing Employer or by another party) in whole or in part without maintaining the obligation to contribute to the Fund under the same or better terms (including, for example, as to number of participants and contribution rate) as existed before the transaction;

Provided, however, that with respect to the circumstances described in Subparas. (3)(ii) or (4) above, the Board of Trustees shall have full discretionary authority to consider,

weigh and balance the following factors in determining whether a Rehabilitation Plan Withdrawal has occurred:

(i) the extent to which the affected Bargaining Unit or its bargaining representative participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the cessation of Employer Contributions;

(ii) the extent to which the affected Bargaining Unit benefited, directly or indirectly, from the cessation of Employer Contributions;

(iii) the extent to which the affected Bargaining Unit, or its bargaining representative, resisted or attempted to resist, or acquiesced in, the cessation of Employer Contributions;

(iv) the extent to which the affected Bargaining Unit, or any of its members, become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Contributing Employer who incurred the cessation of Employer Contributions; and

(v) the extent of the hardship that might be incurred by members of the affected Bargaining Unit by the elimination of Adjustable Benefits.

J. BENEFIT ADJUSTMENTS APPLICABLE TO ALL PARTICIPANTS (INCLUDING INACTIVE VESTED PARTICIPANTS) WHO HAVE NOT SUBMITTED A RETIREMENT APPLICATION ON OR BEFORE JULY 1, 2011 AND DO NOT HAVE A BENEFIT COMMENCEMENT ON OR BEFORE THAT DATE.

Minimum Retirement Age 57.

Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Section 3. REHABILITATION PLAN STANDARDS AND OBJECTIVES.

The Schedules of Contributions and Benefits discussed above have been formulated by the Fund's Board of Trustees as reasonable measures which, under reasonable actuarial assumptions, are designed and projected to forestall the possible insolvency of the Fund prior to 2023. Projections of insolvency may vary from year to year as actual experience may differ from assumptions.

The Trustees recognize the possibility that actual experience could be less favorable than the reasonable assumptions used for the Rehabilitation Plan on an annual basis. Consequently, the annual standards for meeting the requirements of the Rehabilitation Plan are as follows:

- Actuarial projections updated for each year show, based on reasonable assumptions, that under the Rehabilitation Plan and its schedules (as amended and updated from time to time) the Fund will forestall its possible insolvency *prior* to 2021.

Section 4. ALTERNATIVES CONSIDERED BY THE TRUSTEES.

The Board of Trustees considered numerous alternatives [including combinations of contribution rate increases (and other updates to the schedules of contribution rates in light of the experience of the Fund) and benefit adjustments] that might enable the Fund to emerge from Critical Status either by the end of ten year PPA Rehabilitation Period (which begins on January 1, 2011 and ends on December 31, 2020), or to forestall possible insolvency indefinitely (beyond the date referenced above under the "Standards and Objectives" heading). Some of the alternatives considered were determined to be unreasonable measures. The various default and alternative schedules considered included the following:

Schedules considered by the Board of Trustees in formulating an initial 2008 rehabilitation plan that might permit the Fund to emerge by the end of the Rehabilitation Period on December 31, 2020:

Schedule	Benefit Reductions	Contribution Rate Increases
Default	Immediate maximum Critical Status benefit cuts for all participants to the extent permitted by law	15% per year until emergence in 2021 (plus an additional 1.6% annual increase for Benefit Classes 14 and below)
Alternative 1	Maintain current benefits	17% per year until emergence in 2021
Alternative 2	On the second anniversary of the new bargaining agreement, reduce the future benefit accrual rate from 1% of contributions payable at age 62 to 1% of contributions at payable at age 65	16% per year until emergence in 2021

In formulating the Fund's initial rehabilitation plan in 2008, the Board of Trustees concluded that utilizing any and all *possible* measures to emerge from Critical Status by the end of the 10-year presumptive Rehabilitation Period described in ERISA section 305(e)(4), would be unreasonable and would involve considerable risk to the Fund and Fund participants. In particular, the Board of Trustees concluded that the continued existence of the Fund and the Trustees' ability to maintain and improve the Fund's funded status in accordance with the terms of the IRS approved amortization extension would be jeopardized by any attempt to emerge from critical status by the end of the presumptive 10-year Rehabilitation Period.

As shown above, based on January 1, 2008 valuation data, the emergence by the end of the presumptive 10 year Rehabilitation Period would require double-digit annual contribution rate increases. For example, the daily contribution rate would generally have to grow from $52 to over $300. Therefore, the Trustees concluded in 2008 that annual contribution rate increases above the 8%/6%/4% level in the Primary Schedule were not reasonable and could trigger mass withdrawals and significant losses to the Fund and the participants.

During the process of updating the rehabilitation plan in 2010, the Trustees concluded that in light of current valuation data, the experience of the Fund and projections, the option available to the Fund under ERISA Section 305(e)(3)(ii) was to pursue reasonable measures to forestall a possible insolvency. The Trustees also concluded during the 2010 update process that requiring annual contribution increases above the level described in the Primary Schedule

would not be reasonable and would likely accelerate a possible insolvency of the Fund rather than forestall it.

In recent years, the Trustees have implemented numerous measures to improve the Fund's funding. These have included:

- Reducing the benefit accrual rate from 2% of contributions to 1% of contributions;
- Protecting the "and-out" and early retirement benefits while freezing them at their year-end 2003 levels;
- Obtaining agreements from the major bargaining parties to reallocate about $400 million per year of benefit contributions to the Pension Fund;
- Obtaining an amortization extension from the Internal Revenue Service in 2005, and seeking a waiver of the conditions of that extension in 2009 in light of anticipated investment losses resulting from the 2008 collapse of the financial markets;
- Requiring as a condition of continued participation in the Fund that new bargaining agreements in the last several years include significant annual contribution rate increases; and
- Providing information to Congress and federal agencies with respect to legislative or regulatory proposals that appear to assist in addressing the funding challenges confronting the Fund.

The Board of Trustees determined that mandating additional significant benefit cuts (beyond those provided in this updated rehabilitation plan), or mandating contribution rate increases at levels beyond those required in recent years, would substantially accelerate the rate at which employers would withdraw from the Fund, in large part because the Union could conclude that it would be in its members' best interest to agree to withdrawals. The Board of Trustees also determined that this acceleration of employer withdrawals would, in turn, accelerate the Fund's insolvency and would be counterproductive to the Trustees' effort to forestall insolvency.

EXHIBIT A

Primary Schedule: Contribution Rate Increases By Bargaining Agreement Year (all rate increases are to be compounded annually)

Calendar Year of Contribution Rate Increase	Year of Initial Bargaining Agreement Conforming to Primary Schedule			
	2006 & Earlier	2007	2008	2009 & Later
2006	7%			
2007	7%	8%		
2008	7%	8%	8%	
2009	7%	8%	8%	8%
2010	7%	8%	8%	8%
2011	6%	8%	8%	8%
2012	5%	6%	8%	8%
2013	4%	4%	6%	8%
2014	4%	4%	6%	8%
2015	4%	4%	6%	8%
2016	4%	4%	4%	6%
2017	4%	4%	4%	4%
2018	4%	4%	4%	4%
2019	4%	4%	4%	4%
2020	4%	4%	4%	4%
2021	4%	4%	4%	4%
2022	4%	4%	4%	4%
2023	4%	4%	4%	4%
2024	4%	4%	4%	4%
2025	4%	4%	4%	4%
2026	4%	4%	4%	4%
2027	4%	4%	4%	4%

EXHIBIT B

Schedule for Actuarial Reduction of Age 65 Benefits

(applicable to Default Schedule and Rehabilitation Plan Withdrawal benefit adjustments for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011)

Age	Percent of Age 65 Benefit Based on Actuarial Equivalence
65	100%
64	90%
63	81%
62	74%
61	67%
60	61%
59	55%
58	50%
57	46%

APPENDIX M-3. REHABILITATION PLAN (INCLUDING 2011 UPDATE)

Section 1. PREAMBLE AND DEFINITIONS.

An amended Appendix M was added to the Pension Plan effective on and after December 31, 2010 in order to update the Rehabilitation Plan in compliance with the requirements of the Pension Protection Act of 2006 ("PPA"). Appendix M-2 was added to the Pension Plan in order to incorporate effective as of May 17, 2011, the Distressed Employer Schedule provisions (Section 2(C) and 2(F) below) into the Rehabilitation Plan.

This Appendix M-3 is added to the Pension Plan effective on and after December 31, 2011 in order to update the Rehabilitation Plan in compliance with the requirements of the PPA.

The Central States, Southeast and Southwest Areas Pension Fund (the "Fund") was initially certified on March 24, 2008 by its actuary to be in "critical status" (sometimes referred to as the "red zone") under the PPA; the Fund's actuary has also certified the Fund to be in critical status for the 2009 and 2010 plan years. The Fund's Board of Trustees, as the plan sponsor of a "critical status" pension plan, is charged under the PPA with developing a "rehabilitation plan" designed to improve the financial condition of the Fund in accordance with the standards set forth in the PPA, and with annually updating the rehabilitation plan. Although for plan year 2009 the Fund was exempt from the update requirement, pursuant to an election under the Worker Retiree and Employer Recovery Act of 2008, for subsequent plan years the PPA provisions concerning the rehabilitation plan update process are applicable to the Fund. The purpose of this updated Rehabilitation Plan is to comply with those PPA provisions.

Under the PPA, a rehabilitation plan, including annual updates to the plan, must include one or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted by the parties obligated under agreements participating in the pension plan, may reasonably be expected to enable the Fund to emerge from critical status in accordance with the rehabilitation plan. The PPA also provides that one of the rehabilitation plan schedules of benefits and contributions shall be designated the "default" schedule. The default schedule must assume that there are no increases in contributions under the plan other than the increases necessary to emerge from critical status after future benefit accruals and other benefits have been reduced to the maximum extent permitted by law. The PPA also creates certain categories of "adjustable benefits" which may be reduced or eliminated dependent upon the outcome of bargaining over the rehabilitation plan schedules and dependent on the exercise of certain flexibility and discretion conferred upon the Board of Trustees by the PPA. Adjustable benefits that may be affected in this manner include post-retirement death benefits, early retirement benefits or retirement-type subsidies, and generally any benefit that would be payable prior to normal retirement age (age 65 benefits under the Fund's Plan Document – or, as discussed below, a Contribution Based Benefit actuarially reduced to be equivalent to an age 65 benefit). As noted, the PPA also requires annual updates of the rehabilitation plan.

Unless otherwise indicated, all capitalized terms herein shall have the definitions and meanings assigned to them in the Fund's Pension Plan Document.

Section 2. SCHEDULES OF CONTRIBUTIONS AND BENEFITS.

With the PPA requirements outlined above in mind, the Fund's Board of Trustees hereby provides the following PPA Schedules to the parties charged with bargaining over agreements requiring contributions to the Fund.

A. PRIMARY SCHEDULE (EXCEPT AS NOTED, PRESERVES ALL CURRENT BENEFITS).

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers are in compliance with this Primary Schedule, there will be no change in benefit formulas, levels or payment options in effect on January 1, 2008, *except that* as provided in Section 2(J) below, Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Further, subject to the notice requirements of the PPA and other applicable law, any Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers incur a Rehabilitation Plan Withdrawal on or after March 26, 2008 shall have their Adjustable Benefits listed in Section 2(H) below eliminated or reduced to the extent indicated in Section 2(B)(1) below.

2. Contributions

Compliance with the Primary Schedule requires annually compounded contribution rate increases in accordance with Exhibit A effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each agreement anniversary date (or reallocation anniversary, where applicable) during the term of the new bargaining agreement to the extent indicated in Exhibit A, depending on the year that the new agreement is effective. Note that all contribution rate increases are annually compounded on the total contribution rate (including any reallocations of employee benefit contributions or agreed mid-contract contribution increases) immediately prior to the increase.

The required annual rate increase may be provided through annual allocations to pension contributions of general and aggregate employee benefit contribution increases that were negotiated at the outset of an agreement, but were not specifically allocated to pension contributions until subsequent contract years. The Primary Schedule requires 8% per year contribution rate increases for the first 5 years, 6% per year contribution rate increases for the next 3 years and 4% per year contribution rate increases each year thereafter for 2008 agreements under the Primary Schedule and comparable rate increases over time for all other agreements under the Primary Schedule (*see* Exhibit A).

Provided, however, that absent further amendment to this rehabilitation plan, as of June 1, 2011, any Collective Bargaining Agreement requiring contributions of (1) $348 per week for each full-time employee with respect to Participants covered by the National Master Automobile Transporter Agreement, and (2) $342 per week for each full-time employee with respect to all other Participants, will be deemed to be in compliance with the Primary Schedule *without* the need for additional annual rate increases.

B. DEFAULT SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non- Bargaining Unit employee groups participating in the Fund) whose Contributing Employers agree to comply with this Default Schedule [or who become subject to the Default Schedule due to a failure to achieve an agreement to accept one of the Rehabilitation Plan Schedules within the time frame specified under ERISA § 305(e)(3)(C)], the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Default Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee groups participating in the Fund):

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by ½% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57.

2. Contributions

Compliance with the Default Schedule consists of annually compounded contribution rate increases of 4% effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each anniversary thereof during the term of the agreement.

3. Effect of agreement to or imposition of Default Schedule.

(i) If a Contributing Employer agrees to the Default Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

(ii) If a Contributing Employer becomes subject to the Default Schedule by operation of ERISA Section 305(e)(3)(C), because the bargaining parties have failed to adopt either of the Schedules compliant with this Rehabilitation Plan within 180 days of the expiration of their prior Collective Bargaining Agreement, the Fund will then accept a Collective Bargaining Agreement that is compliant with the Primary Schedule described in this Rehabilitation Plan, provided that such new Collective Bargaining Agreement provides for Primary Schedule contribution rates that are retroactive to the expiration date of the last Collective Bargaining Agreement that covered the affected Bargaining Unit.

C. DISTRESSED EMPLOYER SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers and contribution rates have been specifically accepted and approved by the Board of Trustees as satisfying the Qualifications for the Distressed Employer Schedule (as set forth in Section 2(C)(2) below), the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Distressed Employer Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee group participating in the Fund) that is accepted by the Board of Trustees as qualifying under the Distressed Employer Schedule:

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by ½% per month for each month prior to age 65 with a minimum retirement age of 57, *except that*, for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) have not achieved a Retirement Date on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57, *and except that* any Participant who (i) has achieved a minimum age of 55 as of the date of the Distressed Employer's termination of participation in the Fund (*see* Section 2(C)(2) below) and (ii) has accrued a minimum of 25 years credit towards a Contributory Credit Pension or an And-Out Pension as of that date (*see* Pension Plan §§ 4.04, 4.05 and 4.06), shall be entitled to retain his eligibility for (but not gain further credit towards) any such Pension, *provided that* any such Participant has a minimum retirement age of 62.

2. Contributions and Qualifications for the Distressed Employer Schedule.

The Board of Trustees may deem a Collective Bargaining Agreement with contribution rates not in compliance with either the Primary Schedule or the Default Schedule to be in compliance with and subject to the Distressed Employer Schedule, if in the Board of Trustees' sole discretion, the Board determines that the Contributing Employer meets each of the following qualifications:

(i) the common stock of the Employer or its parent corporation (or other affiliate under 80% or more common control with the Employer) is publicly traded and registered pursuant to the securities laws of the United States;

(ii) the Employer has previously incurred a termination of its participation in the Fund due to an inability to remain current in its Contribution obligations, and the Employer was in terminated status immediately prior to executing the Agreement sought to be qualified under the Distressed Employer Schedule;

(iii) during the last ten years in which the Employer participated in the Fund prior to its termination, it had paid contributions to the Fund on behalf of at least 1,000 full-time employees per month (or had, including part-time employees,

paid contributions on behalf of the equivalent of at least 1,000 full-time employees per month for the specified ten year period);

(iv) the Employer submits to a review of its financial condition and operations by the Fund's Staff and outside expert and consultants, and agrees to reimburse the Fund for all fees and expenses incurred by the Fund in this review (including, but not limited to, reimbursement to the Fund for the time devoted by the Fund's Staff to any such review, with this reimbursement to be made at market rates for comparable services performed by Fund's Staff);

(v) on the basis of this financial and operational review, it appears that the Employer is not able to contribute to the Fund at a higher rate than is indicated in the Collective Bargaining Agreement proposed for acceptance under the Distressed Employer Schedule, *and* that acceptance of the proposed Agreement is in the best interest of the Fund under all the circumstances and advances the goals of this Rehabilitation Plan; and

(vi) the Employer provides the Fund with first lien collateral in any and all unencumbered assets to the fullest extent it is able in order to fully secure (i) any delinquent or deferred Contribution obligations owed to the Fund, (ii) the Employer's obligation to make current and future pension contributions to the Fund, and (iii) any future withdrawal liability potentially incurred by the Employer (with the amount of such potential withdrawal liability to be determined based on estimates to be provided by the Fund).

3. Effect of agreement to or imposition of the Distressed Employer Schedule.

If a Contributing Employer becomes subject to the Distressed Employer Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

D. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER INCURRING A REHABILITATION PLAN WITHDRAWAL.

Subject to the provisos indicated in the final clauses of this Subsection D, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] with the Fund is on or after April 8, 2008, and:

(1) whose last Hour of Service prior to January 1, 2008 was earned while employed by United Parcel Service, Inc. ("UPS"), or with any trades or businesses at any time under common control with UPS, within the meaning of ERISA § 4001(b)(1); *or*

(2) who *(i)* has earned or earns an Hour of Service while employed with a Contributing Employer (or any predecessor or successor entity) that at any time on or after March 26, 2008 incurs a Rehabilitation Plan Withdrawal (*see* Section 2.I below), and *(ii)* whose *last* year of Contributory Service Credit *prior* to the Rehabilitation Plan Withdrawal was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) ultimately incurring such Withdrawal.

Proviso 1: *Provided, however*, that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant Section 2(D)(2) above, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the earlier of: (i) the date of such Rehabilitation Plan Withdrawal or (ii) the date of the expiration of the last Collective Bargaining Agreement requiring Employer Contributions under the Primary Schedule prior to such Withdrawal, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: And provided further that in the event of a Rehabilitation Plan Withdrawal resulting from an administrative termination of a Contributing Employer as referenced in Section 2(I)(3)(ii) below, the Board of Trustees shall have full discretionary authority (A) to decline to apply the elimination of Adjustable Benefits to Participants otherwise affected by a Rehabilitation Plan Withdrawal of this type who have submitted a pension application naming a Retirement Date to the Fund on or before the date selected by the Trustees as the effective date of the administrative termination which ended the Employer's obligation to contribute to the Pension Fund, and (B) to decline to apply the requirement of Section 2(G) below that a Participant incurring a benefit adjustment due to Rehabilitation Plan Withdrawal must cease employment with and the performance of services for the withdrawn Employer within 60 days of the Rehabilitation Plan Withdrawal in order to eventually qualify for a restoration of benefits; in exercising their discretionary authority under this Proviso 2, the Board of Trustees shall consider, weigh and balance the following factors:

(i) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination were aware of, participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the circumstances that led to the administrative termination of the Employer;

(ii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination benefited, directly or indirectly from the cessation of Employer Contributions or from the circumstances that led to the administrative termination of the Employer;

(iii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination resisted or attempted to alter, or acquiesced in, the circumstances that led to the administrative termination of the Employer;

(iv) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination have become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Employer that has undergone the administrative termination; and

(v) the extent of the hardship that might be incurred by any actively employed members of the affected Bargaining Unit or by any members who submitted

a retirement application prior to the effective date of the administrative termination due to the elimination of Adjustable Benefits.

Proviso 3: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant to Subsection D(2) above, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date of the Rehabilitation Plan Withdrawal.

E. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DEFAULT SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection E, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Section B(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Default Schedule described herein; and

(2) whose *last* year of Contributory Service Credit *prior* to the Employer's becoming subject to the Default Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Default Schedule.

Proviso 1: *Provided, however*, that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant to this Subsection E, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Default Schedule, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant this Subsection E, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Default Schedule.

F. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DISTRESSED EMPLOYER SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection F, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (with the exception indicated in Section 2(C)(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Distressed Employer Schedule described herein; and

(2) whose last year of Contributory Service Credit prior to the Employer's becoming subject to the Distressed Employer Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Distressed Employer Schedule.

Proviso 1: Provided, however, that any Pensioner otherwise subject to the reduction in Adjustable Benefits indicated in the Distressed Employer Schedule, due to his Contributing Employer becoming subject to that Schedule pursuant to this Subsection F, who has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Distressed Employer Schedule, shall not be subject to the reduction of Adjustable Benefits otherwise mandated by the Distressed Employer Schedule provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date, and provided further that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no Pensioners with Retirement Dates prior to September 24, 2010 shall be subject to such Distressed Employer Schedule benefit reduction.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the reduction of Adjustable Benefits, due to his Contributing Employer becoming subject to the Distressed Employer Schedule pursuant to this Subsection F, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such surviving spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Distressed Employer Schedule, *and provided* further in any event that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no spouse shall be subject to such Distressed Employer Schedule benefit reduction if the Participant's death occurred prior to September 24, 2010.

G. RESTORATION OF ADJUSTED BENEFITS.

Any Participant who incurs a benefit adjustment or elimination under the terms of Sections 2(A), 2(B), 2(C), 2(D), 2(E) or 2(F) above may have those affected benefits restored if, subsequent to the event causing the benefit adjustment, the Participant:

(1) in the case of benefit adjustment caused by a Rehabilitation Plan Withdrawal (*see* Section 2(I) below), permanently ceases all employment with, and performance of services in any capacity for, the Contributing Employer (and any successors or trades or businesses under common control with such Employer within the meaning of ERISA § 4001(b)(1)) within 60 days of the occurrence of such Rehabilitation Plan Withdrawal; and

(2) in any case, subsequently earns one year of Contributory Service Credit with a Contributing Employer while that Employer is in compliance with the Primary Schedule described herein.

H. ADJUSTABLE BENEFITS.

As used herein, Adjustable Benefits shall mean and include:

(1) Any right to receive a Retirement Pension Benefit (Pension Plan, Article IV) prior to age 65 [including without limitation any pre-age 65 benefits that would otherwise be payable as *(i)* a Twenty Year Service Pension (Pension Plan § 4.01); *(ii)* a Contributory Credit Pension (Pension Plan § 4.04); *(iii)* a Vested Pension (Pension Plan § 4.07); (i*v*) a Deferred Pension (Pension Plan § 4.08); or *(v)* a Twenty-Year Deferred Pension (Pension Plan § 4.09)].

(2) Early retirement benefit or retirement-type subsidies [including without limitation *(i*) an Early Retirement Pension (Pension Plan Section 4.02); (*ii)* a 25-And-Out Pension (Pension Plan Section 4.05); or a 30-And-Out Pension (Pension Plan Section 4.06)].

(3) All Disability Benefits not yet in pay status (Pension Plan, Article V).

(4) Before Retirement Death Benefits (Pension Plan, Article VI) other than the 50% surviving spouse benefit.

(5) Post-retirement death benefits that are not part of the annuity form of payment.

(6) All Partial Pensions (Pension Plan, Appendix D), to the extent any such pension is tied to one or more of the Adjustable Benefits listed above.

(7) All Contribution-Based Pensions (Pension Plan § 4.03) except that, assuming the Participant meets all other requirements for receiving a Contribution-Based Pension, the Contribution-Based Pension is payable at age 65 reduced by ½% per month for each month prior to age 65 at the time of retirement with a minimum retirement age of 57. Such minimum retirement age shall not apply if the Participant retired prior to age 57 before the Participant's Adjustable Benefits were eliminated or reduced. In such circumstance, the Participant shall be entitled to receive the Contribution-Based Pension reduced by ½% per month for each month prior to age 65 at the time of retirement. *Provided, however,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the reductions in the Contribution-Based Pensions payable at age 65 referenced in this subparagraph (7) shall be based on actuarial equivalence in accordance with the Schedule attached as Exhibit B hereto.

(8) To the extent not already included in paragraphs (1) – (7) above, the following categories of benefits listed and defined as "adjustable benefits" under ERISA § 305(e)(8)(iv):

(i) benefits, rights, and features under the plan, including post-retirement death benefits, 60-month guarantees, disability benefits not yet in pay status, and similar benefits,

(ii) any early retirement benefit or retirement-type subsidy (within the meaning of ERISA Section 204(g)(2)(A)) and any benefit payment option (other than the qualified joint and survivor annuity), and

(iii) benefit increases that would not be eligible for a guarantee under ERISA Section 4022A on the first day of the Fund's initial critical year under the PPA

because the increases were adopted (or, if later, took effect) less than 60 months before such first day.

Provided, however, that except as provided in subparagraph (8)(iii) above, nothing in this paragraph shall be construed to reduce the level of a Participant's accrued benefit payable at normal retirement.

I. REHABILITATION PLAN WITHDRAWAL.

Subject to the discretionary authority of the Board of Trustees indicated in the final clause of this Subsection I, a "Rehabilitation Plan Withdrawal" occurs on the date a Contributing Employer (a) is no longer required to make Employer Contributions to the Pension Fund under one or more of its Collective Bargaining Agreements, or (b) undergoes a significant reduction in its obligation to make Employer Contributions resulting from outsourcing or subcontracting work covered by the applicable Collective Bargaining Agreement(s), as a result of actions by members of a Bargaining Unit (or its representatives) or the Contributing Employer, which actions include, but are not limited to the following:

(1) decertification or other removal of the Union as a bargaining agent;

(2) ratification or other acceptance of a Collective Bargaining Agreement which permits withdrawal of the Bargaining Unit, in whole or in part, from the Pension Plan;

(3) administrative termination of the Contributing Employer with respect to any or all of its Collective Bargaining Agreements due to: (i) a violation of the Fund's rules with respect to the terms of a Collective Bargaining Agreement [including, without limitation, a provision providing for a split bargaining unit]; or (ii) a violation of any other Fund rule or policy [including, without limitation, practices or arrangements that result in adverse selection];

(4) any transaction or other event [including without limitation, a merger, consolidation, division, asset sale (other than an asset sale complying with ERISA § 4204), liquidation, dissolution, joint venture, outsourcing, subcontracting] whereby all or a portion of the operations for which the Contributing Employer has an obligation to contribute are continued (whether by the Contributing Employer or by another party) in whole or in part without maintaining the obligation to contribute to the Fund under the same or better terms (including, for example, as to number of participants and contribution rate) as existed before the transaction;

Provided, however, that with respect to the circumstances described in Subparagraphs. (3)(ii) or (4) above, the Board of Trustees shall have full discretionary authority to consider, weigh and balance the following factors in determining whether a Rehabilitation Plan Withdrawal has occurred:

(i) the extent to which the affected Bargaining Unit or its bargaining representative participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the cessation of Employer Contributions;

(ii) the extent to which the affected Bargaining Unit benefited, directly or indirectly, from the cessation of Employer Contributions;

(iii) the extent to which the affected Bargaining Unit, or its bargaining representative, resisted or attempted to resist, or acquiesced in, the cessation of Employer Contributions;

(iv) the extent to which the affected Bargaining Unit, or any of its members, become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Contributing Employer who incurred the cessation of Employer Contributions; and

(v) the extent of the hardship that might be incurred by members of the affected Bargaining Unit by the elimination of Adjustable Benefits.

J. BENEFIT ADJUSTMENTS APPLICABLE TO ALL PARTICIPANTS (INCLUDING INACTIVE VESTED PARTICIPANTS) WHO HAVE NOT SUBMITTED A RETIREMENT APPLICATION ON OR BEFORE JULY 1, 2011 AND DO NOT HAVE A BENEFIT COMMENCEMENT ON OR BEFORE THAT DATE.

Minimum Retirement Age 57.

Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Section 3. REHABILITATION PLAN STANDARDS AND OBJECTIVES.

The Schedules of Contributions and Benefits discussed above have been formulated by the Fund's Board of Trustees as reasonable measures which, under reasonable actuarial assumptions, are designed and projected to forestall the possible insolvency of the Fund prior to 2023. Projections of insolvency may vary from year to year as actual experience may differ from assumptions.

The Trustees recognize the possibility that actual experience could be less favorable than the reasonable assumptions used for the Rehabilitation Plan on an annual basis. Consequently, the annual standards for meeting the requirements of the Rehabilitation Plan are as follows:

- Actuarial projections updated for each year show, based on reasonable assumptions, that under the Rehabilitation Plan and its schedules (as amended and updated from time to time) the Fund will forestall its possible insolvency *prior* to 2021.

Section 4. ALTERNATIVES CONSIDERED BY THE TRUSTEES.

The Board of Trustees considered numerous alternatives [including combinations of contribution rate increases (and other updates to the schedules of contribution rates in light of the experience of the Fund) and benefit adjustments] that might enable the Fund to emerge from Critical Status either by the end of ten year PPA Rehabilitation Period (which began on January 1, 2011 and ends on December 31, 2020), or to forestall possible insolvency indefinitely (beyond the date referenced above under the "Standards and Objectives" heading). Some of the alternatives considered were determined to be unreasonable measures. The various default and alternative schedules considered included the following:

Schedules considered by the Board of Trustees in formulating an initial 2008 rehabilitation plan that might permit the Fund to emerge by the end of the Rehabilitation Period on December 31, 2020:

Schedule	Benefit Reductions	Contribution Rate Increases
Default	Immediate maximum Critical Status benefit cuts for all participants to the extent permitted by law	15% per year until emergence in 2021 (plus an additional 1.6% annual increase for Benefit Classes 14 and below)
Alternative 1	Maintain current benefits	17% per year until emergence in 2021
Alternative 2	On the second anniversary of the new bargaining agreement, reduce the future benefit accrual rate from 1% of contributions payable at age 62 to 1% of contributions at payable at age 65	16% per year until emergence in 2021

In formulating the Fund's initial rehabilitation plan in 2008, the Board of Trustees concluded that utilizing any and all *possible* measures to emerge from Critical Status by the end of the 10-year presumptive Rehabilitation Period described in ERISA Section 305(e)(4), would be unreasonable and would involve considerable risk to the Fund and Fund participants. In particular, the Board of Trustees concluded that the continued existence of the Fund and the Trustees' ability to maintain and improve the Fund's funded status in accordance with the terms of the IRS approved amortization extension would be jeopardized by any attempt to emerge from critical status by the end of the presumptive 10-year Rehabilitation Period.

As shown above, based on January 1, 2008 valuation data, the emergence by the end of the presumptive 10 year Rehabilitation Period would require double-digit annual contribution rate increases. For example, the daily contribution rate would generally have to grow from $52 to over $300. Therefore, the Trustees concluded in 2008 that annual contribution rate increases above the 8%/6%/4% level in the Primary Schedule were not reasonable and could trigger mass withdrawals and significant losses to the Fund and the participants.

During the process of updating the rehabilitation plan in 2010, and again in 2011, the Trustees concluded that in light of current valuation data, the experience of the Fund and projections, the option available to the Fund under ERISA Section 305(e)(3)(ii) was to pursue reasonable measures to forestall a possible insolvency. The Trustees also concluded during the 2010 and 2011 update process that requiring annual contribution increases above the level described in the Primary Schedule would not be reasonable and would likely accelerate a possible insolvency of the Fund rather than forestall it.

In recent years, prior to Plan/calendar year 2011, the Trustees have implemented numerous measures to improve the Fund's funding. These have included:

- Reducing the benefit accrual rate from 2% of contributions to 1% of contributions;
- Protecting the "and-out" and early retirement benefits while freezing them at their year-end 2003 levels;
- Obtaining agreements from the major bargaining parties to reallocate about $400 million per year of benefit contributions to the Pension Fund;

- Obtaining an amortization extension from the Internal Revenue Service in 2005, and seeking a waiver of the conditions of that extension in 2009 in light of anticipated investment losses resulting from the 2008 collapse of the financial markets;

- Requiring as a condition of continued participation in the Fund that new bargaining agreements in the last several years include significant annual contribution rate increases; and

- Providing information to Congress and federal agencies with respect to legislative or regulatory proposals that appear to assist in addressing the funding challenges confronting the Fund.

And specifically during the Plan/calendar year 2011, the Trustees have, in addition to continuing with the implementation of the measures listed above, implemented the following measures to improve the Fund's funding:

- Approved a Distressed Employer Schedule as part of the Fund's Rehabilitation Plan. Pursuant to this Schedule, YRC, Inc. and its affiliate USF Holland, Inc., two distressed (but historically significant) Contributing Employers whose participation in the Fund the Trustees had been terminated by the Board of Trustees in July 2009 due to chronic contribution delinquencies, were permitted to resume Contributions at a rate lower than would have been permitted under the pre-2011 Rehabilitation Plan Schedules. The Trustees determined that this Contribution rate was the highest these Employers could pay without unduly risking their insolvency and dissolution. Therefore, the Trustees permitted these Employers to resume contributions in June 2011 at these lower rates under a newly approved Distressed Employer Schedule; this Schedule significantly adjusted the benefits of the affected Bargaining Unit members, and helped assure that despite the lower Contribution rates, the continued participation of these Employers would improve the Fund's funding.

- Adopted a new withdrawal liability method, and obtained approval of that method by the Pension Benefit Guaranty Corporation, under which new Contributing Employers, and existing Contributing Employers who satisfy their withdrawal liability under the Fund's historic (pre-2011) withdrawal liability method (*i.e.*, the "modified presumptive method"), will have any future withdrawal liability determined under the "direct attribution" method. Under direct attribution method, the Trustees believe that a Contributing Employer's potential exposure to future withdrawal is virtually eliminated. The Trustees believe that this new "hybrid" method will be attractive to some Contributing Employers who wish to continue to participate in the Fund, but may be concerned about the potential for future growth of their estimated withdrawal liability as calculated under the Fund's prior (pre-2011) withdrawal liability method. This, in turn, will tend to improve the Fund's funding position as Employers who might otherwise withdraw from the Fund are encouraged to continue to participate.

The Board of Trustees determined that mandating additional significant benefit cuts (beyond those provided in this updated rehabilitation plan), or mandating contribution rate increases at levels beyond those required in recent years, would substantially accelerate the rate at which employers would withdraw from the Fund, in large part because the Union could conclude that it would be in its members' best interest to agree to withdrawals. The Board of Trustees also determined that this acceleration of employer withdrawals would, in turn, accelerate the Fund's insolvency and would be counterproductive to the Trustees' effort to forestall insolvency.

EXHIBIT A

Primary Schedule: Contribution Rate Increases By Bargaining Agreement Year (all rate increases are to be compounded annually)

Calendar Year of Contribution Rate Increase	Year of Initial Bargaining Agreement Conforming to Primary Schedule						
	2006 & Earlier	2007	2008	2009	2010	2011	2012
2006	7%						
2007	7%	8%					
2008	7%	8%	8%				
2009	7%	8%	8%	8%			
2010	7%	8%	8%	8%	8%		
2011	6%	8%	8%	8%	8%	8%	
2012	5%	6%	8%	8%	8%	8%	8%
2013	4%	4%	6%	8%	8%	8%	8%
2014	4%	4%	6%	8%	8%	8%	8%
2015	4%	4%	6%	8%	8%	8%	8%
2016	4%	4%	4%	6%	8%	8%	8%
2017	4%	4%	4%	4%	6%	8%	8%
2018	4%	4%	4%	4%	4%	6%	8%
2019	4%	4%	4%	4%	4%	4%	6%
2020	4%	4%	4%	4%	4%	4%	4%
2021	4%	4%	4%	4%	4%	4%	4%
2022	4%	4%	4%	4%	4%	4%	4%
2023	4%	4%	4%	4%	4%	4%	4%
2024	4%	4%	4%	4%	4%	4%	4%
2025	4%	4%	4%	4%	4%	4%	4%
2026	4%	4%	4%	4%	4%	4%	4%
2027	4%	4%	4%	4%	4%	4%	4%

EXHIBIT B

Schedule for Actuarial Reduction of Age 65 Benefits

(applicable to Default Schedule and Rehabilitation Plan Withdrawal benefit adjustments for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011)

Age	Percent of Age 65 Benefit Based on Actuarial Equivalence
65	100%
64	90%
63	81%
62	74%
61	67%
60	61%
59	55%
58	50%
57	46%

APPENDIX M-4. REHABILITATION PLAN (INCLUDING 2012 UPDATE)

Section 1. PREAMBLE AND DEFINITIONS.

Appendix M comprising the Rehabilitation Plan was added to the Pension Plan effective on and after March 26, 2008, and has been amended from time to time since then.

This Appendix M-4 is added to the Pension Plan effective on and after December 31, 2012 in order to update the Rehabilitation Plan in compliance with the requirements of the Pension Protection Act of 2006 ("PPA").

The Central States, Southeast and Southwest Areas Pension Fund (the "Fund") was initially certified on March 24, 2008 by its actuary to be in "critical status" (sometimes referred to as the "red zone") under the PPA: the Fund's actuary has also certified the Fund to be in critical status in March of each subsequent year through March 2012. The Fund's Board of Trustees, as the plan sponsor of a "critical status" pension plan, is charged under the PPA with developing a "rehabilitation plan" designed to improve the financial condition of the Fund in accordance with the standards set forth in the PPA, and with annually updating the rehabilitation plan. Although for plan year 2009 the Fund was exempt from the update requirement, pursuant to an election under the Worker Retiree and Employer Recovery Act of 2008, for subsequent plan years the PPA provisions concerning the rehabilitation plan update process are applicable to the Fund. The purpose of this updated Rehabilitation Plan is to comply with those PPA provisions.

Under the PPA, a rehabilitation plan, including annual updates to the plan, must include one or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted by the parties obligated under agreements participating in the pension plan, may reasonably be expected to enable the Fund to emerge from critical status in accordance with the rehabilitation plan. The PPA also provides that one of the rehabilitation plan schedules of benefits and contributions shall be designated the "default" schedule. The default schedule must assume that there are no increases in contributions under the plan other than the increases necessary to emerge from critical status after future benefit accruals and other benefits have been reduced to the maximum extent permitted by law. The PPA also creates certain categories of "adjustable benefits" which may be reduced or eliminated dependent upon the outcome of bargaining over the rehabilitation plan schedules and dependent on the exercise of certain flexibility and discretion conferred upon the Board of Trustees by the PPA Adjustable benefits that may be affected in this manner include post-retirement death benefits, early retirement benefits or retirement-type subsidies, and generally any benefit that would be payable prior to normal retirement age (age 65 benefits under the Fund's Plan Document - or, as discussed below, a Contribution Based Benefit actuarially reduced to be equivalent to an age 65 benefit). As noted, the PPA also requires annual updates of the rehabilitation plan.

Unless otherwise indicated, all capitalized terms herein shall have the definitions and meanings assigned to them in the Fund's Pension Plan Document.

Section 2. SCHEDULES OF CONTRIBUTIONS AND BENEFITS.

With the PPA requirements outlined above in mind, the Fund's Board of Trustees hereby provides the following PPA Schedules to the parties charged with bargaining over agreements requiring contributions to the Fund.

A. PRIMARY SCHEDULE (EXCEPT AS NOTED, PRESERVES ALL CURRENT BENEFITS).

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers are in compliance with this Primary Schedule, there will be no change in benefit formulas, levels or payment options in effect on January 1, 2008, *except that* as provided in Section 2(J) below, Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date (within the meaning of ERISA § 305(i)(10)) on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Further, subject to the notice requirements of the PPA and other applicable law, any Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers incur a Rehabilitation Plan Withdrawal on or after March 26, 2008 shall have their Adjustable Benefits listed in Section 2(H) below eliminated or reduced to the extent indicated in Section 2(B)(1) below.

2. Contributions

Compliance with the Primary Schedule requires annually compounded contribution rate increases in accordance with Exhibit A effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each agreement anniversary date (or reallocation anniversary, where applicable) during the term of the new bargaining agreement to the extent indicated in Exhibit A, depending on the year that the new agreement is effective. Note that all contribution rate increases are annually compounded on the total contribution rate (including any reallocations of employee benefit contributions or agreed mid-contract contribution increases) immediately prior to the increase.

The required annual rate increase may be provided through annual allocations to pension contributions of general and aggregate employee benefit contribution increases that were negotiated at the outset of an agreement, but were not specifically allocated to pension contributions until subsequent contract years. The Primary Schedule requires 8% per year contribution rate increases for the first 5 years, 6% per year contribution rate increases for the next 3 years and 4% per year contribution rate increases each year thereafter for 2008 agreements under the Primary Schedule and comparable rate increases over time for all other agreements under the Primary Schedule *(see* Exhibit A).

Provided, however, that absent further amendment to this rehabilitation plan, as of June 1, 2011, any Collective Bargaining Agreement requiring contributions of (1) $348 per week for each full-time employee with respect to Participants covered by the National Master Automobile Transporter Agreement, and (2) $342 per week for each full-time employee with respect to all other Participants, will be deemed to be in compliance with the Primary Schedule *without* the need for additional annual rate increases.

Provided further that any Employer that qualifies as a New Employer under § 2.2(b) of Appendix E of the Pension Plan will be deemed, as of the date it qualifies

as a New Employer, to be in compliance with the Primary Schedule *without* the need for additional contribution rate increases.

B. DEFAULT SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non- Bargaining Unit employee groups participating in the Fund) whose Contributing Employers agree to comply with this Default Schedule [or who become subject to the Default Schedule due to a failure to achieve an agreement to accept one of the Rehabilitation Plan Schedules within the time frame specified under ERISA § 305(e)(3)(C)], the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Default Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee groups participating in the Fund):

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by 1/2% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57.

2. Contributions

Compliance with the Default Schedule consists of annually compounded contribution rate increases of 4% effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each anniversary thereof during the term of the agreement.

3. Effect of agreement to or imposition of Default Schedule.

(i) If a Contributing Employer agrees to the Default Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

(ii) If a Contributing Employer becomes subject to the Default Schedule by operation of ERISA Section 305(e)(3)(C), because the bargaining parties have failed to adopt either of the Schedules compliant with this Rehabilitation Plan within 180 days of the expiration of their prior Collective Bargaining Agreement, the Fund will then accept a Collective Bargaining Agreement that is compliant with the Primary Schedule described in this Rehabilitation Plan, provided that such new Collective Bargaining Agreement provides for Primary Schedule contribution rates that are retroactive to the expiration date

of the last Collective Bargaining Agreement that covered the affected Bargaining Unit.

C. DISTRESSED EMPLOYER SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers and contribution rates have been specifically accepted and approved by the Board of Trustees as satisfying the Qualifications for the Distressed Employer Schedule (as set forth in Section 2(C)(2) below), the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Distressed Employer Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee group participating in the Fund) that is accepted by the Board of Trustees as qualifying under the Distressed Employer Schedule:

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by ½% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) have not achieved a Retirement Date on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57, *and except that* any Participant who (i) has achieved a minimum age of 55 as of the date of the Distressed Employer's termination of participation in the Fund (see Section 2(C)(2) below) and (ii) has accrued a minimum of 25 years credit towards a Contributory Credit Pension or an And-Out Pension as of that date (see Pension Plan §§ 4.04, 4.05 and 4.06), shall be entitled to retain his eligibility for (but not gain further credit towards) any such Pension, *provided that* any such Participant has a minimum retirement age of 62.

2. Contributions and Qualifications for the Distressed Employer Schedule.

The Board of Trustees may deem a Collective Bargaining Agreement with contribution rates not in compliance with either the Primary Schedule or the Default Schedule to be in compliance with and subject to the Distressed Employer Schedule, if in the Board of Trustees' sole discretion, the Board determines that the Contributing Employer meets each of the following qualifications:

(i) the common stock of the Employer or its parent corporation (or other affiliate under 80% or more common control with the Employer) is publicly traded and registered pursuant to the securities laws of the United States;

(ii) the Employer has previously incurred a termination of its participation in the Fund due to an inability to remain current in its Contribution obligations, and the Employer was in terminated status immediately prior to executing the Agreement sought to be qualified under the Distressed Employer Schedule;

(iii) during the last ten years in which the Employer participated in the Fund prior to its termination, it had paid contributions to the Fund on behalf of at least 1,000 full-time employees per month (or had, including part-time employees, paid contributions on behalf of the equivalent of at least 1,000 full-time employees per month for the specified ten year period);

(iv) the Employer submits to a review of its financial condition and operations by the Fund's Staff and outside expert and consultants, and agrees to reimburse the Fund for all fees and expenses incurred by the Fund in this review (including, but not limited to, reimbursement to the Fund for the time devoted by the Fund's Staff to any such review, with this reimbursement to be made at market rates for comparable services performed by Fund's Staff);

(v) on the basis of this financial and operational review, it appears that the Employer is not able to contribute to the Fund at a higher rate than is indicated in the Collective Bargaining Agreement proposed for acceptance under the Distressed Employer Schedule, *and* that acceptance of the proposed Agreement is in the best interest of the Fund under all the circumstances and advances the goals of this Rehabilitation Plan; and

(vi) the Employer provides the Fund with first lien collateral in any and all unencumbered assets to the fullest extent it is able in order to fully secure (i) any delinquent or deferred Contribution obligations owed to the Fund, (ii) the Employer's obligation to make current and future pension contributions to the Fund, and (iii) any future withdrawal liability potentially incurred by the Employer (with the amount of such potential withdrawal liability to be determined based on estimates to be provided by the Fund).

3. Effect of agreement to or imposition of the Distressed Employer Schedule.

If a Contributing Employer becomes subject to the Distressed Employer Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

D. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER INCURRING A REHABILITATION PLAN WITHDRAWAL.

Subject to the provisos indicated in the final clauses of this Subsection D, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] with the Fund is on or after April 8, 2008, and:

(1) whose last Hour of Service prior to January 1, 2008 was earned while employed by United Parcel Service, Inc. ("UPS"), or with any trades or businesses at any time under common control with UPS, within the meaning of ERISA § 4001(b)(1); *or*

(2) who *(i)* has earned or earns an Hour of Service while employed with a Contributing Employer (or any predecessor or successor entity) that at any time on or after March 26, 2008 incurs a Rehabilitation Plan Withdrawal *(see* Section 2(I) below),

and *(ii)* whose *last* year of Contributory Service Credit *prior* to the Rehabilitation Plan Withdrawal was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) ultimately incurring such Withdrawal.

Proviso 1: *Provided, however,* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant Section 2(D)(2) above, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)) one year or more prior to the earlier of: (i) the date of such Rehabilitation Plan Withdrawal or (ii) the date of the expiration of the last Collective Bargaining Agreement requiring Employer Contributions under the Primary Schedule prior to such Withdrawal, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: And provided further that in the event of a Rehabilitation Plan Withdrawal resulting from an administrative termination of a Contributing Employer as referenced in Section 2(I)(3)(ii) below, the Board of Trustees shall have full discretionary authority (A) to decline to apply the elimination of Adjustable Benefits to Participants otherwise affected by a Rehabilitation Plan Withdrawal of this type who have submitted a pension application naming a Retirement Date to the Fund on or before the date selected by the Trustees as the effective date of the administrative termination which ended the Employer's obligation to contribute to the Pension Fund, and (B) to decline to apply the requirement of Section 2(G) below that a Participant incurring a benefit adjustment due to Rehabilitation Plan Withdrawal must cease employment with and the performance of services for the withdrawn Employer within 60 days of the Rehabilitation Plan Withdrawal in order to eventually qualify for a restoration of benefits; in exercising their discretionary authority under this Proviso 2, the Board of Trustees shall consider, weigh and balance the following factors:

(i) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination were aware of, participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the circumstances that led to the administrative termination of the Employer;

(ii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination benefited, directly or indirectly from the cessation of Employer Contributions or from the circumstances that led to the administrative termination of the Employer;

(iii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination resisted or attempted to alter, or acquiesced in, the circumstances that led to the administrative termination of the Employer;

(iv) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination have become engaged as employees or independent contractors in the service of operations that

were or are in whole or in part a successor of the operations of the Employer that has undergone the administrative termination; and

(v) the extent of the hardship that might be incurred by any actively employed members of the affected Bargaining Unit or by any members who submitted a retirement application prior to the effective date of the administrative termination due to the elimination of Adjustable Benefits.

Proviso 3: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant to Subsection D(2) above, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date of the Rehabilitation Plan Withdrawal.

E. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DEFAULT SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection E, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Section 8(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Default Schedule described herein; and

(2) whose *last* year of Contributory Service Credit prior to the Employer's becoming subject to the Default Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Default Schedule.

Proviso 1: *Provided, however.* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant to this Subsection E, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Default Schedule, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant this Subsection E. shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)) prior to the date on which the Contributing Employer became subject to the Default Schedule.

F. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DISTRESSED EMPLOYER SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection F. effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (with the exception indicated in Section 2(C)(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Distressed Employer Schedule described herein; and

(2) whose last year of Contributory Service Credit prior to the Employer's becoming subject to the Distressed Employer Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Distressed Employer Schedule.

Proviso 1: Provided, however, that any Pensioner otherwise subject to the reduction in Adjustable Benefits indicated in the Distressed Employer Schedule, due to his Contributing Employer becoming subject to that Schedule pursuant to this Subsection F, who has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)) one year or more prior to the Contributing Employer becoming subject to the Distressed Employer Schedule, shall not be subject to the reduction of Adjustable Benefits otherwise mandated by the Distressed Employer Schedule provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date, and provided further that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no Pensioners with Retirement Dates prior to September 24, 2010 shall be subject to such Distressed Employer Schedule benefit reduction.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the reduction of Adjustable Benefits. due to his Contributing Employer becoming subject to the Distressed Employer Schedule pursuant to this Subsection F, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such surviving spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Distressed Employer Schedule, *and provided* further in any event that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no spouse shall be subject to such Distressed Employer Schedule benefit reduction if the Participant's death occurred prior to September 24, 2010.

G. RESTORATION OF ADJUSTED BENEFITS.

Any Participant who incurs a benefit adjustment or elimination under the terms of Sections 2(A), 2(B), 2(C), 2(D), 2(E) or 2(F) above may have those affected benefits restored if, subsequent to the event causing the benefit adjustment, the Participant:

(1) in the case of benefit adjustment caused by a Rehabilitation Plan Withdrawal (see Section 2(I) below), permanently ceases all employment with, and performance of services in any capacity for, the Contributing Employer (and any successors or trades or businesses under common control with such Employer within the

meaning of ERISA § 4001(b)(1)) within 60 days of the occurrence of such Rehabilitation Plan Withdrawal; and

(2) in any case, subsequently earns one year of Contributory Service Credit with a Contributing Employer while that Employer is in compliance with the Primary Schedule described herein.

H. ADJUSTABLE BENEFITS.

As used herein, Adjustable Benefits shall mean and include:

(1) Any right to receive a Retirement Pension Benefit (Pension Plan, Article IV) prior to age 65 [including without limitation any pre-age 65 benefits that would otherwise be payable as *(i)* a Twenty Year Service Pension (Pension Plan § 4.01); *(ii)* a Contributory Credit Pension (Pension Plan § 4.04); *(iii)* a Vested Pension (Pension Plan§ 4.07); (iv) a Deferred Pension (Pension Plan§ 4.08); or *(v)* a Twenty-Year Deferred Pension (Pension Plan § 4.09)].

(2) Early retirement benefit or retirement-type subsidies [including without limitation *(i)* an Early Retirement Pension (Pension Plan Section 4.02); *(ii)* a 25-And-Out Pension (Pension Plan Section 4.05); or a 30-And-Out Pension (Pension Plan Section 4.06)].

(3) All Disability Benefits not yet in pay status (Pension Plan, Article V).

(4) Before Retirement Death Benefits (Pension Plan, Article VI) other than the 50% surviving spouse benefit.

(5) Post-retirement death benefits that are not part of the annuity form of payment.

(6) All Partial Pensions (Pension Plan, Appendix D), to the extent any such pension is tied to one or more of the Adjustable Benefits listed above.

(7) All Contribution-Based Pensions (Pension Plan § 4.03) except that, assuming the Participant meets all other requirements for receiving a Contribution-Based Pension, the Contribution-Based Pension is payable at age 65 reduced by 1/2% per month for each month prior to age 65 at the time of retirement with a minimum retirement age of 57. Such minimum retirement age shall not apply if the Participant retired prior to age 57 before the Participant's Adjustable Benefits were eliminated or reduced. In such circumstance, the Participant shall be entitled to receive the Contribution-Based Pension reduced by 1/2% per month for each month prior to age 65 at the time of retirement. *Provided, however,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the reductions in the Contribution-Based Pensions payable at age 65 referenced in this subparagraph (7) shall be based on actuarial equivalence in accordance with the Schedule attached as Exhibit B hereto.

(8) To the extent not already included in paragraphs (1) - (7) above, the following categories of benefits listed and defined as "adjustable benefits" under ERISA§ 305(e)(8)(iv):

(i) benefits, rights, and features under the plan, including post-retirement death benefits, 60-month guarantees, disability benefits not yet in pay status, and similar benefits,

(ii) any early retirement benefit or retirement-type subsidy (within the meaning of ERISA Section 204(g)(2)(A)) and any benefit payment option (other than the qualified joint and survivor annuity), and

(iii) benefit increases that would not be eligible for a guarantee under ERISA Section 4022A on the first day of the Fund's initial critical year under the PPA because the increases were adopted (or, if later, took effect) less than 60 months before such first day.

Provided, however, that except as provided in subparagraph (8)(iii) above, nothing in this paragraph shall be construed to reduce the level of a Participant's accrued benefit payable at normal retirement.

I. REHABILITATION PLAN WITHDRAWAL

Subject to the discretionary authority of the Board of Trustees indicated in the final clause of this Subsection I, a "Rehabilitation Plan Withdrawal" occurs on the date a Contributing Employer (a) is no longer required to make Employer Contributions to the Pension Fund under one or more of its Collective Bargaining Agreements, or (b) undergoes a significant reduction in its obligation to make Employer Contributions resulting from outsourcing or subcontracting work covered by the applicable Collective Bargaining Agreement(s), as a result of actions by members of a Bargaining Unit (or its representatives) or the Contributing Employer, which actions include, but are not limited to the following:

(1) decertification or other removal of the Union as a bargaining agent;

(2) ratification or other acceptance of a Collective Bargaining Agreement which permits withdrawal of the Bargaining Unit, in whole or in part, from the Pension Plan;

(3) administrative termination of the Contributing Employer with respect to any or all of its Collective Bargaining Agreements due to: (i) a violation of the Fund's rules with respect to the terms of a Collective Bargaining Agreement (including, without limitation, a provision providing for a split bargaining unit]; or (ii) a violation of any other Fund rule or policy [including, without limitation, practices or arrangements that result in adverse selection];

(4) any transaction or other event (including without limitation, a merger, consolidation, division, asset sale (other than an asset sale complying with ERISA § 4204), liquidation, dissolution, joint venture, outsourcing, subcontracting] whereby all or a portion of the operations for which the Contributing Employer has an obligation to contribute are continued (whether by the Contributing Employer or by another party) in whole or in part without maintaining the obligation to contribute to the Fund under the same or better terms (including, for example, as to number of participants and contribution rate) as existed before the transaction;

Provided, however, that with respect to the circumstances described in Subparagraphs. (3)(ii) or (4) above, the Board of Trustees shall have full

discretionary authority to consider, weigh and balance the following factors in determining whether a Rehabilitation Plan Withdrawal has occurred:

(i) the extent to which the affected Bargaining Unit or its bargaining representative participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the cessation of Employer Contributions;

(ii) the extent to which the affected Bargaining Unit benefited, directly or indirectly, from the cessation of Employer Contributions;

(iii) the extent to which the affected Bargaining Unit, or its bargaining representative, resisted or attempted to resist, or acquiesced in, the cessation of Employer Contributions;

(iv) the extent to which the affected Bargaining Unit, or any of its members, become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Contributing Employer who incurred the cessation of Employer Contributions; and

(v) the extent of the hardship that might be incurred by members of the affected Bargaining Unit by the elimination of Adjustable Benefits.

J. BENEFIT ADJUSTMENTS APPLICABLE TO ALL PARTICIPANTS (INCLUDING INACTIVE VESTED PARTICIPANTS) WHO HAVE NOT SUBMITTED A RETIREMENT APPLICATION ON OR BEFORE JULY 1, 2011 AND DO NOT HAVE A BENEFIT COMMENCEMENT ON OR BEFORE THAT DATE.

Minimum Retirement Age 57.

Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Section 3. REHABILITATION PLAN STANDARDS AND OBJECTIVES.

The Schedules of Contributions and Benefits discussed above have been formulated by the Fund's Board of Trustees as reasonable measures which, under reasonable actuarial assumptions, are designed and projected to forestall the possible insolvency of the Fund prior to 2023. Projections of insolvency may vary from year to year as actual experience may differ from assumptions.

The Trustees recognize the possibility that actual experience could be less favorable than the reasonable assumptions used for the Rehabilitation Plan on an annual basis. Consequently, the annual standards for meeting the requirements of the Rehabilitation Plan are as follows:

- Actuarial projections updated for each year show, based on reasonable assumptions, that under the Rehabilitation Plan and its schedules (as amended and updated from time to time) the Fund will forestall its possible insolvency *prior* to 2021.

Section 4. ALTERNATIVES CONSIDERED BY THE TRUSTEES.

The Board of Trustees considered numerous alternatives [including combinations of contribution rate increases (and other updates to the schedules of contribution rates in light of the experience of the Fund) and benefit adjustments] that might enable the Fund to emerge from Critical Status either by the end of ten year PPA Rehabilitation Period (which began on January 1, 2011 and ends on December 31, 2020), or to forestall possible insolvency indefinitely (beyond the date referenced above under the "Standards and Objectives" heading). Some of the alternatives considered were determined to be unreasonable measures. The various default and alternative schedules considered included the following:

Schedules considered by the Board of Trustees in formulating an initial 2008 rehabilitation plan that might permit the Fund to emerge by the end of the Rehabilitation Period on December 31. 2020:

Schedule	Benefit Reductions	Contribution Rate Increases
Default	Immediate maximum Critical Status benefit cuts for all participants to the extent permitted by law	15% per year until emergence in 2021 (plus an additional 1.6% annual increase for Benefit Classes 14 and below)
Alternative 1	Maintain current benefits	17% per year until emergence in 2021
Alternative 2	On the second anniversary of the new bargaining agreement, reduce the future benefit accrual rate from 1% of contributions payable at age 62 to 1% of contributions at payable at age 65	16% per year until emergence in 2021

In formulating the Fund's initial rehabilitation plan in 2008, the Board of Trustees concluded that utilizing any and all *possible* measures to emerge from Critical Status by the end of the 10-year presumptive Rehabilitation Period described in ERISA Section 305(e)(4), would be unreasonable and would involve considerable risk to the Fund and Fund participants. In particular, the Board of Trustees concluded that the continued existence of the Fund and the Trustees' ability to maintain and improve the Fund's funded status in accordance with the terms of the IRS approved amortization extension would be jeopardized by any attempt to emerge from critical status by the end of the presumptive 10-year Rehabilitation Period.

As shown above, based on January 1, 2008 valuation data, the emergence by the end of the presumptive 10 year Rehabilitation Period would require double-digit annual contribution rate increases. For example, the daily contribution rate would generally have to grow from $52 to over $300. Therefore, the Trustees concluded in 2008 that annual contribution rate increases above the 8%/6%/4% level in the Primary Schedule were not reasonable and could trigger mass withdrawals and significant losses to the Fund and the participants.

During the process of updating the Rehabilitation Plan in 2010, 2011 and 2012, the Trustees concluded that in light of current valuation data, the experience of the Fund and projections, the option available to the Fund under ERISA Section 305(e)(3)(ii) was to pursue reasonable measures to forestall a possible insolvency. The Trustees also concluded during the 2010, 2011 and 2012 update process that requiring annual contribution increases above the level described in the Primary Schedule would not be reasonable and would likely accelerate a possible insolvency of the Fund rather than forestall it.

In recent years, prior to Plan/calendar year 2012, the Trustees have implemented numerous measures to improve the Fund's funding. These have included:

- Reducing the benefit accrual rate from 2% of contributions to 1% of contributions;

- Protecting the "and-out" and early retirement benefits while freezing them at their year-end 2003 levels;

- Obtaining agreements from the major bargaining parties to reallocate significant amounts of annual benefit contributions to the Pension Fund;

- Obtaining an amortization extension from the Internal Revenue Service in 2005, and seeking a waiver of the conditions of that extension in 2009 in light of investment losses resulting from the weakness in financial in recent years;

- Requiring as a condition of continued participation in the Fund that new bargaining agreements in the last several years include significant annual contribution rate increases;

- Providing information to Congress and federal agencies with respect to legislative or regulatory proposals that appear to assist in addressing the funding challenges confronting the Fund;

- Approving a Distressed Employer Schedule as part of the Fund's Rehabilitation Plan under which YRC, Inc. and its affiliate USF Holland, Inc., two distressed (but historically significant) Contributing Employers, resumed Contributions in June 2011 at rates lower than would have been permitted under previous (pre-2011) Rehabilitation Plan Schedules; this Distressed Employer Schedule significantly adjusted the benefits of the affected Bargaining Unit members, and helped assure that despite the lower Contribution rates, the continued participation of these Employers would tend to improve overall pension funding; and

- Adopting a new withdrawal liability method, and obtaining approval of that method by the Pension Benefit Guaranty Corporation, under which new Contributing Employers, and existing Contributing Employers who satisfy their withdrawal liability under the Fund's historic (pre-2011) withdrawal liability method *(i.e.,* the "modified presumptive method"), will have any future withdrawal liability determined under the "direct attribution" method; the Trustees believe that this "hybrid" method will be attractive to some Contributing Employers who wish to continue to participate in the Fund, but may be concerned about the potential for future growth of their estimated withdrawal liability as calculated under the Fund's prior (pre-2011) withdrawal liability method, and that this, in turn, will encourage continued participation in the Fund and tend to improve overall pension funding.

And specifically during 2012, the Trustees continued to implement the funding improvement measures listed above, and also amended the Primary Schedule of the Rehabilitation Plan to permit Contributing Employers, who satisfy their existing withdrawal liability and qualify as New Employers eligible for the direct attribution method under the hybrid method, to comply with the Primary Schedule without the need for the contribution rate increases otherwise required under the Primary Schedule. The Trustees determined that this amendment to the Rehabilitation Plan will encourage existing Contributing Employers to satisfy their existing withdrawal liability and to continue their participation in the Fund as New Employers under the hybrid method; the Trustees determined that the New Employers' participation on these terms would tend to improve overall pension funding.

As part of their responsibility to consider updates to the Rehabilitation Plan for Plan Year 2012, the Board of Trustees also determined that mandating additional significant benefit cuts (beyond those provided in this updated Rehabilitation Plan), or (as noted) mandating contribution rate increases at levels beyond those required in recent years, would substantially accelerate the rate at which employers would withdraw from the Fund, in large part because the Union could conclude that it would be in its members' best interest to agree to withdrawals. The Board of Trustees also determined that this acceleration of employer withdrawals would, in turn, be counterproductive to the Trustees' effort to forestall possible insolvency.

Exhibit A

Primary Schedule: Contribution Rate Increases By Bargaining Agreement Year (all rate increases are to be compounded annually)

Calendar Year of Contribution Rate Increase	Year of Initial Bargaining Agreement Conforming to Primary Schedule							
	2006 & Earlier	2007	2008	2009	2010	2011	2012	2013
2006	7%							
2007	7%	8%						
2008	7%	8%	8%					
2009	7%	8%	8%	8%				
2010	7%	8%	8%	8%	8%			
2011	6%	8%	8%	8%	8%	8%		
2012	5%	6%	8%	8%	8%	8%	8%	
2013	4%	4%	6%	8%	8%	8%	8%	8%
2014	4%	4%	6%	8%	8%	8%	8%	8%
2015	4%	4%	6%	8%	8%	8%	8%	8%
2016	4%	4%	4%	6%	8%	8%	8%	8%
2017	4%	4%	4%	4%	6%	8%	8%	8%
2018	4%	4%	4%	4%	4%	6%	8%	8%
2019	4%	4%	4%	4%	4%	4%	6%	8%
2020	4%	4%	4%	4%	4%	4%	4%	6%
2021	4%	4%	4%	4%	4%	4%	4%	4%
2022	4%	4%	4%	4%	4%	4%	4%	4%
2023	4%	4%	4%	4%	4%	4%	4%	4%
2024	4%	4%	4%	4%	4%	4%	4%	4%
2025	4%	4%	4%	4%	4%	4%	4%	4%
2026	4%	4%	4%	4%	4%	4%	4%	4%
2027	4%	4%	4%	4%	4%	4%	4%	4%

EXHIBIT B

Schedule for Actuarial Reduction of Age 65 Benefits

(applicable to Default Schedule and Rehabilitation Plan Withdrawal benefit adjustments for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA§ 305(i)(10)] on or before July 1, 2011)

Age	Percent of Age 65 Benefit Based on Actuarial Equivalence
65	100%
64	90%
63	81%
62	74%
61	67%
60	61%
59	55%
58	50%
57	46%

APPENDIX M-5. REHABILITATION PLAN (INCLUDING 2013 UPDATE)

Section 1. PREAMBLE AND DEFINITIONS.

Appendix M comprising the Rehabilitation Plan was added to the Pension Plan effective on and after March 26, 2008, and has been amended from time to time since then.

This Appendix M-5 is added to the Pension Plan effective on and after December 31, 2013 in order to update the Rehabilitation Plan in compliance with the requirements of the Pension Protection Act of 2006 ("PPA").

The Central States, Southeast and Southwest Areas Pension Fund (the "Fund") was initially certified on March 24, 2008 by its actuary to be in "critical status" (sometimes referred to as the "red zone") under the PPA: the Fund's actuary has also certified the Fund to be in critical status in March of each subsequent year through March 2013. The Fund's Board of Trustees, as the plan sponsor of a "critical status" pension plan, is charged under the PPA with developing a "rehabilitation plan" designed to improve the financial condition of the Fund in accordance with the standards set forth in the PPA, and with annually updating the rehabilitation plan. Although for plan year 2009 the Fund was exempt from the update requirement, pursuant to an election under the Worker Retiree and Employer Recovery Act of 2008, for subsequent plan years the PPA provisions concerning the rehabilitation plan update process are applicable to the Fund. The purpose of this updated Rehabilitation Plan is to comply with those PPA provisions.

Under the PPA, a rehabilitation plan, including annual updates to the plan, must include one or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted by the parties obligated under agreements participating in the pension plan, may reasonably be expected to enable the Fund to emerge from critical status in accordance with the rehabilitation plan. The PPA also provides that one of the rehabilitation plan schedules of benefits and contributions shall be designated the "default" schedule. The default schedule must assume that there are no increases in contributions under the plan other than the increases necessary to emerge from critical status after future benefit accruals and other benefits have been reduced to the maximum extent permitted by law. The PPA also creates certain categories of "adjustable benefits" which may be reduced or eliminated dependent upon the outcome of bargaining over the rehabilitation plan schedules and dependent on the exercise of certain flexibility and discretion conferred upon the Board of Trustees by the PPA. Adjustable benefits that may be affected in this manner include post-retirement death benefits, early retirement benefits or retirement-type subsidies, and generally any benefit that would be payable prior to normal retirement age (age 65 benefits under the Fund's Plan Document - or, as discussed below, a Contribution Based Benefit actuarially reduced to be equivalent to an age 65 benefit). As noted, the PPA also requires annual updates of the rehabilitation plan.

Unless otherwise indicated, all capitalized terms herein shall have the definitions and meanings assigned to them in the Fund's Pension Plan Document.

Section 2. SCHEDULES OF CONTRIBUTIONS AND BENEFITS.

With the PPA requirements outlined above in mind, the Fund's Board of Trustees hereby provides the following PPA Schedules to the parties charged with bargaining over agreements requiring contributions to the Fund.

A. PRIMARY SCHEDULE (EXCEPT AS NOTED, PRESERVES ALL CURRENT BENEFITS).

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers are in compliance with this Primary Schedule, there will be no change in benefit formulas, levels or payment options in effect on January 1, 2008, *except that* as provided in Section 2(J) below, Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date (within the meaning of ERISA § 305(i)(10)) on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Further, subject to the notice requirements of the PPA and other applicable law, any Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers incur a Rehabilitation Plan Withdrawal on or after March 26, 2008 shall have their Adjustable Benefits listed in Section 2(H) below eliminated or reduced to the extent indicated in Section 2(B)(1) below.

2. Contributions

Compliance with the Primary Schedule requires annually compounded contribution rate increases in accordance with Exhibit A effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each agreement anniversary date (or reallocation anniversary, where applicable) during the term of the new bargaining agreement to the extent indicated in Exhibit A, depending on the year that the new agreement is effective. Note that all contribution rate increases are annually compounded on the total contribution rate (including any reallocations of employee benefit contributions or agreed mid-contract contribution increases) immediately prior to the increase.

The required annual rate increase may be provided through annual allocations to pension contributions of general and aggregate employee benefit contribution increases that were negotiated at the outset of an agreement, but were not specifically allocated to pension contributions until subsequent contract years. The Primary Schedule requires 8% per year contribution rate increases for the first 5 years, 6% per year contribution rate increases for the next 3 years and 4% per year contribution rate increases each year thereafter for 2008 agreements under the Primary Schedule and comparable rate increases over time for all other agreements under the Primary Schedule *(see* Exhibit A).

Provided, however, that absent further amendment to this rehabilitation plan, as of June 1, 2011, any Collective Bargaining Agreement requiring contributions of (1) $348 per week for each full-time employee with respect to Participants covered by the National Master Automobile Transporter Agreement, and (2) $342 per week for each full-time employee with respect to all other Participants, will be deemed to be in compliance with the Primary Schedule *without* the need for additional annual rate increases.

Provided further that any Employer that qualifies as a New Employer under § 2.2(b) of Appendix E of the Pension Plan will be deemed, as of the date it qualifies as a

New Employer, to be in compliance with the Primary Schedule *without* the need for additional contribution rate increases.

B. DEFAULT SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers agree to comply with this Default Schedule [or who become subject to the Default Schedule due to a failure to achieve an agreement to accept one of the Rehabilitation Plan Schedules within the time frame specified under ERISA § 305(e)(3)(C)], the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Default Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee groups participating in the Fund):

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by 1/2% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57.

2. Contributions

Compliance with the Default Schedule consists of annually compounded contribution rate increases of 4% effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each anniversary thereof during the term of the agreement.

3. Effect of agreement to or imposition of Default Schedule.

(i) If a Contributing Employer agrees to the Default Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

(ii) If a Contributing Employer becomes subject to the Default Schedule by operation of ERISA Section 305(e)(3)(C), because the bargaining parties have failed to adopt either of the Schedules compliant with this Rehabilitation Plan within 180 days of the expiration of their prior Collective Bargaining Agreement, the Fund will then accept a Collective Bargaining Agreement that is compliant with the Primary Schedule described in this Rehabilitation Plan, provided that such new Collective Bargaining Agreement provides for Primary Schedule contribution rates that are retroactive to the expiration date

of the last Collective Bargaining Agreement that covered the affected Bargaining Unit.

C. DISTRESSED EMPLOYER SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers and contribution rates have been specifically accepted and approved by the Board of Trustees as satisfying the Qualifications for the Distressed Employer Schedule (as set forth in Section 2(C)(2) below), the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Distressed Employer Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee group participating in the Fund) that is accepted by the Board of Trustees as qualifying under the Distressed Employer Schedule:

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by ½% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) have not achieved a Retirement Date on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57, *and except that* any Participant who (i) has achieved a minimum age of 55 as of the date of the Distressed Employer's termination of participation in the Fund (see Section 2(C)(2) below) and (ii) has accrued a minimum of 25 years credit towards a Contributory Credit Pension or an And-Out Pension as of that date (see Pension Plan §§ 4.04, 4.05 and 4.06), shall be entitled to retain his eligibility for (but not gain further credit towards) any such Pension, *provided that* any such Participant has a minimum retirement age of 62.

2. Contributions and Qualifications for the Distressed Employer Schedule.

The Board of Trustees may deem a Collective Bargaining Agreement with contribution rates not in compliance with either the Primary Schedule or the Default Schedule to be in compliance with and subject to the Distressed Employer Schedule, if in the Board of Trustees' sole discretion, the Board determines that the Contributing Employer meets each of the following qualifications:

(i) the common stock of the Employer or its parent corporation (or other affiliate under 80% or more common control with the Employer) is publicly traded and registered pursuant to the securities laws of the United States;

(ii) the Employer has previously incurred a termination of its participation in the Fund due to an inability to remain current in its Contribution obligations, and the Employer was in terminated status immediately prior to executing the Agreement sought to be qualified under the Distressed Employer Schedule;

(iii) during the last ten years in which the Employer participated in the Fund prior to its termination, it had paid contributions to the Fund on behalf of at least 1,000 full-time employees per month (or had, including part-time employees, paid contributions on behalf of the equivalent of at least 1,000 full-time employees per month for the specified ten year period);

(iv) the Employer submits to a review of its financial condition and operations by the Fund's Staff and outside expert and consultants, and agrees to reimburse the Fund for all fees and expenses incurred by the Fund in this review (including, but not limited to, reimbursement to the Fund for the time devoted by the Fund's Staff to any such review, with this reimbursement to be made at market rates for comparable services performed by Fund's Staff);

(v) on the basis of this financial and operational review, it appears that the Employer is not able to contribute to the Fund at a higher rate than is indicated in the Collective Bargaining Agreement proposed for acceptance under the Distressed Employer Schedule, *and* that acceptance of the proposed Agreement is in the best interest of the Fund under all the circumstances and advances the goals of this Rehabilitation Plan; and

(vi) the Employer provides the Fund with first lien collateral in any and all unencumbered assets to the fullest extent it is able in order to fully secure (i) any delinquent or deferred Contribution obligations owed to the Fund, (ii) the Employer's obligation to make current and future pension contributions to the Fund, and (iii) any future withdrawal liability potentially incurred by the Employer (with the amount of such potential withdrawal liability to be determined based on estimates to be provided by the Fund).

3. Effect of agreement to or imposition of the Distressed Employer Schedule.

If a Contributing Employer becomes subject to the Distressed Employer Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

D. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER INCURRING A REHABILITATION PLAN WITHDRAWAL.

Subject to the provisos indicated in the final clauses of this Subsection D, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] with the Fund is on or after April 8, 2008, and:

(1) whose last Hour of Service prior to January 1, 2008 was earned while employed by United Parcel Service, Inc. ("UPS"), or with any trades or businesses at any time under common control with UPS, within the meaning of ERISA § 4001(b)(1); *or*

(2) who *(i)* has earned or earns an Hour of Service while employed with a Contributing Employer (or any predecessor or successor entity) that at any time on or after March 26, 2008 incurs a Rehabilitation Plan Withdrawal *(see* Section 2(I) below),

and *(ii)* whose *last* year of Contributory Service Credit *prior* to the Rehabilitation Plan Withdrawal was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) ultimately incurring such Withdrawal.

Proviso 1: *Provided, however,* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant Section 2(D)(2) above, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the earlier of: (i) the date of such Rehabilitation Plan Withdrawal or (ii) the date of the expiration of the last Collective Bargaining Agreement requiring Employer Contributions under the Primary Schedule prior to such Withdrawal, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: And provided further that in the event of a Rehabilitation Plan Withdrawal resulting from an administrative termination of a Contributing Employer as referenced in Section 2(I)(3)(ii) below, the Board of Trustees shall have full discretionary authority (A) to decline to apply the elimination of Adjustable Benefits to Participants otherwise affected by a Rehabilitation Plan Withdrawal of this type who have submitted a pension application naming a Retirement Date to the Fund on or before the date selected by the Trustees as the effective date of the administrative termination which ended the Employer's obligation to contribute to the Pension Fund, and (B) to decline to apply the requirement of Section 2(G) below that a Participant incurring a benefit adjustment due to Rehabilitation Plan Withdrawal must cease employment with and the performance of services for the withdrawn Employer within 60 days of the Rehabilitation Plan Withdrawal in order to eventually qualify for a restoration of benefits; in exercising their discretionary authority under this Proviso 2, the Board of Trustees shall consider, weigh and balance the following factors:

(i) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination were aware of, participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the circumstances that led to the administrative termination of the Employer;

(ii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination benefited, directly or indirectly from the cessation of Employer Contributions or from the circumstances that led to the administrative termination of the Employer;

(iii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination resisted or attempted to alter, or acquiesced in, the circumstances that led to the administrative termination of the Employer;

(iv) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination have become engaged as employees or independent contractors in the service of operations that

were or are in whole or in part a successor of the operations of the Employer that has undergone the administrative termination; and

(v) the extent of the hardship that might be incurred by any actively employed members of the affected Bargaining Unit or by any members who submitted a retirement application prior to the effective date of the administrative termination due to the elimination of Adjustable Benefits.

Proviso 3: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant to Subsection D(2) above, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date of the Rehabilitation Plan Withdrawal.

E. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DEFAULT SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection E, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Section B(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Default Schedule described herein; and

(2) whose *last* year of Contributory Service Credit prior to the Employer's becoming subject to the Default Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Default Schedule.

Proviso 1: *Provided, however.* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant to this Subsection E, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Default Schedule, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant this Subsection E. shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Default Schedule.

F. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DISTRESSED EMPLOYER SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection F, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (with the exception indicated in Section 2(C)(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Distressed Employer Schedule described herein; and

(2) whose last year of Contributory Service Credit prior to the Employer's becoming subject to the Distressed Employer Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Distressed Employer Schedule.

Proviso 1: Provided, however, that any Pensioner otherwise subject to the reduction in Adjustable Benefits indicated in the Distressed Employer Schedule, due to his Contributing Employer becoming subject to that Schedule pursuant to this Subsection F, who has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Distressed Employer Schedule, shall not be subject to the reduction of Adjustable Benefits otherwise mandated by the Distressed Employer Schedule provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date, and provided further that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no Pensioners with Retirement Dates prior to September 24, 2010 shall be subject to such Distressed Employer Schedule benefit reduction.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the reduction of Adjustable Benefits. due to his Contributing Employer becoming subject to the Distressed Employer Schedule pursuant to this Subsection F, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such surviving spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Distressed Employer Schedule, *and provided* further in any event that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no spouse shall be subject to such Distressed Employer Schedule benefit reduction if the Participant's death occurred prior to September 24, 2010.

G. RESTORATION OF ADJUSTED BENEFITS.

Any Participant who incurs a benefit adjustment or elimination under the terms of Sections 2(A), 2(B), 2(C), 2(D), 2(E) or 2(F) above may have those affected benefits restored if, subsequent to the event causing the benefit adjustment, the Participant:

(1) in the case of benefit adjustment caused by a Rehabilitation Plan Withdrawal (see Section 2(I) below), permanently ceases all employment with, and performance of services in any capacity for, the Contributing Employer (and any successors or trades or businesses under common control with such Employer within the

meaning of ERISA § 4001(b)(1)) within 60 days of the occurrence of such Rehabilitation Plan Withdrawal; and

(2) in any case, subsequently earns one year of Contributory Service Credit with a Contributing Employer while that Employer is in compliance with the Primary Schedule described herein.

H. ADJUSTABLE BENEFITS.

As used herein, Adjustable Benefits shall mean and include:

(1) Any right to receive a Retirement Pension Benefit (Pension Plan, Article IV) prior to age 65 [including without limitation any pre-age 65 benefits that would otherwise be payable as *(i)* a Twenty Year Service Pension (Pension Plan § 4.01); *(ii)* a Contributory Credit Pension (Pension Plan § 4.04); *(iii)* a Vested Pension (Pension Plan § 4.07); (iv) a Deferred Pension (Pension Plan § 4.08); or *(v)* a Twenty-Year Deferred Pension (Pension Plan § 4.09)].

(2) Early retirement benefit or retirement-type subsidies [including without limitation *(i)* an Early Retirement Pension (Pension Plan § 4.02); *(ii)* a 25-And-Out Pension (Pension Plan § 4.05); or a 30-And-Out Pension (Pension Plan § 4.06)].

(3) All Disability Benefits not yet in pay status (Pension Plan, Article V).

(4) Before Retirement Death Benefits (Pension Plan, Article VI) other than the 50% surviving spouse benefit.

(5) Post-retirement death benefits that are not part of the annuity form of payment.

(6) All Partial Pensions (Pension Plan, Appendix D), to the extent any such pension is tied to one or more of the Adjustable Benefits listed above.

(7) All Contribution-Based Pensions (Pension Plan § 4.03) except that, assuming the Participant meets all other requirements for receiving a Contribution-Based Pension, the Contribution-Based Pension is payable at age 65 reduced by 1/2% per month for each month prior to age 65 at the time of retirement with a minimum retirement age of 57. Such minimum retirement age shall not apply if the Participant retired prior to age 57 before the Participant's Adjustable Benefits were eliminated or reduced. In such circumstance, the Participant shall be entitled to receive the Contribution-Based Pension reduced by 1/2% per month for each month prior to age 65 at the time of retirement. *Provided, however,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the reductions in the Contribution-Based Pensions payable at age 65 referenced in this subparagraph (7) shall be based on actuarial equivalence in accordance with the Schedule attached as Exhibit B hereto.

(8) To the extent not already included in paragraphs (1) - (7) above, the following categories of benefits listed and defined as "adjustable benefits" under ERISA§ 305(e)(8)(iv):

(i) benefits, rights, and features under the plan, including post-retirement death benefits, 60-month guarantees, disability benefits not yet in pay status, and similar benefits,

(ii) any early retirement benefit or retirement-type subsidy (within the meaning of ERISA Section 204(g)(2)(A)) and any benefit payment option (other than the qualified joint and survivor annuity), and

(iii) benefit increases that would not be eligible for a guarantee under ERISA Section 4022A on the first day of the Fund's initial critical year under the PPA because the increases were adopted (or, if later, took effect) less than 60 months before such first day.

Provided, however, that except as provided in subparagraph (8)(iii) above, nothing in this paragraph shall be construed to reduce the level of a Participant's accrued benefit payable at normal retirement.

I. REHABILITATION PLAN WITHDRAWAL

Subject to the discretionary authority of the Board of Trustees indicated in the final clause of this Subsection I, a "Rehabilitation Plan Withdrawal" occurs on the date a Contributing Employer (a) is no longer required to make Employer Contributions to the Pension Fund under one or more of its Collective Bargaining Agreements, or (b) undergoes a significant reduction in its obligation to make Employer Contributions resulting from outsourcing or subcontracting work covered by the applicable Collective Bargaining Agreement(s), as a result of actions by members of a Bargaining Unit (or its representatives) or the Contributing Employer, which actions include, but are not limited to the following:

(1) decertification or other removal of the Union as a bargaining agent;

(2) ratification or other acceptance of a Collective Bargaining Agreement which permits withdrawal of the Bargaining Unit, in whole or in part, from the Pension Plan;

(3) administrative termination of the Contributing Employer with respect to any or all of its Collective Bargaining Agreements due to: (i) a violation of the Fund's rules with respect to the terms of a Collective Bargaining Agreement (including, without limitation, a provision providing for a split bargaining unit); or (ii) a violation of any other Fund rule or policy (including, without limitation, practices or arrangements that result in adverse selection);

(4) any transaction or other event (including, without limitation, a merger, consolidation, division, asset sale (other than an asset sale complying with ERISA § 4204), liquidation, dissolution, joint venture, outsourcing, subcontracting) whereby all or a portion of the operations for which the Contributing Employer has an obligation to contribute are continued (whether by the Contributing Employer or by another party) in whole or in part without maintaining the obligation to contribute to the Fund under the same or better terms (including, for example, as to number of participants and contribution rate) as existed before the transaction;

Provided, however, that with respect to the circumstances described in Subparagraphs. (3)(ii) or (4) above, the Board of Trustees shall have full discretionary authority to

consider, weigh and balance the following factors in determining whether a Rehabilitation Plan Withdrawal has occurred:

(i) the extent to which the affected Bargaining Unit or its bargaining representative participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the cessation of Employer Contributions;

(ii) the extent to which the affected Bargaining Unit benefited, directly or indirectly, from the cessation of Employer Contributions;

(iii) the extent to which the affected Bargaining Unit, or its bargaining representative, resisted or attempted to resist, or acquiesced in, the cessation of Employer Contributions;

(iv) the extent to which the affected Bargaining Unit, or any of its members, become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Contributing Employer who incurred the cessation of Employer Contributions; and

(v) the extent of the hardship that might be incurred by members of the affected Bargaining Unit by the elimination of Adjustable Benefits.

J. BENEFIT ADJUSTMENTS APPLICABLE TO ALL PARTICIPANTS (INCLUDING INACTIVE VESTED PARTICIPANTS) WHO HAVE NOT SUBMITTED A RETIREMENT APPLICATION ON OR BEFORE JULY 1, 2011 AND DO NOT HAVE A BENEFIT COMMENCEMENT ON OR BEFORE THAT DATE.

Minimum Retirement Age 57.

Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Section 3. REHABILITATION PLAN STANDARDS AND OBJECTIVES.

The Schedules of Contributions and Benefits discussed above have been formulated by the Fund's Board of Trustees as reasonable measures which, under reasonable actuarial assumptions, are designed and projected to forestall the possible insolvency of the Fund prior to 2026. Projections of insolvency may vary from year to year as actual experience may differ from assumptions.

The Trustees recognize the possibility that actual experience could be less favorable than the reasonable assumptions used for the Rehabilitation Plan on an annual basis. Consequently, the annual standards for meeting the requirements of the Rehabilitation Plan are as follows:

- Actuarial projections updated for each year show, based on reasonable assumptions, that under the Rehabilitation Plan and its schedules (as amended and updated from time to time) the Fund will forestall its possible insolvency *prior* to 2023.

Section 4. ALTERNATIVES CONSIDERED BY THE TRUSTEES.

The Board of Trustees considered numerous alternatives [including combinations of contribution rate increases (and other updates to the schedules of contribution rates in light of the experience of the Fund) and benefit adjustments] that might enable the Fund to emerge from Critical Status either by the end of ten year PPA Rehabilitation Period (which began on January 1, 2011 and ends on December 31, 2020), or to forestall possible insolvency indefinitely (beyond the date referenced above under the "Standards and Objectives" heading). Some of the alternatives considered were determined to be unreasonable measures. The various default and alternative schedules considered included the following:

Schedules considered by the Board of Trustees in formulating an initial 2008 rehabilitation plan that might permit the Fund to emerge by the end of the Rehabilitation Period on December 31. 2020:

Schedule	Benefit Reductions	Contribution Rate Increases
Default	Immediate maximum Critical Status benefit cuts for all participants to the extent permitted by law	15% per year until emergence in 2021 (plus an additional 1.6% annual increase for Benefit Classes 14 and below)
Alternative 1	Maintain current benefits	17% per year until emergence in 2021
Alternative 2	On the second anniversary of the new bargaining agreement, reduce the future benefit accrual rate from 1% of contributions payable at age 62 to 1% of contributions at payable at age 65	16% per year until emergence in 2021

In formulating the Fund's initial rehabilitation plan in 2008, the Board of Trustees concluded that utilizing any and all *possible* measures to emerge from Critical Status by the end of the 10-year presumptive Rehabilitation Period described in ERISA Section 305(e)(4), would be unreasonable and would involve considerable risk to the Fund and Fund participants. In particular, the Board of Trustees concluded that the continued existence of the Fund and the Trustees' ability to maintain and improve the Fund's funded status in accordance with the terms of the IRS approved amortization extension would be jeopardized by any attempt to emerge from critical status by the end of the presumptive 10-year Rehabilitation Period.

As shown above, based on January 1, 2008 valuation data, the emergence by the end of the presumptive 10 year Rehabilitation Period would require double-digit annual contribution rate increases. For example, the daily contribution rate would generally have to grow from $52 to over $300. Therefore, the Trustees concluded in 2008 that annual contribution rate increases above the 8%/6%/4% level in the Primary Schedule were not reasonable and could trigger mass withdrawals and significant losses to the Fund and the participants.

During the process of updating the Rehabilitation Plan in 2010, 2011, 2012 and 2013 the Trustees concluded that in light of current valuation data available in each of those years, the experience of the Fund and projections, the option available to the Fund under ERISA Section 305(e)(3)(ii) was to pursue reasonable measures to forestall a possible insolvency. The Trustees also concluded during the 2010, 2011, 2012 and 2013 update process that requiring annual contribution increases above the level described in the Primary Schedule would not be reasonable and would likely accelerate a possible insolvency of the Fund rather than forestall it.

In recent years, prior to Plan/calendar year 2013, the Trustees have implemented (and, where applicable, have continued to implement) numerous measures to improve the Fund's funding. These have included:

- Reducing the benefit accrual rate from 2% of contributions to 1% of contributions;

- Protecting the "and-out" and early retirement benefits while freezing them at their year-end 2003 levels;

- Obtaining agreements from the major bargaining parties to reallocate significant amounts of annual benefit contributions to the Pension Fund;

- Obtaining an amortization extension from the Internal Revenue Service in 2005, and seeking a waiver of the conditions of that extension in 2009 in light of investment losses resulting from the weakness in financial markets in recent years;

- Requiring as a condition of continued participation in the Fund that new bargaining agreements in the last several years include significant annual contribution rate increases;

- Providing information to Congress and federal agencies with respect to legislative or regulatory proposals that appear to assist in addressing the funding challenges confronting the Fund;

- Approving a Distressed Employer Schedule as part of the Fund's Rehabilitation Plan under which YRC, Inc. and its affiliate USF Holland, Inc., two distressed (but historically significant) Contributing Employers, resumed Contributions in June 2011 at rates lower than would have been permitted under previous (pre-2011) Rehabilitation Plan Schedules; this Distressed Employer Schedule significantly adjusted the benefits of the affected Bargaining Unit members, and helped assure that despite the lower Contribution rates, the continued participation of these Employers would tend to improve overall pension funding; and

- Adopting a new withdrawal liability method, and obtaining approval of that method by the Pension Benefit Guaranty Corporation, under which new Contributing Employers, and existing Contributing Employers who satisfy their withdrawal liability under the Fund's historic (pre-2011) withdrawal liability method *(i.e.,* the "modified presumptive method"), will have any future withdrawal liability determined under the "direct attribution" method; the Trustees believe that this "hybrid" method will be attractive to some Contributing Employers who wish to continue to participate in the Fund, but may be concerned about the potential for future growth of their estimated withdrawal liability as calculated under the Fund's prior (pre-2011) withdrawal liability method, and that this, in turn, will encourage continued participation in the Fund and tend to improve overall pension funding.

- Amending the Primary Schedule of the Rehabilitation Plan to permit Contributing Employers, who satisfy their existing withdrawal liability and qualify as New Employers eligible for the direct attribution method under the hybrid method, to comply with the Primary Schedule without the need for the contribution rate increases otherwise required under the Primary Schedule. The Trustees determined that this amendment to the Rehabilitation Plan will encourage existing Contributing Employers to satisfy their existing withdrawal liability and to continue their participation in the Fund as New Employers under the hybrid method; the Trustees determined that the New Employers'

participation on these terms would tend to improve overall pension funding.

As part of their responsibility to consider updates to the Rehabilitation Plan for Plan Year 2013, the Board of Trustees also determined that mandating additional significant benefit cuts (beyond those provided in this updated Rehabilitation Plan), or (as noted) mandating contribution rate increases at levels beyond those required in recent years, would substantially accelerate the rate at which employers would withdraw from the Fund, in large part because the Union could conclude that it would be in its members' best interest to agree to withdrawals. The Board of Trustees also determined that this acceleration of employer withdrawals would, in turn, be counterproductive to the Trustees' effort to forestall possible insolvency.

Exhibit A

Primary Schedule: Contribution Rate Increases By Bargaining Agreement Year (all rate increases are to be compounded annually)

Calendar Year of Contribution Rate Increase	Year of initial Bargaining Agreement Conforming to Primary Schedule								
	2006 & Earlier	2007	2008	2009	2010	2011	2012	2013	2014
2006	7%								
2007	7%	8%							
2008	7%	8%	8%						
2009	7%	8%	8%	8%					
2010	7%	8%	8%	8%	8%				
2011	6%	8%	8%	8%	8%	8%			
2012	5%	6%	8%	8%	8%	8%	8%		
2013	4%	4%	6%	8%	8%	8%	8%	8%	
2014	4%	4%	6%	8%	8%	8%	8%	8%	8%
2015	4%	4%	6%	8%	8%	8%	8%	8%	8%
2016	4%	4%	4%	6%	8%	8%	8%	8%	8%
2017	4%	4%	4%	4%	6%	8%	8%	8%	8%
2018	4%	4%	4%	4%	4%	6%	8%	8%	8%
2019	4%	4%	4%	4%	4%	4%	6%	8%	8%
2020	4%	4%	4%	4%	4%	4%	4%	6%	8%
2021	4%	4%	4%	4%	4%	4%	4%	4%	6%
2022	4%	4%	4%	4%	4%	4%	4%	4%	4%
2023	4%	4%	4%	4%	4%	4%	4%	4%	4%
2024	4%	4%	4%	4%	4%	4%	4%	4%	4%
2025	4%	4%	4%	4%	4%	4%	4%	4%	4%
2026	4%	4%	4%	4%	4%	4%	4%	4%	4%
2027	4%	4%	4%	4%	4%	4%	4%	4%	4%

EXHIBIT B

Schedule for Actuarial Reduction of Age 65 Benefits

(Applicable to Default Schedule and Rehabilitation Plan Withdrawal benefit adjustments for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA§ 305(i)(10)] on or before July 1, 2011)

Age	Percent of Age 65 Benefit Based on Actuarial Equivalence
65	100%
64	90%
63	81%
62	74%
61	67%
60	61%
59	55%
58	50%
57	46%

APPENDIX M-6. REHABILITATION PLAN (INCLUDING 2014 UPDATE)

Section 1. PREAMBLE AND DEFINITIONS.

Appendix M comprising the Rehabilitation Plan was added to the Pension Plan effective on and after March 26, 2008, and has been amended from time to time since then.

This Appendix M-6 is added to the Pension Plan effective on and after December 31, 2014 in order to update the Rehabilitation Plan in compliance with the requirements of the Pension Protection Act of 2006 ("PPA").

The Central States, Southeast and Southwest Areas Pension Fund (the "Fund") was initially certified on March 24, 2008 by its actuary to be in "critical status" (sometimes referred to as the "red zone") under the PPA: the Fund's actuary has also certified the Fund to be in critical status in March of each subsequent year through March 201. The Fund's Board of Trustees, as the plan sponsor of a "critical status" pension plan, is charged under the PPA with developing a "rehabilitation plan" designed to improve the financial condition of the Fund in accordance with the standards set forth in the PPA, and with annually updating the rehabilitation plan. Although for plan year 2009 the Fund was exempt from the update requirement, pursuant to an election under the Worker Retiree and Employer Recovery Act of 2008, for subsequent plan years the PPA provisions concerning the rehabilitation plan update process are applicable to the Fund. The purpose of this updated Rehabilitation Plan is to comply with those PPA provisions.

Under the PPA, a rehabilitation plan, including annual updates to the plan, must include one or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted by the parties obligated under agreements participating in the pension plan, may reasonably be expected to enable the Fund to emerge from critical status in accordance with the rehabilitation plan. The PPA also provides that one of the rehabilitation plan schedules of benefits and contributions shall be designated the "default" schedule. The default schedule must assume that there are no increases in contributions under the plan other than the increases necessary to emerge from critical status after future benefit accruals and other benefits have been reduced to the maximum extent permitted by law. The PPA also creates certain categories of "adjustable benefits" which may be reduced or eliminated dependent upon the outcome of bargaining over the rehabilitation plan schedules and dependent on the exercise of certain flexibility and discretion conferred upon the Board of Trustees by the PPA. Adjustable benefits that may be affected in this manner include post-retirement death benefits, early retirement benefits or retirement-type subsidies, and generally any benefit that would be payable prior to normal retirement age (age 65 benefits under the Fund's Plan Document - or, as discussed below, a Contribution Based Benefit actuarially reduced to be equivalent to an age 65 benefit). As noted, the PPA also requires annual updates of the rehabilitation plan.

Unless otherwise indicated, all capitalized terms herein shall have the definitions and meanings assigned to them in the Fund's Pension Plan Document.

Section 2. SCHEDULES OF CONTRIBUTIONS AND BENEFITS.

With the PPA requirements outlined above in mind, the Fund's Board of Trustees hereby provides the following PPA Schedules to the parties charged with bargaining over agreements requiring contributions to the Fund.

A. PRIMARY SCHEDULE (EXCEPT AS NOTED, PRESERVES ALL CURRENT BENEFITS).

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers are in compliance with this Primary Schedule, there will be no change in benefit formulas, levels or payment options in effect on January 1, 2008, *except that* as provided in Section 2(J) below, Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date (within the meaning of ERISA § 305(i)(10)) on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Further, subject to the notice requirements of the PPA and other applicable law, any Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers incur a Rehabilitation Plan Withdrawal on or after March 26, 2008 shall have their Adjustable Benefits listed in Section 2(H) below eliminated or reduced to the extent indicated in Section 2(B)(1) below.

2. Contributions

Compliance with the Primary Schedule requires annually compounded contribution rate increases in accordance with Exhibit A effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each agreement anniversary date (or reallocation anniversary, where applicable) during the term of the new bargaining agreement to the extent indicated in Exhibit A, depending on the year that the new agreement is effective. Note that all contribution rate increases are annually compounded on the total contribution rate (including any reallocations of employee benefit contributions or agreed mid-contract contribution increases) immediately prior to the increase.

The required annual rate increase may be provided through annual allocations to pension contributions of general and aggregate employee benefit contribution increases that were negotiated at the outset of an agreement, but were not specifically allocated to pension contributions until subsequent contract years. The Primary Schedule requires 8% per year contribution rate increases for the first 5 years, 6% per year contribution rate increases for the next 3 years and 4% per year contribution rate increases each year thereafter for 2008 agreements under the Primary Schedule and comparable rate increases over time for all other agreements under the Primary Schedule *(see* Exhibit A).

Provided, however, that absent further amendment to this rehabilitation plan, as of June 1, 2011, any Collective Bargaining Agreement requiring contributions of (1) $348 per week for each full-time employee with respect to Participants covered by the National Master Automobile Transporter Agreement, and (2) $342 per week for each full-time employee with respect to all other Participants, will be deemed to be in compliance with the Primary Schedule *without* the need for additional annual rate increases.

Provided further that any Employer that qualifies as a New Employer under § 2.2(b) of Appendix E of the Pension Plan will be deemed, as of the date it qualifies as a

New Employer, to be in compliance with the Primary Schedule *without* the need for additional contribution rate increases.

B. DEFAULT SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers agree to comply with this Default Schedule [or who become subject to the Default Schedule due to a failure to achieve an agreement to accept one of the Rehabilitation Plan Schedules within the time frame specified under ERISA § 305(e)(3)(C)], the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Default Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee groups participating in the Fund):

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by 1/2% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57.

2. Contributions

Compliance with the Default Schedule consists of annually compounded contribution rate increases of 4% effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each anniversary thereof during the term of the agreement.

3. Effect of agreement to or imposition of Default Schedule.

(i) If a Contributing Employer agrees to the Default Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

(ii) If a Contributing Employer becomes subject to the Default Schedule by operation of ERISA Section 305(e)(3)(C), because the bargaining parties have failed to adopt either of the Schedules compliant with this Rehabilitation Plan within 180 days of the expiration of their prior Collective Bargaining Agreement, the Fund will then accept a Collective Bargaining Agreement that is compliant with the Primary Schedule described in this Rehabilitation Plan, provided that such new Collective Bargaining Agreement provides for Primary Schedule contribution rates

that are retroactive to the expiration date of the last Collective Bargaining Agreement that covered the affected Bargaining Unit.

C. DISTRESSED EMPLOYER SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers and contribution rates have been specifically accepted and approved by the Board of Trustees as satisfying the Qualifications for the Distressed Employer Schedule (as set forth in Section 2(C)(2) below), the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Distressed Employer Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee group participating in the Fund) that is accepted by the Board of Trustees as qualifying under the Distressed Employer Schedule:

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by ½% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) have not achieved a Retirement Date on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57, *and except that* any Participant who (i) has achieved a minimum age of 55 as of the date of the Distressed Employer's termination of participation in the Fund (see Section 2(C)(2) below) and (ii) has accrued a minimum of 25 years credit towards a Contributory Credit Pension or an And-Out Pension as of that date (see Pension Plan §§ 4.04, 4.05 and 4.06), shall be entitled to retain his eligibility for (but not gain further credit towards) any such Pension, *provided that* any such Participant has a minimum retirement age of 62.

2. Contributions and Qualifications for the Distressed Employer Schedule.

The Board of Trustees may deem a Collective Bargaining Agreement with contribution rates not in compliance with either the Primary Schedule or the Default Schedule to be in compliance with and subject to the Distressed Employer Schedule, if in the Board of Trustees' sole discretion, the Board determines that the Contributing Employer meets each of the following qualifications:

(i) the common stock of the Employer or its parent corporation (or other affiliate under 80% or more common control with the Employer) is publicly traded and registered pursuant to the securities laws of the United States;

(ii) the Employer has previously incurred a termination of its participation in the Fund due to an inability to remain current in its Contribution obligations, and the Employer was in terminated status immediately prior to executing the Agreement sought to be qualified under the Distressed Employer Schedule;

(iii) during the last ten years in which the Employer participated in the Fund prior to its termination, it had paid contributions to the Fund on behalf of at least 1,000 full-time employees per month (or had, including part-time employees, paid contributions on behalf of the equivalent of at least 1,000 full-time employees per month for the specified ten year period);

(iv) the Employer submits to a review of its financial condition and operations by the Fund's Staff and outside expert and consultants, and agrees to reimburse the Fund for all fees and expenses incurred by the Fund in this review (including, but not limited to, reimbursement to the Fund for the time devoted by the Fund's Staff to any such review, with this reimbursement to be made at market rates for comparable services performed by Fund's Staff);

(v) on the basis of this financial and operational review, it appears that the Employer is not able to contribute to the Fund at a higher rate than is indicated in the Collective Bargaining Agreement proposed for acceptance under the Distressed Employer Schedule, *and* that acceptance of the proposed Agreement is in the best interest of the Fund under all the circumstances and advances the goals of this Rehabilitation Plan; and

(vi) the Employer provides the Fund with first lien collateral in any and all unencumbered assets to the fullest extent it is able in order to fully secure (i) any delinquent or deferred Contribution obligations owed to the Fund, (ii) the Employer's obligation to make current and future pension contributions to the Fund, and (iii) any future withdrawal liability potentially incurred by the Employer (with the amount of such potential withdrawal liability to be determined based on estimates to be provided by the Fund).

3. Effect of agreement to or imposition of the Distressed Employer Schedule.

If a Contributing Employer becomes subject to the Distressed Employer Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

D. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER INCURRING A REHABILITATION PLAN WITHDRAWAL.

Subject to the provisos indicated in the final clauses of this Subsection D, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] with the Fund is on or after April 8, 2008, and:

(1) whose last Hour of Service prior to January 1, 2008 was earned while employed by United Parcel Service, Inc. ("UPS"), or with any trades or businesses at any time under common control with UPS, within the meaning of ERISA § 4001(b)(1); *or*

(2) who *(i)* has earned or earns an Hour of Service while employed with a Contributing Employer (or any predecessor or successor entity) that at any time on or after March 26, 2008 incurs a Rehabilitation Plan Withdrawal *(see* Section 2(I) below),

and *(ii)* whose *last* year of Contributory Service Credit *prior* to the Rehabilitation Plan Withdrawal was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) ultimately incurring such Withdrawal.

Proviso 1: *Provided, however,* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant Section 2(D)(2) above, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the earlier of: (i) the date of such Rehabilitation Plan Withdrawal or (ii) the date of the expiration of the last Collective Bargaining Agreement requiring Employer Contributions under the Primary Schedule prior to such Withdrawal, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: And provided further that in the event of a Rehabilitation Plan Withdrawal resulting from an administrative termination of a Contributing Employer as referenced in Section 2(I)(3)(ii) below, the Board of Trustees shall have full discretionary authority (A) to decline to apply the elimination of Adjustable Benefits to Participants otherwise affected by a Rehabilitation Plan Withdrawal of this type who have submitted a pension application naming a Retirement Date to the Fund on or before the date selected by the Trustees as the effective date of the administrative termination which ended the Employer's obligation to contribute to the Pension Fund, and (B) to decline to apply the requirement of Section 2(G) below that a Participant incurring a benefit adjustment due to Rehabilitation Plan Withdrawal must cease employment with and the performance of services for the withdrawn Employer within 60 days of the Rehabilitation Plan Withdrawal in order to eventually qualify for a restoration of benefits; in exercising their discretionary authority under this Proviso 2, the Board of Trustees shall consider, weigh and balance the following factors:

(i) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination were aware of, participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the circumstances that led to the administrative termination of the Employer;

(ii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination benefited, directly or indirectly from the cessation of Employer Contributions or from the circumstances that led to the administrative termination of the Employer;

(iii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination resisted or attempted to alter, or acquiesced in, the circumstances that led to the administrative termination of the Employer;

(iv) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination have become engaged as employees or independent contractors in the service of

operations that were or are in whole or in part a successor of the operations of the Employer that has undergone the administrative termination; and

(v) the extent of the hardship that might be incurred by any actively employed members of the affected Bargaining Unit or by any members who submitted a retirement application prior to the effective date of the administrative termination due to the elimination of Adjustable Benefits.

Proviso 3: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant to Subsection D(2) above, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date of the Rehabilitation Plan Withdrawal.

E. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DEFAULT SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection E, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Section B(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Default Schedule described herein; and

(2) whose *last* year of Contributory Service Credit prior to the Employer's becoming subject to the Default Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Default Schedule.

Proviso 1: *Provided, however.* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant to this Subsection E, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Default Schedule, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant this Subsection E. shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Default Schedule.

F. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DISTRESSED EMPLOYER SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection F, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (with the exception indicated in Section 2(C)(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Distressed Employer Schedule described herein; and

(2) whose last year of Contributory Service Credit prior to the Employer's becoming subject to the Distressed Employer Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Distressed Employer Schedule.

Proviso 1: Provided, however, that any Pensioner otherwise subject to the reduction in Adjustable Benefits indicated in the Distressed Employer Schedule, due to his Contributing Employer becoming subject to that Schedule pursuant to this Subsection F, who has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Distressed Employer Schedule, shall not be subject to the reduction of Adjustable Benefits otherwise mandated by the Distressed Employer Schedule provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date, and provided further that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no Pensioners with Retirement Dates prior to September 24, 2010 shall be subject to such Distressed Employer Schedule benefit reduction.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the reduction of Adjustable Benefits. due to his Contributing Employer becoming subject to the Distressed Employer Schedule pursuant to this Subsection F, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such surviving spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Distressed Employer Schedule, *and provided* further in any event that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no spouse shall be subject to such Distressed Employer Schedule benefit reduction if the Participant's death occurred prior to September 24, 2010.

G. RESTORATION OF ADJUSTED BENEFITS.

Any Participant who incurs a benefit adjustment or elimination under the terms of Sections 2(A), 2(B), 2(C), 2(D), 2(E) or 2(F) above may have those affected benefits restored if, subsequent to the event causing the benefit adjustment, the Participant:

(1) in the case of benefit adjustment caused by a Rehabilitation Plan Withdrawal (see Section 2(I) below), permanently ceases all employment with, and performance of services in any capacity for, the Contributing Employer (and any successors or trades or businesses under common control with such Employer within the

meaning of ERISA § 4001(b)(1)) within 60 days of the occurrence of such Rehabilitation Plan Withdrawal; and

(2) in any case, subsequently earns one year of Contributory Service Credit with a Contributing Employer while that Employer is in compliance with the Primary Schedule described herein.

H. ADJUSTABLE BENEFITS.

As used herein, Adjustable Benefits shall mean and include:

(1) Any right to receive a Retirement Pension Benefit (Pension Plan, Article IV) prior to age 65 [including without limitation any pre-age 65 benefits that would otherwise be payable as *(i)* a Twenty Year Service Pension (Pension Plan § 4.01); *(ii)* a Contributory Credit Pension (Pension Plan § 4.04); *(iii)* a Vested Pension (Pension Plan § 4.07); (iv) a Deferred Pension (Pension Plan § 4.08); or *(v)* a Twenty-Year Deferred Pension (Pension Plan § 4.09)].

(2) Early retirement benefit or retirement-type subsidies [including without limitation *(i)* an Early Retirement Pension (Pension Plan § 4.02); *(ii)* a 25-And-Out Pension (Pension Plan § 4.05); or a 30-And-Out Pension (Pension Plan § 4.06)].

(3) All Disability Benefits not yet in pay status (Pension Plan, Article V).

(4) Before Retirement Death Benefits (Pension Plan, Article VI) other than the 50% surviving spouse benefit.

(5) Post-retirement death benefits that are not part of the annuity form of payment.

(6) All Partial Pensions (Pension Plan, Appendix D), to the extent any such pension is tied to one or more of the Adjustable Benefits listed above.

(7) All Contribution-Based Pensions (Pension Plan § 4.03) except that, assuming the Participant meets all other requirements for receiving a Contribution-Based Pension, the Contribution-Based Pension is payable at age 65 reduced by 1/2% per month for each month prior to age 65 at the time of retirement with a minimum retirement age of 57. Such minimum retirement age shall not apply if the Participant retired prior to age 57 before the Participant's Adjustable Benefits were eliminated or reduced. In such circumstance, the Participant shall be entitled to receive the Contribution-Based Pension reduced by 1/2% per month for each month prior to age 65 at the time of retirement. *Provided, however,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the reductions in the Contribution-Based Pensions payable at age 65 referenced in this subparagraph (7) shall be based on actuarial equivalence in accordance with the Schedule attached as Exhibit B hereto.

(8) To the extent not already included in paragraphs (1) - (7) above, the following categories of benefits listed and defined as "adjustable benefits" under ERISA§ 305(e)(8)(iv):

(i) benefits, rights, and features under the plan, including post-retirement death benefits, 60-month guarantees, disability benefits not yet in pay status, and similar benefits,

(ii) any early retirement benefit or retirement-type subsidy (within the meaning of ERISA Section 204(g)(2)(A)) and any benefit payment option (other than the qualified joint and survivor annuity), and

(iii) benefit increases that would not be eligible for a guarantee under ERISA Section 4022A on the first day of the Fund's initial critical year under the PPA because the increases were adopted (or, if later, took effect) less than 60 months before such first day.

Provided, however, that except as provided in subparagraph (8)(iii) above, nothing in this paragraph shall be construed to reduce the level of a Participant's accrued benefit payable at normal retirement.

I. REHABILITATION PLAN WITHDRAWAL

Subject to the discretionary authority of the Board of Trustees indicated in the final clause of this Subsection I, a "Rehabilitation Plan Withdrawal" occurs on the date a Contributing Employer (a) is no longer required to make Employer Contributions to the Pension Fund under one or more of its Collective Bargaining Agreements, or (b) undergoes a significant reduction in its obligation to make Employer Contributions resulting from outsourcing or subcontracting work covered by the applicable Collective Bargaining Agreement(s), as a result of actions by members of a Bargaining Unit (or its representatives) or the Contributing Employer, which actions include, but are not limited to the following:

(1) decertification or other removal of the Union as a bargaining agent;

(2) ratification or other acceptance of a Collective Bargaining Agreement which permits withdrawal of the Bargaining Unit, in whole or in part, from the Pension Plan;

(3) administrative termination of the Contributing Employer with respect to any or all of its Collective Bargaining Agreements due to: (i) a violation of the Fund's rules with respect to the terms of a Collective Bargaining Agreement (including, without limitation, a provision providing for a split bargaining unit); or (ii) a violation of any other Fund rule or policy (including, without limitation, practices or arrangements that result in adverse selection);

(4) any transaction or other event (including, without limitation, a merger, consolidation, division, asset sale (other than an asset sale complying with ERISA § 4204), liquidation, dissolution, joint venture, outsourcing, subcontracting) whereby all or a portion of the operations for which the Contributing Employer has an obligation to contribute are continued (whether by the Contributing Employer or by another party) in whole or in part without maintaining the obligation to contribute to the Fund under the same or better terms (including, for example, as to number of participants and contribution rate) as existed before the transaction;

Provided, however, that with respect to the circumstances described in Subparagraphs. (3)(ii) or (4) above, the Board of Trustees shall have full discretionary authority to

consider, weigh and balance the following factors in determining whether a Rehabilitation Plan Withdrawal has occurred:

(i) the extent to which the affected Bargaining Unit or its bargaining representative participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the cessation of Employer Contributions;

(ii) the extent to which the affected Bargaining Unit benefited, directly or indirectly, from the cessation of Employer Contributions;

(iii) the extent to which the affected Bargaining Unit, or its bargaining representative, resisted or attempted to resist, or acquiesced in, the cessation of Employer Contributions;

(iv) the extent to which the affected Bargaining Unit, or any of its members, become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Contributing Employer who incurred the cessation of Employer Contributions; and

(v) the extent of the hardship that might be incurred by members of the affected Bargaining Unit by the elimination of Adjustable Benefits.

J. BENEFIT ADJUSTMENTS APPLICABLE TO ALL PARTICIPANTS (INCLUDING INACTIVE VESTED PARTICIPANTS) WHO HAVE NOT SUBMITTED A RETIREMENT APPLICATION ON OR BEFORE JULY 1, 2011 AND DO NOT HAVE A BENEFIT COMMENCEMENT ON OR BEFORE THAT DATE.

Minimum Retirement Age 57.

Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Section 3. REHABILITATION PLAN STANDARDS AND OBJECTIVES.

The Schedules of Contributions and Benefits discussed above have been formulated by the Fund's Board of Trustees as reasonable measures which, under reasonable actuarial assumptions, are designed and projected to forestall the possible insolvency of the Fund prior to 2026. Projections of insolvency may vary from year to year as actual experience may differ from assumptions.

The Trustees recognize the possibility that actual experience could be less favorable than the reasonable assumptions used for the Rehabilitation Plan on an annual basis. Consequently, the annual standards for meeting the requirements of the Rehabilitation Plan are as follows:

- Actuarial projections updated for each year show, based on reasonable assumptions, that under the Rehabilitation Plan and its schedules (as amended and updated from time to time) the Fund will forestall its possible insolvency *prior* to 2023.

Section 4. ALTERNATIVES CONSIDERED BY THE TRUSTEES.

The Board of Trustees considered numerous alternatives [including combinations of contribution rate increases (and other updates to the schedules of contribution rates in light of the experience of the Fund) and benefit adjustments] that might enable the Fund to emerge from Critical Status either by the end of ten year PPA Rehabilitation Period (which began on January 1, 2011 and ends on December 31, 2020), or to forestall possible insolvency indefinitely (beyond the date referenced above under the "Standards and Objectives" heading). Some of the alternatives considered were determined to be unreasonable measures. The various default and alternative schedules considered included the following:

Schedules considered by the Board of Trustees in formulating an initial 2008 rehabilitation plan that might permit the Fund to emerge by the end of the Rehabilitation Period on December 31. 2020:

Schedule	Benefit Reductions	Contribution Rate Increases
Default	Immediate maximum Critical Status benefit cuts for all participants to the extent permitted by law	15% per year until emergence in 2021 (plus an additional 1.6% annual increase for Benefit Classes 14 and below)
Alternative 1	Maintain current benefits	17% per year until emergence in 2021
Alternative 2	On the second anniversary of the new bargaining agreement, reduce the future benefit accrual rate from 1% of contributions payable at age 62 to 1% of contributions at payable at age 65	16% per year until emergence in 2021

In formulating the Fund's initial rehabilitation plan in 2008, the Board of Trustees concluded that utilizing any and all *possible* measures to emerge from Critical Status by the end of the 10-year presumptive Rehabilitation Period described in ERISA Section 305(e)(4), would be unreasonable and would involve considerable risk to the Fund and Fund participants. In particular, the Board of Trustees concluded that the continued existence of the Fund and the Trustees' ability to maintain and improve the Fund's funded status in accordance with the terms of the IRS approved amortization extension would be jeopardized by any attempt to emerge from critical status by the end of the presumptive 10-year Rehabilitation Period.

As shown above, based on January 1, 2008 valuation data, the emergence by the end of the presumptive 10 year Rehabilitation Period would require double-digit annual contribution rate increases. For example, the daily contribution rate would generally have to grow from $52 to over $300. Therefore, the Trustees concluded in 2008 that annual contribution rate increases above the 8%/6%/4% level in the Primary Schedule were not reasonable and could trigger mass withdrawals and significant losses to the Fund and the participants.

During the process of updating the Rehabilitation Plan in each applicable year subsequent to 2008, the Trustees concluded that in light of current valuation data available in each of those years, the experience of the Fund and projections, the option available to the Fund under ERISA Section 305(e)(3)(ii) was to pursue reasonable measures to forestall a possible insolvency. The Trustees also concluded during the 2010 - 2014 update processes that requiring annual contribution increases above the level described in the Primary Schedule would not be reasonable and would likely accelerate a possible insolvency of the Fund rather than forestall it.

In recent years, prior to Plan/calendar year 2014, the Trustees have implemented (and, where applicable, have continued to implement) numerous measures to improve the Fund's funding. These have included:

- Reducing the benefit accrual rate from 2% of contributions to 1% of contributions;

- Protecting the "and-out" and early retirement benefits while freezing them at their year-end 2003 levels;

- Obtaining agreements from the major bargaining parties to reallocate significant amounts of annual benefit contributions to the Pension Fund;

- Obtaining an amortization extension from the Internal Revenue Service in 2005, and seeking a waiver of the conditions of that extension in 2009 in light of investment losses resulting from the weakness in financial markets in recent years;

- Requiring as a condition of continued participation in the Fund that new bargaining agreements in the last several years include significant annual contribution rate increases;

- Providing information to Congress and federal agencies with respect to legislative or regulatory proposals that appear to assist in addressing the funding challenges confronting the Fund;

- Approving a Distressed Employer Schedule as part of the Fund's Rehabilitation Plan under which YRC, Inc. and its affiliate USF Holland, Inc., two distressed (but historically significant) Contributing Employers, resumed Contributions in June 2011 at rates lower than would have been permitted under previous (pre-2011) Rehabilitation Plan Schedules; this Distressed Employer Schedule significantly adjusted the benefits of the affected Bargaining Unit members, and helped assure that despite the lower Contribution rates, the continued participation of these Employers would tend to improve overall pension funding; and

- Adopting a new withdrawal liability method, and obtaining approval of that method by the Pension Benefit Guaranty Corporation, under which new Contributing Employers, and existing Contributing Employers who satisfy their withdrawal liability under the Fund's historic (pre-2011) withdrawal liability method *(i.e.,* the "modified presumptive method"), will have any future withdrawal liability determined under the "direct attribution" method; the Trustees believe that this "hybrid" method will be attractive to some Contributing Employers who wish to continue to participate in the Fund, but may be concerned about the potential for future growth of their estimated withdrawal liability as calculated under the Fund's prior (pre-2011) withdrawal liability method, and that this, in turn, will encourage continued participation in the Fund and tend to improve overall pension funding.

- Amending the Primary Schedule of the Rehabilitation Plan to permit Contributing Employers, who satisfy their existing withdrawal liability and qualify as New Employers eligible for the direct attribution method under the hybrid method, to comply with the Primary Schedule without the need for the contribution rate increases otherwise required under the Primary Schedule. The Trustees determined that this amendment to the Rehabilitation Plan will encourage existing Contributing Employers to satisfy their existing withdrawal liability and to continue their participation in the Fund as New

Employers under the hybrid method; the Trustees determined that the New Employers' participation on these terms would tend to improve overall pension funding.

As part of their responsibility to consider updates to the Rehabilitation Plan for Plan Year 2014, the Board of Trustees also determined that mandating additional significant benefit cuts (beyond those provided in this updated Rehabilitation Plan), or (as noted) mandating contribution rate increases at levels beyond those required in recent years, would substantially accelerate the rate at which employers would withdraw from the Fund, in large part because the Union could conclude that it would be in its members' best interest to agree to withdrawals. The Board of Trustees also determined that this acceleration of employer withdrawals would, in turn, be counterproductive to the Trustees' effort to forestall possible insolvency.

Exhibit A

Primary Schedule: Contribution Rate Increases By Bargaining Agreement Year
(all rate increases are to be compounded annually)

Calendar Year of Contribution Rate Increase	Year of initial Bargaining Agreement Conforming to Primary Schedule									
	2006 & Earlier	2007	2008	2009	2010	2011	2012	2013	2014	2015
2006	7%									
2007	7%	8%								
2008	7%	8%	8%							
2009	7%	8%	8%	8%						
2010	7%	8%	8%	8%	8%					
2011	6%	8%	8%	8%	8%	8%				
2012	5%	6%	8%	8%	8%	8%	8%			
2013	4%	4%	6%	8%	8%	8%	8%	8%		
2014	4%	4%	6%	8%	8%	8%	8%	8%	8%	
2015	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%
2016	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%
2017	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%
2018	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%
2019	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%
2020	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%
2021	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%
2022	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%
2023	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
2024	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
2025	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
2026	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
2027	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%

EXHIBIT B

Schedule for Actuarial Reduction of Age 65 Benefits

(Applicable to Default Schedule and Rehabilitation Plan Withdrawal benefit adjustments for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA§ 305(i)(10)] on or before July 1, 2011)

Age	Percent of Age 65 Benefit Based on Actuarial Equivalence
65	100%
64	90%
63	81%
62	74%
61	67%
60	61%
59	55%
58	50%
57	46%

APPENDIX M-7. REHABILITATION PLAN (INCLUDING 2015 UPDATE)

Section 1. PREAMBLE AND DEFINITIONS.

Appendix M comprising the Rehabilitation Plan was added to the Pension Plan effective on and after March 26, 2008, and has been amended from time to time since then.

This Appendix M-7 is added to the Pension Plan effective on and after December 31, 2015 in order to update the Rehabilitation Plan in compliance with the requirements of the Pension Protection Act of 2006 ("PPA").

The Central States, Southeast and Southwest Areas Pension Fund (the "Fund") was initially certified on March 24, 2008 by its actuary to be in "critical status" (sometimes referred to as the "red zone") under the PPA: the Fund's actuary has also certified the Fund to be in critical status in March of each subsequent year through March 2014. For 2015, the actuary certified the Fund to be in "critical and declining status", pursuant to the Multiemployer Pension Reform Act of 2014 ("MPRA"). The Fund's Board of Trustees, as the plan sponsor of a "critical and declining status" pension plan, is charged under the PPA and MPRA with developing a "rehabilitation plan" designed to improve the financial condition of the Fund in accordance with the standards set forth in the PPA, and with annually updating the rehabilitation plan. Although for plan year 2009 the Fund was exempt from the update requirement, pursuant to an election under the Worker Retiree and Employer Recovery Act of 2008, for subsequent plan years the PPA provisions concerning the rehabilitation plan update process are applicable to the Fund. The purpose of this updated Rehabilitation Plan is to comply with those PPA provisions, as amended to date, including any applicable amendments under MPRA.

Under the PPA, a rehabilitation plan, including annual updates to the plan, must include one or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted by the parties obligated under agreements participating in the pension plan, may reasonably be expected to enable the Fund to emerge from critical status in accordance with the rehabilitation plan. The PPA also provides that one of the rehabilitation plan schedules of benefits and contributions shall be designated the "default" schedule. The default schedule must assume that there are no increases in contributions under the plan other than the increases necessary to emerge from critical status after future benefit accruals and other benefits have been reduced to the maximum extent permitted by law. The PPA also creates certain categories of "adjustable benefits" which may be reduced or eliminated dependent upon the outcome of bargaining over the rehabilitation plan schedules and dependent on the exercise of certain flexibility and discretion conferred upon the Board of Trustees by the PPA. Adjustable benefits that may be affected in this manner include post-retirement death benefits, early retirement benefits or retirement-type subsidies, and generally any benefit that would be payable prior to normal retirement age (age 65 benefits under the Fund's Plan Document - or, as discussed below, a Contribution Based Benefit actuarially reduced to be equivalent to an age 65 benefit). As noted, the PPA also requires annual updates of the rehabilitation plan.

Unless otherwise indicated, all capitalized terms herein shall have the definitions and meanings assigned to them in the Fund's Pension Plan Document.

Section 2. SCHEDULES OF CONTRIBUTIONS AND BENEFITS.

With the PPA requirements outlined above in mind, the Fund's Board of Trustees hereby provides the following PPA Schedules to the parties charged with bargaining over agreements requiring contributions to the Fund.

A. PRIMARY SCHEDULE (EXCEPT AS NOTED, PRESERVES ALL CURRENT BENEFITS).

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers are in compliance with this Primary Schedule, there will be no change in benefit formulas, levels or payment options in effect on January 1, 2008, *except that* as provided in Section 2(J) below, Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date (within the meaning of ERISA § 305(i)(10)) on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Further, subject to the notice requirements of the PPA and other applicable law, any Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers incur a Rehabilitation Plan Withdrawal on or after March 26, 2008 shall have their Adjustable Benefits listed in Section 2(H) below eliminated or reduced to the extent indicated in Section 2(B)(1) below.

2. Contributions

Compliance with the Primary Schedule requires annually compounded contribution rate increases in accordance with Exhibit A effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each agreement anniversary date (or reallocation anniversary, where applicable) during the term of the new bargaining agreement to the extent indicated in Exhibit A, depending on the year that the new agreement is effective. Note that all contribution rate increases are annually compounded on the total contribution rate (including any reallocations of employee benefit contributions or agreed mid-contract contribution increases) immediately prior to the increase.

The required annual rate increase may be provided through annual allocations to pension contributions of general and aggregate employee benefit contribution increases that were negotiated at the outset of an agreement, but were not specifically allocated to pension contributions until subsequent contract years. The Primary Schedule requires 8% per year contribution rate increases for the first 5 years, 6% per year contribution rate increases for the next 3 years and 4% per year contribution rate increases each year thereafter for 2008 agreements under the Primary Schedule and comparable rate increases over time for all other agreements under the Primary Schedule *(see* Exhibit A).

Provided, however, that absent further amendment to this rehabilitation plan, as of June 1, 2011, any Collective Bargaining Agreement requiring contributions of (1) $348 per week for each full-time employee with respect to Participants covered by the National Master Automobile Transporter Agreement, and (2) $342 per week

for each full-time employee with respect to all other Participants, will be deemed to be in compliance with the Primary Schedule *without* the need for additional annual rate increases.

Provided further that any Employer that qualifies as a New Employer under § 2.2(b) of Appendix E of the Pension Plan will be deemed, as of the date it qualifies as a New Employer, to be in compliance with the Primary Schedule *without* the need for additional contribution rate increases.

B. DEFAULT SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers agree to comply with this Default Schedule [or who become subject to the Default Schedule due to a failure to achieve an agreement to accept one of the Rehabilitation Plan Schedules within the time frame specified under ERISA § 305(e)(3)(C)], the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Default Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee groups participating in the Fund):

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by 1/2% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57.

2. Contributions

Compliance with the Default Schedule consists of annually compounded contribution rate increases of 4% effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each anniversary thereof during the term of the agreement.

3. Effect of agreement to or imposition of Default Schedule.

(i) If a Contributing Employer agrees to the Default Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

(ii) If a Contributing Employer becomes subject to the Default Schedule by operation of ERISA Section 305(e)(3)(C), because the bargaining parties have failed to adopt either of the Schedules compliant with this

Rehabilitation Plan within 180 days of the expiration of their prior Collective Bargaining Agreement, the Fund will then accept a Collective Bargaining Agreement that is compliant with the Primary Schedule described in this Rehabilitation Plan, provided that such new Collective Bargaining Agreement provides for Primary Schedule contribution rates that are retroactive to the expiration date of the last Collective Bargaining Agreement that covered the affected Bargaining Unit.

C. DISTRESSED EMPLOYER SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers and contribution rates have been specifically accepted and approved by the Board of Trustees as satisfying the Qualifications for the Distressed Employer Schedule (as set forth in Section 2(C)(2) below), the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Distressed Employer Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee group participating in the Fund) that is accepted by the Board of Trustees as qualifying under the Distressed Employer Schedule:

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by ½% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) have not achieved a Retirement Date on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57, *and except that* any Participant who (i) has achieved a minimum age of 55 as of the date of the Distressed Employer's termination of participation in the Fund (see Section 2(C)(2) below) and (ii) has accrued a minimum of 25 years credit towards a Contributory Credit Pension or an And-Out Pension as of that date (see Pension Plan §§ 4.04, 4.05 and 4.06), shall be entitled to retain his eligibility for (but not gain further credit towards) any such Pension, *provided that* any such Participant has a minimum retirement age of 62.

2. Contributions and Qualifications for the Distressed Employer Schedule.

The Board of Trustees may deem a Collective Bargaining Agreement with contribution rates not in compliance with either the Primary Schedule or the Default Schedule to be in compliance with and subject to the Distressed Employer Schedule, if in the Board of Trustees' sole discretion, the Board determines that the Contributing Employer meets each of the following qualifications:

(i) the common stock of the Employer or its parent corporation (or other affiliate under 80% or more common control with the Employer) is publicly traded and registered pursuant to the securities laws of the United States;

(ii) the Employer has previously incurred a termination of its participation in the Fund due to an inability to remain current in its Contribution obligations, and the Employer was in terminated status immediately prior to executing the Agreement sought to be qualified under the Distressed Employer Schedule;

(iii) during the last ten years in which the Employer participated in the Fund prior to its termination, it had paid contributions to the Fund on behalf of at least 1,000 full-time employees per month (or had, including part-time employees, paid contributions on behalf of the equivalent of at least 1,000 full-time employees per month for the specified ten year period);

(iv) the Employer submits to a review of its financial condition and operations by the Fund's Staff and outside expert and consultants, and agrees to reimburse the Fund for all fees and expenses incurred by the Fund in this review (including, but not limited to, reimbursement to the Fund for the time devoted by the Fund's Staff to any such review, with this reimbursement to be made at market rates for comparable services performed by Fund's Staff);

(v) on the basis of this financial and operational review, it appears that the Employer is not able to contribute to the Fund at a higher rate than is indicated in the Collective Bargaining Agreement proposed for acceptance under the Distressed Employer Schedule, *and* that acceptance of the proposed Agreement is in the best interest of the Fund under all the circumstances and advances the goals of this Rehabilitation Plan; and

(vi) the Employer provides the Fund with first lien collateral in any and all unencumbered assets to the fullest extent it is able in order to fully secure (i) any delinquent or deferred Contribution obligations owed to the Fund, (ii) the Employer's obligation to make current and future pension contributions to the Fund, and (iii) any future withdrawal liability potentially incurred by the Employer (with the amount of such potential withdrawal liability to be determined based on estimates to be provided by the Fund).

3. Effect of agreement to or imposition of the Distressed Employer Schedule.

If a Contributing Employer becomes subject to the Distressed Employer Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

D. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER INCURRING A REHABILITATION PLAN WITHDRAWAL.

Subject to the provisos indicated in the final clauses of this Subsection D, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] with the Fund is on or after April 8, 2008, and:

(1) whose last Hour of Service prior to January 1, 2008 was earned while employed by United Parcel Service, Inc. ("UPS"), or with any trades or businesses at any

time under common control with UPS, within the meaning of ERISA § 4001(b)(1); *or*

(2) who *(i)* has earned or earns an Hour of Service while employed with a Contributing Employer (or any predecessor or successor entity) that at any time on or after March 26, 2008 incurs a Rehabilitation Plan Withdrawal *(see* Section 2(I) below), and *(ii)* whose *last* year of Contributory Service Credit *prior* to the Rehabilitation Plan Withdrawal was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) ultimately incurring such Withdrawal.

Proviso 1: *Provided, however,* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant Section 2(D)(2) above, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the earlier of: (i) the date of such Rehabilitation Plan Withdrawal or (ii) the date of the expiration of the last Collective Bargaining Agreement requiring Employer Contributions under the Primary Schedule prior to such Withdrawal, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: And provided further that in the event of a Rehabilitation Plan Withdrawal resulting from an administrative termination of a Contributing Employer as referenced in Section 2(I)(3)(ii) below, the Board of Trustees shall have full discretionary authority (A) to decline to apply the elimination of Adjustable Benefits to Participants otherwise affected by a Rehabilitation Plan Withdrawal of this type who have submitted a pension application naming a Retirement Date to the Fund on or before the date selected by the Trustees as the effective date of the administrative termination which ended the Employer's obligation to contribute to the Pension Fund, and (B) to decline to apply the requirement of Section 2(G) below that a Participant incurring a benefit adjustment due to Rehabilitation Plan Withdrawal must cease employment with and the performance of services for the withdrawn Employer within 60 days of the Rehabilitation Plan Withdrawal in order to eventually qualify for a restoration of benefits; in exercising their discretionary authority under this Proviso 2, the Board of Trustees shall consider, weigh and balance the following factors:

(i) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination were aware of, participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the circumstances that led to the administrative termination of the Employer;

(ii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination benefited, directly or indirectly from the cessation of Employer Contributions or from the circumstances that led to the administrative termination of the Employer;

(iii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination resisted or attempted to alter, or acquiesced in, the circumstances that led to the administrative termination of the Employer;

(iv) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination have become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Employer that has undergone the administrative termination; and

(v) the extent of the hardship that might be incurred by any actively employed members of the affected Bargaining Unit or by any members who submitted a retirement application prior to the effective date of the administrative termination due to the elimination of Adjustable Benefits.

Proviso 3: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant to Subsection D(2) above, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date of the Rehabilitation Plan Withdrawal.

E. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DEFAULT SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection E, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Section B(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Default Schedule described herein; and

(2) whose *last* year of Contributory Service Credit prior to the Employer's becoming subject to the Default Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Default Schedule.

Proviso 1: *Provided, however.* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant to this Subsection E, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Default Schedule, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant this Subsection E. shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Default Schedule.

F. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DISTRESSED EMPLOYER SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection F, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (with the exception indicated in Section 2(C)(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Distressed Employer Schedule described herein; and

(2) whose last year of Contributory Service Credit prior to the Employer's becoming subject to the Distressed Employer Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Distressed Employer Schedule.

Proviso 1: Provided, however, that any Pensioner otherwise subject to the reduction in Adjustable Benefits indicated in the Distressed Employer Schedule, due to his Contributing Employer becoming subject to that Schedule pursuant to this Subsection F, who has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Distressed Employer Schedule, shall not be subject to the reduction of Adjustable Benefits otherwise mandated by the Distressed Employer Schedule provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date, and provided further that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no Pensioners with Retirement Dates prior to September 24, 2010 shall be subject to such Distressed Employer Schedule benefit reduction.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the reduction of Adjustable Benefits. due to his Contributing Employer becoming subject to the Distressed Employer Schedule pursuant to this Subsection F, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such surviving spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Distressed Employer Schedule, *and provided* further in any event that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no spouse shall be subject to such Distressed Employer Schedule benefit reduction if the Participant's death occurred prior to September 24, 2010.

G. RESTORATION OF ADJUSTED BENEFITS.

Any Participant who incurs a benefit adjustment or elimination under the terms of Sections 2(A), 2(B), 2(C), 2(D), 2(E) or 2(F) above may have those affected benefits restored if, subsequent to the event causing the benefit adjustment, the Participant:

(1) in the case of benefit adjustment caused by a Rehabilitation Plan Withdrawal (see Section 2(I) below), permanently ceases all employment with, and performance of services in any capacity for, the Contributing Employer (and any successors or

trades or businesses under common control with such Employer within the meaning of ERISA § 4001(b)(1)) within 60 days of the occurrence of such Rehabilitation Plan Withdrawal; and

(2) in any case, subsequently earns one year of Contributory Service Credit with a Contributing Employer while that Employer is in compliance with the Primary Schedule described herein.

H. ADJUSTABLE BENEFITS.

As used herein, Adjustable Benefits shall mean and include:

(1) Any right to receive a Retirement Pension Benefit (Pension Plan, Article IV) prior to age 65 [including without limitation any pre-age 65 benefits that would otherwise be payable as *(i)* a Twenty Year Service Pension (Pension Plan § 4.01); *(ii)* a Contributory Credit Pension (Pension Plan § 4.04); *(iii)* a Vested Pension (Pension Plan § 4.07); (iv) a Deferred Pension (Pension Plan § 4.08); or *(v)* a Twenty-Year Deferred Pension (Pension Plan § 4.09)].

(2) Early retirement benefit or retirement-type subsidies [including without limitation *(i)* an Early Retirement Pension (Pension Plan § 4.02); *(ii)* a 25-And-Out Pension (Pension Plan § 4.05); or a 30-And-Out Pension (Pension Plan § 4.06)].

(3) All Disability Benefits not yet in pay status (Pension Plan, Article V).

(4) Before Retirement Death Benefits (Pension Plan, Article VI) other than the 50% surviving spouse benefit.

(5) Post-retirement death benefits that are not part of the annuity form of payment.

(6) All Partial Pensions (Pension Plan, Appendix D), to the extent any such pension is tied to one or more of the Adjustable Benefits listed above.

(7) All Contribution-Based Pensions (Pension Plan § 4.03) except that, assuming the Participant meets all other requirements for receiving a Contribution-Based Pension, the Contribution-Based Pension is payable at age 65 reduced by 1/2% per month for each month prior to age 65 at the time of retirement with a minimum retirement age of 57. Such minimum retirement age shall not apply if the Participant retired prior to age 57 before the Participant's Adjustable Benefits were eliminated or reduced. In such circumstance, the Participant shall be entitled to receive the Contribution-Based Pension reduced by 1/2% per month for each month prior to age 65 at the time of retirement. *Provided, however,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the reductions in the Contribution-Based Pensions payable at age 65 referenced in this subparagraph (7) shall be based on actuarial equivalence in accordance with the Schedule attached as Exhibit B hereto.

(8) To the extent not already included in paragraphs (1) - (7) above, the following categories of benefits listed and defined as "adjustable benefits" under ERISA§ 305(e)(8)(iv):

(i) benefits, rights, and features under the plan, including post-retirement death benefits, 60-month guarantees, disability benefits not yet in pay status, and similar benefits,

(ii) any early retirement benefit or retirement-type subsidy (within the meaning of ERISA Section 204(g)(2)(A)) and any benefit payment option (other than the qualified joint and survivor annuity), and

(iii) benefit increases that would not be eligible for a guarantee under ERISA Section 4022A on the first day of the Fund's initial critical year under the PPA because the increases were adopted (or, if later, took effect) less than 60 months before such first day.

Provided, however, that except as provided in subparagraph (8)(iii) above, nothing in this paragraph shall be construed to reduce the level of a Participant's accrued benefit payable at normal retirement.

I. REHABILITATION PLAN WITHDRAWAL

Subject to the discretionary authority of the Board of Trustees indicated in the final clause of this Subsection I, a "Rehabilitation Plan Withdrawal" occurs on the date a Contributing Employer (a) is no longer required to make Employer Contributions to the Pension Fund under one or more of its Collective Bargaining Agreements, or (b) undergoes a significant reduction in its obligation to make Employer Contributions resulting from outsourcing or subcontracting work covered by the applicable Collective Bargaining Agreement(s), as a result of actions by members of a Bargaining Unit (or its representatives) or the Contributing Employer, which actions include, but are not limited to the following:

(1) decertification or other removal of the Union as a bargaining agent;

(2) ratification or other acceptance of a Collective Bargaining Agreement which permits withdrawal of the Bargaining Unit, in whole or in part, from the Pension Plan;

(3) administrative termination of the Contributing Employer with respect to any or all of its Collective Bargaining Agreements due to: (i) a violation of the Fund's rules with respect to the terms of a Collective Bargaining Agreement (including, without limitation, a provision providing for a split bargaining unit); or (ii) a violation of any other Fund rule or policy (including, without limitation, practices or arrangements that result in adverse selection);

(4) any transaction or other event (including, without limitation, a merger, consolidation, division, asset sale (other than an asset sale complying with ERISA § 4204), liquidation, dissolution, joint venture, outsourcing, subcontracting) whereby all or a portion of the operations for which the Contributing Employer has an obligation to contribute are continued (whether by the Contributing Employer or by another party) in whole or in part without maintaining the obligation to contribute to the Fund under the same or better terms (including, for example, as to number of participants and contribution rate) as existed before the transaction;

Provided, however, that with respect to the circumstances described in Subparagraphs. (3)(ii) or (4) above, the Board of Trustees shall have full discretionary authority to

consider, weigh and balance the following factors in determining whether a Rehabilitation Plan Withdrawal has occurred:

(i) the extent to which the affected Bargaining Unit or its bargaining representative participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the cessation of Employer Contributions;

(ii) the extent to which the affected Bargaining Unit benefited, directly or indirectly, from the cessation of Employer Contributions;

(iii) the extent to which the affected Bargaining Unit, or its bargaining representative, resisted or attempted to resist, or acquiesced in, the cessation of Employer Contributions;

(iv) the extent to which the affected Bargaining Unit, or any of its members, become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Contributing Employer who incurred the cessation of Employer Contributions; and

(v) the extent of the hardship that might be incurred by members of the affected Bargaining Unit by the elimination of Adjustable Benefits.

J. BENEFIT ADJUSTMENTS APPLICABLE TO ALL PARTICIPANTS (INCLUDING INACTIVE VESTED PARTICIPANTS) WHO HAVE NOT SUBMITTED A RETIREMENT APPLICATION ON OR BEFORE JULY 1, 2011 AND DO NOT HAVE A BENEFIT COMMENCEMENT ON OR BEFORE THAT DATE.

Minimum Retirement Age 57.

Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Section 3. REHABILITATION PLAN STANDARDS AND OBJECTIVES.

The Schedules of Contributions and Benefits discussed above have been formulated by the Fund's Board of Trustees as reasonable measures which, under reasonable actuarial assumptions, are designed and projected to forestall the possible insolvency of the Fund prior to 2025. Projections of insolvency may vary from year to year as actual experience may differ from assumptions.

The Trustees recognize the possibility that actual experience could be less favorable than the reasonable assumptions used for the Rehabilitation Plan on an annual basis. Consequently, the annual standards for meeting the requirements of the Rehabilitation Plan are as follows:

- Actuarial projections updated for each year show, based on reasonable assumptions, that under the Rehabilitation Plan and its schedules (as amended and updated from time to time) the Fund will forestall its possible insolvency *prior* to 2023.

Section 4. ALTERNATIVES CONSIDERED BY THE TRUSTEES.

The Board of Trustees considered numerous alternatives [including combinations of contribution rate increases (and other updates to the schedules of contribution rates in light of the experience of the Fund) and benefit adjustments] that might enable the Fund to emerge from Critical Status either by the end of ten year PPA Rehabilitation Period (which began on January 1, 2011 and ends on December 31, 2020), or to forestall possible insolvency indefinitely (beyond the date referenced above under the "Standards and Objectives" heading). Some of the alternatives considered were determined to be unreasonable measures. The various default and alternative schedules considered included the following:

Schedules considered by the Board of Trustees in formulating an initial 2008 rehabilitation plan that might permit the Fund to emerge by the end of the Rehabilitation Period on December 31. 2020:

Schedule	Benefit Reductions	Contribution Rate Increases
Default	Immediate maximum Critical Status benefit cuts for all participants to the extent permitted by law	15% per year until emergence in 2021 (plus an additional 1.6% annual increase for Benefit Classes 14 and below)
Alternative 1	Maintain current benefits	17% per year until emergence in 2021
Alternative 2	On the second anniversary of the new bargaining agreement, reduce the future benefit accrual rate from 1% of contributions payable at age 62 to 1% of contributions at payable at age 65	16% per year until emergence in 2021

In formulating the Fund's initial rehabilitation plan in 2008, the Board of Trustees concluded that utilizing any and all *possible* measures to emerge from Critical Status by the end of the 10-year presumptive Rehabilitation Period described in ERISA Section 305(e)(4), would be unreasonable and would involve considerable risk to the Fund and Fund participants. In particular, the Board of Trustees concluded that the continued existence of the Fund and the Trustees' ability to maintain and improve the Fund's funded status in accordance with the

terms of the IRS approved amortization extension would be jeopardized by any attempt to emerge from critical status by the end of the presumptive 10-year Rehabilitation Period.

As shown above, based on January 1, 2008 valuation data, the emergence by the end of the presumptive 10 year Rehabilitation Period would require double-digit annual contribution rate increases. For example, the daily contribution rate would generally have to grow from $52 to over $300. Therefore, the Trustees concluded in 2008 that annual contribution rate increases above the 8%/6%/4% level in the Primary Schedule were not reasonable and could trigger mass withdrawals and significant losses to the Fund and the participants.

During the process of updating the Rehabilitation Plan in each applicable year subsequent to 2008, the Trustees concluded that in light of current valuation data available in each of those years, the experience of the Fund and projections, the option available to the Fund under ERISA Section 305(e)(3)(ii) was to pursue reasonable measures to forestall a possible insolvency. The Trustees also concluded during the 2010 - 2015 update processes that requiring annual contribution increases above the level described in the Primary Schedule would not be reasonable and would likely accelerate a possible insolvency of the Fund rather than forestall it.

In recent years, prior to Plan/calendar year 2015, the Trustees have implemented (and, where applicable, have continued to implement) numerous measures to improve the Fund's funding. These have included:

- Reducing the benefit accrual rate from 2% of contributions to 1% of contributions;

- Protecting the "and-out" and early retirement benefits while freezing them at their year-end 2003 levels;

- Obtaining agreements from the major bargaining parties to reallocate significant amounts of annual benefit contributions to the Pension Fund;

- Obtaining an amortization extension from the Internal Revenue Service in 2005, and seeking a waiver of the conditions of that extension in 2009 in light of investment losses resulting from the weakness in financial markets in recent years;

- Requiring as a condition of continued participation in the Fund that new bargaining agreements in the last several years include significant annual contribution rate increases;

- Providing information to Congress and federal agencies with respect to legislative or regulatory proposals that appear to assist in addressing the funding challenges confronting the Fund;

- Approving a Distressed Employer Schedule as part of the Fund's Rehabilitation Plan under which YRC, Inc. and its affiliate USF Holland, Inc., two distressed (but historically significant) Contributing Employers, resumed Contributions in June 2011 at rates lower than would have been permitted under previous (pre-2011) Rehabilitation Plan Schedules; this Distressed Employer Schedule significantly adjusted the benefits of the affected Bargaining Unit members, and helped assure that despite the lower Contribution rates, the continued participation of these Employers would tend to improve overall pension funding; and

- Adopting a new withdrawal liability method, and obtaining approval of that method by the Pension Benefit Guaranty Corporation, under which new Contributing Employers,

and existing Contributing Employers who satisfy their withdrawal liability under the Fund's historic (pre-2011) withdrawal liability method *(i.e.,* the "modified presumptive method"), will have any future withdrawal liability determined under the "direct attribution" method; the Trustees believe that this "hybrid" method will be attractive to some Contributing Employers who wish to continue to participate in the Fund, but may be concerned about the potential for future growth of their estimated withdrawal liability as calculated under the Fund's prior (pre-2011) withdrawal liability method, and that this, in turn, will encourage continued participation in the Fund and tend to improve overall pension funding.

- Amending the Primary Schedule of the Rehabilitation Plan to permit Contributing Employers, who satisfy their existing withdrawal liability and qualify as New Employers eligible for the direct attribution method under the hybrid method, to comply with the Primary Schedule without the need (under their current collective bargaining agreements) for the contribution rate increases otherwise required under the Primary Schedule. The Trustees determined that this amendment to the Rehabilitation Plan will encourage existing Contributing Employers to satisfy their existing withdrawal liability and to continue their participation in the Fund as New Employers under the hybrid method; the Trustees determined that the New Employers' participation on these terms would tend to improve overall pension funding.

As part of their responsibility to consider updates to the Rehabilitation Plan for Plan Year 2015, the Board of Trustees approved the continuation of each of the measures listed above.

As part of the 2015 update the Board of Trustees also noted that it authorized the filing, on September 25, 2015, of an application with the United States Department of the Treasury requesting approval of a plan of suspension of benefits under MPRA. The Trustees have determined that the filing of this application was a reasonable measure designed to forestall insolvency, and therefore one that they were required to take under the PPA.

However, the Trustees have also determined, as part of the 2015 Rehabilitation Plan update process, that mandating additional significant benefit cuts (beyond those provided in this updated Rehabilitation Plan or as proposed in the MPRA application filed with Treasury), or (as noted) mandating significant contribution rate increases at levels beyond those required in recent years, would, in the absence of an approval by Treasury of the pending MPRA application, substantially accelerate the rate at which employers would withdraw from the Fund, in large part because the Union could conclude that it would be in its members' best interest to agree to withdrawals. The Board of Trustees also determined that this acceleration of employer withdrawals would, in turn, be counterproductive to the Trustees' effort to forestall possible insolvency.

Exhibit A

Primary Schedule: Contribution Rate Increases By Bargaining Agreement Year
(all rate increases are to be compounded annually)

Calendar Year of Contribution Rate Increase	Year of initial Bargaining Agreement Conforming to Primary Schedule										
	2006 & Earlier	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
2006	7%										
2007	7%	8%									
2008	7%	8%	8%								
2009	7%	8%	8%	8%							
2010	7%	8%	8%	8%	8%						
2011	6%	8%	8%	8%	8%	8%					
2012	5%	6%	8%	8%	8%	8%	8%				
2013	4%	4%	6%	8%	8%	8%	8%	8%			
2014	4%	4%	6%	8%	8%	8%	8%	8%	8%		
2015	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%	
2016	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%
2017	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%
2018	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%
2019	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%
2020	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%
2021	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%
2022	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%
2023	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	8%
2024	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%
2025	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
2026	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
2027	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%

EXHIBIT B

Schedule for Actuarial Reduction of Age 65 Benefits

(Applicable to Default Schedule and Rehabilitation Plan Withdrawal benefit adjustments for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA§ 305(i)(10)] on or before July 1, 2011)

Age	Percent of Age 65 Benefit Based on Actuarial Equivalence
65	100%
64	90%
63	81%
62	74%
61	67%
60	61%
59	55%
58	50%
57	46%

APPENDIX M-8. REHABILITATION PLAN (INCLUDING 2016 UPDATE)

Section 1. PREAMBLE AND DEFINITIONS.

Appendix M comprising the Rehabilitation Plan was added to the Pension Plan effective on and after March 26, 2008, and has been amended from time to time since then.

This Appendix M-8 is added to the Pension Plan effective on and after December 31, 2016 in order to update the Rehabilitation Plan in compliance with the requirements of the Pension Protection Act of 2006 ("PPA").

The Central States, Southeast and Southwest Areas Pension Fund (the "Fund") was initially certified on March 24, 2008 by its actuary to be in "critical status" (sometimes referred to as the "red zone") under the PPA: the Fund's actuary has also certified the Fund to be in critical status in March of each subsequent year through March 2014. For 2015 and 2016, the actuary certified the Fund to be in "critical and declining status", pursuant to the Multiemployer Pension Reform Act of 2014 ("MPRA"). The Fund's Board of Trustees, as the plan sponsor of a "critical and declining status" pension plan, is charged under the PPA and MPRA with developing a "rehabilitation plan" designed to improve the financial condition of the Fund in accordance with the standards set forth in the PPA, and with annually updating the rehabilitation plan. Although for plan year 2009 the Fund was exempt from the update requirement, pursuant to an election under the Worker Retiree and Employer Recovery Act of 2008, for subsequent plan years the PPA provisions concerning the rehabilitation plan update process are applicable to the Fund. The purpose of this updated Rehabilitation Plan is to comply with those PPA provisions, as amended to date, including any applicable amendments under MPRA.

Under the PPA, a rehabilitation plan, including annual updates to the plan, must include one or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted by the parties obligated under agreements participating in the pension plan, may reasonably be expected to enable the Fund to emerge from critical status in accordance with the rehabilitation plan. The PPA also provides that one of the rehabilitation plan schedules of benefits and contributions shall be designated the "default" schedule. The default schedule must assume that there are no increases in contributions under the plan other than the increases necessary to emerge from critical status after future benefit accruals and other benefits have been reduced to the maximum extent permitted by law. The PPA also creates certain categories of "adjustable benefits" which may be reduced or eliminated dependent upon the outcome of bargaining over the rehabilitation plan schedules and dependent on the exercise of certain flexibility and discretion conferred upon the Board of Trustees by the PPA. Adjustable benefits that may be affected in this manner include post-retirement death benefits, early retirement benefits or retirement-type subsidies, and generally any benefit that would be payable prior to normal retirement age (age 65 benefits under the Fund's Plan Document - or, as discussed below, a Contribution Based Benefit actuarially reduced to be equivalent to an age 65 benefit). As noted, the PPA also requires annual updates of the rehabilitation plan.

Unless otherwise indicated, all capitalized terms herein shall have the definitions and meanings assigned to them in the Fund's Pension Plan Document.

Section 2. SCHEDULES OF CONTRIBUTIONS AND BENEFITS.

With the PPA requirements outlined above in mind, the Fund's Board of Trustees hereby provides the following PPA Schedules to the parties charged with bargaining over agreements requiring contributions to the Fund.

A. PRIMARY SCHEDULE (EXCEPT AS NOTED, PRESERVES ALL CURRENT BENEFITS).

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers are in compliance with this Primary Schedule, there will be no change in benefit formulas, levels or payment options in effect on January 1, 2008, *except that* as provided in Section 2(J) below, Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date (within the meaning of ERISA § 305(i)(10)) on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Further, subject to the notice requirements of the PPA and other applicable law, any Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers incur a Rehabilitation Plan Withdrawal on or after March 26, 2008 shall have their Adjustable Benefits listed in Section 2(H) below eliminated or reduced to the extent indicated in Section 2(B)(1) below.

2. Contributions

Compliance with the Primary Schedule requires annually compounded contribution rate increases in accordance with Exhibit A effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each agreement anniversary date (or reallocation anniversary, where applicable) during the term of the new bargaining agreement to the extent indicated in Exhibit A, depending on the year that the new agreement is effective. Note that all contribution rate increases are annually compounded on the total contribution rate (including any reallocations of employee benefit contributions or agreed mid-contract contribution increases) immediately prior to the increase.

The required annual rate increase may be provided through annual allocations to pension contributions of general and aggregate employee benefit contribution increases that were negotiated at the outset of an agreement, but were not specifically allocated to pension contributions until subsequent contract years. The Primary Schedule requires 8% per year contribution rate increases for the first 5 years, 6% per year contribution rate increases for the next 3 years and 4% per year contribution rate increases each year thereafter for 2008 agreements under the Primary Schedule and comparable rate increases over time for all other agreements under the Primary Schedule *(see* Exhibit A).

Provided, however, that absent further amendment to this rehabilitation plan, as of June 1, 2011, any Collective Bargaining Agreement requiring contributions of (1) $348 per week for each full-time employee with respect to Participants covered by the National Master Automobile Transporter Agreement, and (2) $342 per week for each full-time employee with respect to all other Participants, will be deemed to be in compliance with the Primary Schedule *without* the need for additional annual rate increases.

Provided further that any Employer that qualifies as a New Employer under § 2.2(b) of Appendix E of the Pension Plan will be deemed, as of the date it qualifies as a

New Employer, to be in compliance with the Primary Schedule *without* the need for additional contribution rate increases.

B. DEFAULT SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers agree to comply with this Default Schedule [or who become subject to the Default Schedule due to a failure to achieve an agreement to accept one of the Rehabilitation Plan Schedules within the time frame specified under ERISA § 305(e)(3)(C)], the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Default Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee groups participating in the Fund):

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by 1/2% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57.

2. Contributions

Compliance with the Default Schedule consists of annually compounded contribution rate increases of 4% effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each anniversary thereof during the term of the agreement.

3. Effect of agreement to or imposition of Default Schedule.

(i) If a Contributing Employer agrees to the Default Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

(ii) If a Contributing Employer becomes subject to the Default Schedule by operation of ERISA Section 305(e)(3)(C), because the bargaining parties have failed to adopt either of the Schedules compliant with this Rehabilitation Plan within 180 days of the expiration of their prior Collective Bargaining Agreement, the Fund will then accept a Collective Bargaining Agreement that is compliant with the Primary Schedule described in this Rehabilitation Plan, provided that such new Collective Bargaining Agreement provides for Primary Schedule contribution rates

that are retroactive to the expiration date of the last Collective Bargaining Agreement that covered the affected Bargaining Unit.

C. DISTRESSED EMPLOYER SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers and contribution rates have been specifically accepted and approved by the Board of Trustees as satisfying the Qualifications for the Distressed Employer Schedule (as set forth in Section 2(C)(2) below), the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Distressed Employer Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee group participating in the Fund) that is accepted by the Board of Trustees as qualifying under the Distressed Employer Schedule:

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by ½% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) have not achieved a Retirement Date on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57, *and except that* any Participant who (i) has achieved a minimum age of 55 as of the date of the Distressed Employer's termination of participation in the Fund (see Section 2(C)(2) below) and (ii) has accrued a minimum of 25 years credit towards a Contributory Credit Pension or an And-Out Pension as of that date (see Pension Plan §§ 4.04, 4.05 and 4.06), shall be entitled to retain his eligibility for (but not gain further credit towards) any such Pension, *provided that* any such Participant has a minimum retirement age of 62.

2. Contributions and Qualifications for the Distressed Employer Schedule.

The Board of Trustees may deem a Collective Bargaining Agreement with contribution rates not in compliance with either the Primary Schedule or the Default Schedule to be in compliance with and subject to the Distressed Employer Schedule, if in the Board of Trustees' sole discretion, the Board determines that the Contributing Employer meets each of the following qualifications:

(i) the common stock of the Employer or its parent corporation (or other affiliate under 80% or more common control with the Employer) is publicly traded and registered pursuant to the securities laws of the United States;

(ii) the Employer has previously incurred a termination of its participation in the Fund due to an inability to remain current in its Contribution obligations, and the Employer was in terminated status immediately prior to executing the Agreement sought to be qualified under the Distressed Employer Schedule;

(iii) during the last ten years in which the Employer participated in the Fund prior to its termination, it had paid contributions to the Fund on behalf of at least 1,000 full-time employees per month (or had, including part-time employees, paid contributions on behalf of the equivalent of at least 1,000 full-time employees per month for the specified ten year period);

(iv) the Employer submits to a review of its financial condition and operations by the Fund's Staff and outside expert and consultants, and agrees to reimburse the Fund for all fees and expenses incurred by the Fund in this review (including, but not limited to, reimbursement to the Fund for the time devoted by the Fund's Staff to any such review, with this reimbursement to be made at market rates for comparable services performed by Fund's Staff);

(v) on the basis of this financial and operational review, it appears that the Employer is not able to contribute to the Fund at a higher rate than is indicated in the Collective Bargaining Agreement proposed for acceptance under the Distressed Employer Schedule, *and* that acceptance of the proposed Agreement is in the best interest of the Fund under all the circumstances and advances the goals of this Rehabilitation Plan; and

(vi) the Employer provides the Fund with first lien collateral in any and all unencumbered assets to the fullest extent it is able in order to fully secure (i) any delinquent or deferred Contribution obligations owed to the Fund, (ii) the Employer's obligation to make current and future pension contributions to the Fund, and (iii) any future withdrawal liability potentially incurred by the Employer (with the amount of such potential withdrawal liability to be determined based on estimates to be provided by the Fund).

3. Effect of agreement to or imposition of the Distressed Employer Schedule.

If a Contributing Employer becomes subject to the Distressed Employer Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

D. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER INCURRING A REHABILITATION PLAN WITHDRAWAL.

Subject to the provisos indicated in the final clauses of this Subsection D, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] with the Fund is on or after April 8, 2008, and:

(1) whose last Hour of Service prior to January 1, 2008 was earned while employed by United Parcel Service, Inc. ("UPS"), or with any trades or businesses at any time under common control with UPS, within the meaning of ERISA § 4001(b)(1); *or*

(2) who *(i)* has earned or earns an Hour of Service while employed with a Contributing Employer (or any predecessor or successor entity) that at any time on or after March 26, 2008 incurs a Rehabilitation Plan Withdrawal *(see* Section 2(I) below),

and *(ii)* whose *last* year of Contributory Service Credit *prior* to the Rehabilitation Plan Withdrawal was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) ultimately incurring such Withdrawal.

Proviso 1: *Provided, however,* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant Section 2(D)(2) above, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the earlier of: (i) the date of such Rehabilitation Plan Withdrawal or (ii) the date of the expiration of the last Collective Bargaining Agreement requiring Employer Contributions under the Primary Schedule prior to such Withdrawal, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: And provided further that in the event of a Rehabilitation Plan Withdrawal resulting from an administrative termination of a Contributing Employer as referenced in Section 2(I)(3)(ii) below, the Board of Trustees shall have full discretionary authority (A) to decline to apply the elimination of Adjustable Benefits to Participants otherwise affected by a Rehabilitation Plan Withdrawal of this type who have submitted a pension application naming a Retirement Date to the Fund on or before the date selected by the Trustees as the effective date of the administrative termination which ended the Employer's obligation to contribute to the Pension Fund, and (B) to decline to apply the requirement of Section 2(G) below that a Participant incurring a benefit adjustment due to Rehabilitation Plan Withdrawal must cease employment with and the performance of services for the withdrawn Employer within 60 days of the Rehabilitation Plan Withdrawal in order to eventually qualify for a restoration of benefits; in exercising their discretionary authority under this Proviso 2, the Board of Trustees shall consider, weigh and balance the following factors:

(i) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination were aware of, participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the circumstances that led to the administrative termination of the Employer;

(ii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination benefited, directly or indirectly from the cessation of Employer Contributions or from the circumstances that led to the administrative termination of the Employer;

(iii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination resisted or attempted to alter, or acquiesced in, the circumstances that led to the administrative termination of the Employer;

(iv) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination have become engaged as employees or independent contractors in the service of operations that

were or are in whole or in part a successor of the operations of the Employer that has undergone the administrative termination; and

(v) the extent of the hardship that might be incurred by any actively employed members of the affected Bargaining Unit or by any members who submitted a retirement application prior to the effective date of the administrative termination due to the elimination of Adjustable Benefits.

Proviso 3: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant to Subsection D(2) above, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date of the Rehabilitation Plan Withdrawal.

E. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DEFAULT SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection E, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Section B(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Default Schedule described herein; and

(2) whose *last* year of Contributory Service Credit prior to the Employer's becoming subject to the Default Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Default Schedule.

Proviso 1: *Provided, however.* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant to this Subsection E, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Default Schedule, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant this Subsection E. shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Default Schedule.

F. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DISTRESSED EMPLOYER SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection F, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (with the exception indicated in Section 2(C)(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Distressed Employer Schedule described herein; and

(2) whose last year of Contributory Service Credit prior to the Employer's becoming subject to the Distressed Employer Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Distressed Employer Schedule.

Proviso 1: Provided, however, that any Pensioner otherwise subject to the reduction in Adjustable Benefits indicated in the Distressed Employer Schedule, due to his Contributing Employer becoming subject to that Schedule pursuant to this Subsection F, who has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Distressed Employer Schedule, shall not be subject to the reduction of Adjustable Benefits otherwise mandated by the Distressed Employer Schedule provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date, and provided further that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no Pensioners with Retirement Dates prior to September 24, 2010 shall be subject to such Distressed Employer Schedule benefit reduction.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the reduction of Adjustable Benefits. due to his Contributing Employer becoming subject to the Distressed Employer Schedule pursuant to this Subsection F, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such surviving spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Distressed Employer Schedule, *and provided* further in any event that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no spouse shall be subject to such Distressed Employer Schedule benefit reduction if the Participant's death occurred prior to September 24, 2010.

G. RESTORATION OF ADJUSTED BENEFITS.

Any Participant who incurs a benefit adjustment or elimination under the terms of Sections 2(A), 2(B), 2(C), 2(D), 2(E) or 2(F) above may have those affected benefits restored if, subsequent to the event causing the benefit adjustment, the Participant:

(1) in the case of benefit adjustment caused by a Rehabilitation Plan Withdrawal (see Section 2(I) below), permanently ceases all employment with, and performance of services in any capacity for, the Contributing Employer (and any successors or trades or businesses under common control with such Employer within the

meaning of ERISA § 4001(b)(1)) within 60 days of the occurrence of such Rehabilitation Plan Withdrawal; and

(2) in any case, subsequently earns one year of Contributory Service Credit with a Contributing Employer while that Employer is in compliance with the Primary Schedule described herein.

H. ADJUSTABLE BENEFITS.

As used herein, Adjustable Benefits shall mean and include:

(1) Any right to receive a Retirement Pension Benefit (Pension Plan, Article IV) prior to age 65 [including without limitation any pre-age 65 benefits that would otherwise be payable as *(i)* a Twenty Year Service Pension (Pension Plan § 4.01); *(ii)* a Contributory Credit Pension (Pension Plan § 4.04); *(iii)* a Vested Pension (Pension Plan § 4.07); (iv) a Deferred Pension (Pension Plan § 4.08); or *(v)* a Twenty-Year Deferred Pension (Pension Plan § 4.09)].

(2) Early retirement benefit or retirement-type subsidies [including without limitation *(i)* an Early Retirement Pension (Pension Plan § 4.02); *(ii)* a 25-And-Out Pension (Pension Plan § 4.05); or a 30-And-Out Pension (Pension Plan § 4.06)].

(3) All Disability Benefits not yet in pay status (Pension Plan, Article V).

(4) Before Retirement Death Benefits (Pension Plan, Article VI) other than the 50% surviving spouse benefit.

(5) Post-retirement death benefits that are not part of the annuity form of payment.

(6) All Partial Pensions (Pension Plan, Appendix D), to the extent any such pension is tied to one or more of the Adjustable Benefits listed above.

(7) All Contribution-Based Pensions (Pension Plan § 4.03) except that, assuming the Participant meets all other requirements for receiving a Contribution-Based Pension, the Contribution-Based Pension is payable at age 65 reduced by 1/2% per month for each month prior to age 65 at the time of retirement with a minimum retirement age of 57. Such minimum retirement age shall not apply if the Participant retired prior to age 57 before the Participant's Adjustable Benefits were eliminated or reduced. In such circumstance, the Participant shall be entitled to receive the Contribution-Based Pension reduced by 1/2% per month for each month prior to age 65 at the time of retirement. *Provided, however,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the reductions in the Contribution-Based Pensions payable at age 65 referenced in this subparagraph (7) shall be based on actuarial equivalence in accordance with the Schedule attached as Exhibit B hereto.

(8) To the extent not already included in paragraphs (1) - (7) above, the following categories of benefits listed and defined as "adjustable benefits" under ERISA§ 305(e)(8)(iv):

(i) benefits, rights, and features under the plan, including post-retirement death benefits, 60-month guarantees, disability benefits not yet in pay status, and similar benefits,

(ii) any early retirement benefit or retirement-type subsidy (within the meaning of ERISA Section 204(g)(2)(A)) and any benefit payment option (other than the qualified joint and survivor annuity), and

(iii) benefit increases that would not be eligible for a guarantee under ERISA Section 4022A on the first day of the Fund's initial critical year under the PPA because the increases were adopted (or, if later, took effect) less than 60 months before such first day.

Provided, however, that except as provided in subparagraph (8)(iii) above, nothing in this paragraph shall be construed to reduce the level of a Participant's accrued benefit payable at normal retirement.

I. REHABILITATION PLAN WITHDRAWAL

Subject to the discretionary authority of the Board of Trustees indicated in the final clause of this Subsection I, a "Rehabilitation Plan Withdrawal" occurs on the date a Contributing Employer (a) is no longer required to make Employer Contributions to the Pension Fund under one or more of its Collective Bargaining Agreements, or (b) undergoes a significant reduction in its obligation to make Employer Contributions resulting from outsourcing or subcontracting work covered by the applicable Collective Bargaining Agreement(s), as a result of actions by members of a Bargaining Unit (or its representatives) or the Contributing Employer, which actions include, but are not limited to the following:

(1) decertification or other removal of the Union as a bargaining agent;

(2) ratification or other acceptance of a Collective Bargaining Agreement which permits withdrawal of the Bargaining Unit, in whole or in part, from the Pension Plan;

(3) administrative termination of the Contributing Employer with respect to any or all of its Collective Bargaining Agreements due to: (i) a violation of the Fund's rules with respect to the terms of a Collective Bargaining Agreement (including, without limitation, a provision providing for a split bargaining unit); or (ii) a violation of any other Fund rule or policy (including, without limitation, practices or arrangements that result in adverse selection);

(4) any transaction or other event (including, without limitation, a merger, consolidation, division, asset sale (other than an asset sale complying with ERISA § 4204), liquidation, dissolution, joint venture, outsourcing, subcontracting) whereby all or a portion of the operations for which the Contributing Employer has an obligation to contribute are continued (whether by the Contributing Employer or by another party) in whole or in part without maintaining the obligation to contribute to the Fund under the same or better terms (including, for example, as to number of participants and contribution rate) as existed before the transaction;

Provided, however, that with respect to the circumstances described in Subparagraphs. (3)(ii) or (4) above, the Board of Trustees shall have full discretionary authority to

consider, weigh and balance the following factors in determining whether a Rehabilitation Plan Withdrawal has occurred:

(i) the extent to which the affected Bargaining Unit or its bargaining representative participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the cessation of Employer Contributions;

(ii) the extent to which the affected Bargaining Unit benefited, directly or indirectly, from the cessation of Employer Contributions;

(iii) the extent to which the affected Bargaining Unit, or its bargaining representative, resisted or attempted to resist, or acquiesced in, the cessation of Employer Contributions;

(iv) the extent to which the affected Bargaining Unit, or any of its members, become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Contributing Employer who incurred the cessation of Employer Contributions; and

(v) the extent of the hardship that might be incurred by members of the affected Bargaining Unit by the elimination of Adjustable Benefits.

J. BENEFIT ADJUSTMENTS APPLICABLE TO ALL PARTICIPANTS (INCLUDING INACTIVE VESTED PARTICIPANTS) WHO HAVE NOT SUBMITTED A RETIREMENT APPLICATION ON OR BEFORE JULY 1, 2011 AND DO NOT HAVE A BENEFIT COMMENCEMENT ON OR BEFORE THAT DATE.

Minimum Retirement Age 57.

Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

K. SPECIAL SCHEDULE: QUALIFYING NEW ("HYBRID METHOD") EMPLOYERS (EXCEPT AS NOTED, PRESERVES ALL BENEFITS).

1. Benefits.

Bargaining Units (and any non-Bargaining Unit groups participating in the Fund) whose Contributing Employers have been specifically accepted and approved by the Trustees as satisfying the requirements for this Qualifying New Employer Schedule will, as it relates to benefits or potential benefit adjustments, be treated in the same way as Bargaining Units (and non-Bargaining Unit groups) under the Primary Schedule (Section 2(A) above).

2. Contributions.

Contributing Employers who have qualified as New Employers within the meaning of Appendix E of the Plan Document, Section 2.2 (b) (and are thus eligible for treatment under the Pension Fund's alternative, or "hybrid," method of calculating Employer Withdrawal Liability), *and* who have fulfilled all requirements relating to the duration and/or level of continued participation in the Pension Fund contained in the agreement under which the Fund accepted the Employer as a New Employer, may contribute under this Schedule to the Fund at a rate to be specifically and separately approved by the Board of Trustees with respect to each such New Employer (the "New Rate"), subject to a specific determination by the Board of Trustees that the following conditions have been or will be met:

(i) The New Employer has in fact fulfilled its contribution or participation commitments under the agreement in which the Fund accepted the Employer's New Employer status, and the New Employer has fulfilled all other obligations under that agreement, is current in its ongoing contribution obligations to the Fund and is in compliance with the Fund's rules and polices applicable to Contributing Employers;

(ii) Unless a New Rate is determined and made available under this Schedule, the New Employer would likely withdraw from the Fund on about the expiration date of its most recent Collective Bargaining Agreement requiring contributions to the Fund;

(iii) The New Employer's continued participation in the Fund at the New Rate, under the specific circumstances presented, will result in net positive cash flow to the Fund, in comparison to the net cash flow that would result from a withdrawal by the New Employer from the Fund; and

(iv) The New Employer's obligation to contribute to the Fund at the New Rate is documented in a Collective Bargaining Agreement that is or will be acceptable to the Board of Trustees, and contains (or will contain) terms under which the bargaining representative of the affected Bargaining Unit specifically agrees or acknowledges that any reductions in labor costs resulting from the New Employer's contributions at the New Rate have been allocated to the Bargaining Unit in a manner that is satisfactory to the bargaining representative.

Section 3. REHABILITATION PLAN STANDARDS AND OBJECTIVES.

The Schedules of Contributions and Benefits discussed above have been formulated by the Fund's Board of Trustees as reasonable measures which, under reasonable actuarial assumptions, are designed and projected to forestall the possible insolvency of the Fund prior to 2025. Projections of insolvency may vary from year to year as actual experience may differ from assumptions.

The Trustees recognize the possibility that actual experience could be less favorable than the reasonable assumptions used for the Rehabilitation Plan on an annual basis. Consequently, the annual standards for meeting the requirements of the Rehabilitation Plan are as follows:

- Actuarial projections updated for each year show, based on reasonable assumptions, that under the Rehabilitation Plan and its schedules (as amended and updated from time to time) the Fund will forestall its possible insolvency *prior* to 2023.

Section 4. ALTERNATIVES CONSIDERED BY THE TRUSTEES.

The Board of Trustees considered numerous alternatives [including combinations of contribution rate increases (and other updates to the schedules of contribution rates in light of the experience of the Fund) and benefit adjustments] that might enable the Fund to emerge from Critical Status either by the end of ten year PPA Rehabilitation Period (which began on January 1, 2011 and ends on December 31, 2020), or to forestall possible insolvency indefinitely (beyond the date referenced above under the "Standards and Objectives" heading). Some of the alternatives considered were determined to be unreasonable measures. The various default and alternative schedules considered included the following:

Schedules considered by the Board of Trustees in formulating an initial 2008 rehabilitation plan that might permit the Fund to emerge by the end of the Rehabilitation Period on December 31. 2020:

Schedule	Benefit Reductions	Contribution Rate Increases
Default	Immediate maximum Critical Status benefit cuts for all participants to the extent permitted by law	15% per year until emergence in 2021 (plus an additional 1.6% annual increase for Benefit Classes 14 and below)
Alternative 1	Maintain current benefits	17% per year until emergence in 2021
Alternative 2	On the second anniversary of the new bargaining agreement, reduce the future benefit accrual rate from 1% of contributions payable at age 62 to 1% of contributions at payable at age 65	16% per year until emergence in 2021

In formulating the Fund's initial rehabilitation plan in 2008, the Board of Trustees concluded that utilizing any and all *possible* measures to emerge from Critical Status by the end of the 10-year presumptive Rehabilitation Period described in ERISA Section 305(e)(4), would be unreasonable and would involve considerable risk to the Fund and Fund participants. In particular, the Board of Trustees concluded that the continued existence of the Fund and the Trustees' ability to maintain and improve the Fund's funded status in accordance with the terms of the IRS approved amortization extension would be jeopardized by any attempt to emerge from critical status by the end of the presumptive 10-year Rehabilitation Period.

As shown above, based on January 1, 2008 valuation data, the emergence by the end of the presumptive 10 year Rehabilitation Period would require double-digit annual contribution rate increases. For example, the daily contribution rate would generally have to grow from $52 to over $300. Therefore, the Trustees concluded in 2008 that annual contribution rate increases above the 8%/6%/4% level in the Primary Schedule were not reasonable and could trigger mass withdrawals and significant losses to the Fund and the participants.

During the process of updating the Rehabilitation Plan in each applicable year subsequent to 2008, the Trustees concluded that in light of current valuation data available in each of those years, the experience of the Fund and projections, the option available to the Fund under ERISA Section 305(e)(3)(ii) was to pursue reasonable measures to forestall a possible

insolvency. The Trustees also concluded during the 2010 - 2016 update processes that requiring annual contribution increases above the level described in the Primary Schedule would not be reasonable and would likely accelerate a possible insolvency of the Fund rather than forestall it.

Prior to Plan/calendar year 2016, the Trustees have implemented (and, where applicable, have continued to implement) numerous measures to improve the Fund's funding. These have included:

- Reducing the benefit accrual rate from 2% of contributions to 1% of contributions;
- Protecting the "and-out" and early retirement benefits while freezing them at their year-end 2003 levels;
- Obtaining agreements from the major bargaining parties to reallocate significant amounts of annual benefit contributions to the Pension Fund;
- Obtaining an amortization extension from the Internal Revenue Service in 2005, and successfully seeking a waiver of the conditions of that extension in light of investment losses resulting from the weakness in financial markets in recent years (waiver or alteration of conditions granted in 2016);
- Requiring as a condition of continued participation in the Fund that new bargaining agreements in the last several years include significant annual contribution rate increases;
- Providing information to Congress and federal agencies with respect to legislative or regulatory proposals that appear to assist in addressing the funding challenges confronting the Fund;
- Approving a Distressed Employer Schedule as part of the Fund's Rehabilitation Plan under which YRC, Inc. and its affiliate USF Holland, Inc., two distressed (but historically significant) Contributing Employers, resumed Contributions in June 2011 at rates lower than would have been permitted under previous (pre-2011) Rehabilitation Plan Schedules; this Distressed Employer Schedule significantly adjusted the benefits of the affected Bargaining Unit members, and helped assure that despite the lower Contribution rates, the continued participation of these Employers would tend to improve overall pension funding; and
- Adopting a new withdrawal liability method, and obtaining approval of that method by the Pension Benefit Guaranty Corporation, under which new Contributing Employers, and existing Contributing Employers who satisfy their withdrawal liability under the Fund's historic (pre-2011) withdrawal liability method *(i.e.,* the "modified presumptive method"), will have any future withdrawal liability determined under the "direct attribution" method; the Trustees believe that this "hybrid" method will be attractive to some Contributing Employers who wish to continue to participate in the Fund, but may be concerned about the potential for future growth of their estimated withdrawal liability as calculated under the Fund's prior (pre-2011) withdrawal liability method, and that this, in turn, will encourage continued participation in the Fund and tend to improve overall pension funding.
- Amending the Primary Schedule of the Rehabilitation Plan to permit Contributing Employers, who satisfy their existing withdrawal liability and qualify as New Employers eligible for the direct attribution method under the hybrid method, to comply with the Primary Schedule without the need (under their current collective bargaining

agreements) for the contribution rate increases otherwise required under the Primary Schedule. The Trustees determined that this amendment to the Rehabilitation Plan will encourage existing Contributing Employers to satisfy their existing withdrawal liability and to continue their participation in the Fund as New Employers under the hybrid method; the Trustees determined that the New Employers' participation on these terms would tend to improve overall pension funding.

- Authorizing the filing, on September 25, 2015, of an application with the United States Department of the Treasury requesting approval of a plan of suspension of benefits under MPRA. (The Trustees determined that the filing of this application was a reasonable measure designed to forestall insolvency, and therefore one that they were required to take under the PPA. However, the Fund's MPRA application was denied by the Department of Treasury on May 6, 2016, and the Trustees have determined that it is not feasible for the Fund to submit a revised MPRA application.)

As part of their responsibility to consider updates to the Rehabilitation Plan for Plan Year 2016, the Board of Trustees approved the continuation, to the extent feasible, of the measures listed above and also approved the Special Schedule relating to Qualifying New ("Hybrid Method") Employers indicated in Section 2(K) of this Appendix.

However, the Trustees have also determined, as part of the 2016 Rehabilitation Plan update process, that mandating additional significant benefit cuts (beyond those provided in this updated Rehabilitation Plan), or (as noted) mandating significant contribution rate increases at levels beyond those required in recent years, would substantially accelerate the rate at which employers would withdraw from the Fund, in large part because the Union could conclude that it would be in its members' best interest to agree to withdrawals. The Board of Trustees also determined that this acceleration of employer withdrawals would, in turn, be counterproductive to the Trustees' effort to forestall possible insolvency.

Exhibit A

Primary Schedule: Contribution Rate Increases By Bargaining Agreement Year (all rate increases are to be compounded annually)

Calendar Year of Contribution Rate Increases	Year of initial Bargaining Agreement Conforming to Primary Schedule											
	2006 & Earlier	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
2006	7%											
2007	7%	8%										
2008	7%	8%	8%									
2009	7%	8%	8%	8%								
2010	7%	8%	8%	8%	8%							
2011	6%	8%	8%	8%	8%	8%						
2012	5%	6%	8%	8%	8%	8%	8%					
2013	4%	4%	6%	8%	8%	8%	8%	8%				
2014	4%	4%	6%	8%	8%	8%	8%	8%	8%			
2015	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%		
2016	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%	
2017	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%
2018	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%
2019	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%
2020	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%
2021	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%
2022	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%
2023	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%
2024	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%
2025	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
2026	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
2027	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%

EXHIBIT B

Schedule for Actuarial Reduction of Age 65 Benefits

(Applicable to Default Schedule and Rehabilitation Plan Withdrawal benefit adjustments for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA§ 305(i)(10)] on or before July 1, 2011)

Age	Percent of Age 65 Benefit Based on Actuarial Equivalence
65	100%
64	90%
63	81%
62	74%
61	67%
60	61%
59	55%
58	50%
57	46%

APPENDIX M-9. REHABILITATION PLAN (INCLUDING 2017 UPDATE)

Section 1. PREAMBLE AND DEFINITIONS.

Appendix M comprising the Rehabilitation Plan was added to the Pension Plan effective on and after March 26, 2008, and has been amended from time to time since then.

This Appendix M-9 is added to the Pension Plan effective on and after December 31, 2017 (except where a different effective date for any provision is noted below) in order to update the Rehabilitation Plan in compliance with the requirements of the Pension Protection Act of 2006 ("PPA").

The Central States, Southeast and Southwest Areas Pension Fund (the "Fund") was initially certified on March 24, 2008 by its actuary to be in "critical status" (sometimes referred to as the "red zone") under the PPA: the Fund's actuary has also certified the Fund to be in critical status in March of each subsequent year through March 2014. For 2015, 2016, and 2017 the actuary certified the Fund to be in "critical and declining status", pursuant to the Multiemployer Pension Reform Act of 2014 ("MPRA"). The Fund's Board of Trustees, as the plan sponsor of a "critical and declining status" pension plan, is charged under the PPA and MPRA with developing a "rehabilitation plan" designed to improve the financial condition of the Fund in accordance with the standards set forth in the PPA, and with annually updating the rehabilitation plan. Although for plan year 2009 the Fund was exempt from the update requirement, pursuant to an election under the Worker Retiree and Employer Recovery Act of 2008, for subsequent plan years the PPA provisions concerning the rehabilitation plan update process are applicable to the Fund. The purpose of this updated Rehabilitation Plan is to comply with those PPA provisions, as amended to date, including any applicable amendments under MPRA.

Under the PPA, a rehabilitation plan, including annual updates to the plan, must include one or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted by the parties obligated under agreements participating in the pension plan, may reasonably be expected to enable the Fund to emerge from critical status in accordance with the rehabilitation plan. The PPA also provides that one of the rehabilitation plan schedules of benefits and contributions shall be designated the "default" schedule. The default schedule must assume that there are no increases in contributions under the plan other than the increases necessary to emerge from critical status after future benefit accruals and other benefits have been reduced to the maximum extent permitted by law. The PPA also creates certain categories of "adjustable benefits" which may be reduced or eliminated dependent upon the outcome of bargaining over the rehabilitation plan schedules and dependent on the exercise of certain flexibility and discretion conferred upon the Board of Trustees by the PPA. Adjustable benefits that may be affected in this manner include post-retirement death benefits, early retirement benefits or retirement-type subsidies, and generally any benefit that would be payable prior to normal retirement age (age 65 benefits under the Fund's Plan Document - or, as discussed below, a Contribution Based Benefit actuarially reduced to be equivalent to an age 65 benefit). As noted, the PPA also requires annual updates of the rehabilitation plan.

Unless otherwise indicated, all capitalized terms herein shall have the definitions and meanings assigned to them in the Fund's Pension Plan Document.

Section 2. SCHEDULES OF CONTRIBUTIONS AND BENEFITS.

With the PPA requirements outlined above in mind, the Fund's Board of Trustees hereby provides the following PPA Schedules to the parties charged with bargaining over agreements requiring contributions to the Fund.

A. PRIMARY SCHEDULE (EXCEPT AS NOTED, PRESERVES ALL CURRENT BENEFITS).

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers are in compliance with this Primary Schedule, there will be no change in benefit formulas, levels or payment options in effect on January 1, 2008, *except that* as provided in Section 2(J) below, Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date (within the meaning of ERISA § 305(i)(10)) on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Further, subject to the notice requirements of the PPA and other applicable law, any Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers incur a Rehabilitation Plan Withdrawal on or after March 26, 2008 shall have their Adjustable Benefits listed in Section 2(H) below eliminated or reduced to the extent indicated in Section 2(B)(1) below.

2. Contributions

Compliance with the Primary Schedule requires annually compounded contribution rate increases in accordance with Exhibit A effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each agreement anniversary date (or reallocation anniversary, where applicable) during the term of the new bargaining agreement to the extent indicated in Exhibit A, depending on the year that the new agreement is effective. Note that all contribution rate increases are annually compounded on the total contribution rate (including any reallocations of employee benefit contributions or agreed mid-contract contribution increases) immediately prior to the increase.

The required annual rate increase may be provided through annual allocations to pension contributions of general and aggregate employee benefit contribution increases that were negotiated at the outset of an agreement, but were not specifically allocated to pension contributions until subsequent contract years. The Primary Schedule requires 8% per year contribution rate increases for the first 5 years, 6% per year contribution rate increases for the next 3 years and 4% per year contribution rate increases each year thereafter for 2008 agreements under the Primary Schedule and comparable rate increases over time for all other agreements under the Primary Schedule *(see* Exhibit A).

Provided, however, that absent further amendment to this rehabilitation plan, as of June 1, 2011, any Collective Bargaining Agreement requiring contributions of (1) $348 per week for each full-time employee with respect to Participants covered

by the National Master Automobile Transporter Agreement, and (2) $342 per week for each full-time employee with respect to all other Participants, will be deemed to be in compliance with the Primary Schedule *without* the need for additional annual rate increases.

Provided further that any Employer that qualifies as a New Employer under § 2.2(b) of Appendix E of the Pension Plan will be deemed, as of the date it qualifies as a New Employer, to be in compliance with the Primary Schedule *without* the need for additional contribution rate increases.

B. DEFAULT SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers agree to comply with this Default Schedule [or who become subject to the Default Schedule due to a failure to achieve an agreement to accept one of the Rehabilitation Plan Schedules within the time frame specified under ERISA § 305(e)(3)(C)], the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Default Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee groups participating in the Fund):

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by 1/2% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57.

2. Contributions

Compliance with the Default Schedule consists of annually compounded contribution rate increases of 4% effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each anniversary thereof during the term of the agreement.

3. Effect of agreement to or imposition of Default Schedule.

(i) If a Contributing Employer agrees to the Default Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

(ii) If a Contributing Employer becomes subject to the Default Schedule by operation of ERISA Section 305(e)(3)(C), because the bargaining parties

have failed to adopt either of the Schedules compliant with this Rehabilitation Plan within 180 days of the expiration of their prior Collective Bargaining Agreement, the Fund will then accept a Collective Bargaining Agreement that is compliant with the Primary Schedule described in this Rehabilitation Plan, provided that such new Collective Bargaining Agreement provides for Primary Schedule contribution rates that are retroactive to the expiration date of the last Collective Bargaining Agreement that covered the affected Bargaining Unit.

C. DISTRESSED EMPLOYER SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers and contribution rates have been specifically accepted and approved by the Board of Trustees as satisfying the Qualifications for the Distressed Employer Schedule (as set forth in Section 2(C)(2) below), the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Distressed Employer Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee group participating in the Fund) that is accepted by the Board of Trustees as qualifying under the Distressed Employer Schedule:

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by ½% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) have not achieved a Retirement Date on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57, *and except that* any Participant who (i) has achieved a minimum age of 55 as of the date of the Distressed Employer's termination of participation in the Fund (see Section 2(C)(2) below) and (ii) has accrued a minimum of 25 years credit towards a Contributory Credit Pension or an And-Out Pension as of that date (see Pension Plan §§ 4.04, 4.05 and 4.06), shall be entitled to retain his eligibility for (but not gain further credit towards) any such Pension, *provided that* any such Participant has a minimum retirement age of 62.

2. Contributions and Qualifications for the Distressed Employer Schedule.

The Board of Trustees may deem a Collective Bargaining Agreement with contribution rates not in compliance with either the Primary Schedule or the Default Schedule to be in compliance with and subject to the Distressed Employer Schedule, if in the Board of Trustees' sole discretion, the Board determines that the Contributing Employer meets each of the following qualifications:

(i) the common stock of the Employer or its parent corporation (or other affiliate under 80% or more common control with the Employer) is publicly traded and registered pursuant to the securities laws of the United States;

(ii) the Employer has previously incurred a termination of its participation in the Fund due to an inability to remain current in its Contribution obligations, and the Employer was in terminated status immediately prior to executing the Agreement sought to be qualified under the Distressed Employer Schedule;

(iii) during the last ten years in which the Employer participated in the Fund prior to its termination, it had paid contributions to the Fund on behalf of at least 1,000 full-time employees per month (or had, including part-time employees, paid contributions on behalf of the equivalent of at least 1,000 full-time employees per month for the specified ten year period);

(iv) the Employer submits to a review of its financial condition and operations by the Fund's Staff and outside expert and consultants, and agrees to reimburse the Fund for all fees and expenses incurred by the Fund in this review (including, but not limited to, reimbursement to the Fund for the time devoted by the Fund's Staff to any such review, with this reimbursement to be made at market rates for comparable services performed by Fund's Staff);

(v) on the basis of this financial and operational review, it appears that the Employer is not able to contribute to the Fund at a higher rate than is indicated in the Collective Bargaining Agreement proposed for acceptance under the Distressed Employer Schedule, *and* that acceptance of the proposed Agreement is in the best interest of the Fund under all the circumstances and advances the goals of this Rehabilitation Plan; and

(vi) the Employer provides the Fund with first lien collateral in any and all unencumbered assets to the fullest extent it is able in order to fully secure (i) any delinquent or deferred Contribution obligations owed to the Fund, (ii) the Employer's obligation to make current and future pension contributions to the Fund, and (iii) any future withdrawal liability potentially incurred by the Employer (with the amount of such potential withdrawal liability to be determined based on estimates to be provided by the Fund).

3. Effect of agreement to or imposition of the Distressed Employer Schedule.

If a Contributing Employer becomes subject to the Distressed Employer Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

D. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER INCURRING A REHABILITATION PLAN WITHDRAWAL.

Subject to the provisos indicated in the final clauses of this Subsection D, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be

eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] with the Fund is on or after April 8, 2008, and:

(1) whose last Hour of Service prior to January 1, 2008 was earned while employed by United Parcel Service, Inc. ("UPS"), or with any trades or businesses at any time under common control with UPS, within the meaning of ERISA § 4001(b)(1); *or*

(2) who *(i)* has earned or earns an Hour of Service while employed with a Contributing Employer (or any predecessor or successor entity) that at any time on or after March 26, 2008 incurs a Rehabilitation Plan Withdrawal *(see* Section 2(I) below), and *(ii)* whose *last* year of Contributory Service Credit *prior* to the Rehabilitation Plan Withdrawal was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) ultimately incurring such Withdrawal.

Proviso 1: *Provided, however,* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant Section 2(D)(2) above, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the earlier of: (i) the date of such Rehabilitation Plan Withdrawal or (ii) the date of the expiration of the last Collective Bargaining Agreement requiring Employer Contributions under the Primary Schedule prior to such Withdrawal, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: And provided further that in the event of a Rehabilitation Plan Withdrawal resulting from an administrative termination of a Contributing Employer as referenced in Section 2(I)(3)(ii) below, the Board of Trustees shall have full discretionary authority (A) to decline to apply the elimination of Adjustable Benefits to Participants otherwise affected by a Rehabilitation Plan Withdrawal of this type who have submitted a pension application naming a Retirement Date to the Fund on or before the date selected by the Trustees as the effective date of the administrative termination which ended the Employer's obligation to contribute to the Pension Fund, and (B) to decline to apply the requirement of Section 2(G) below that a Participant incurring a benefit adjustment due to Rehabilitation Plan Withdrawal must cease employment with and the performance of services for the withdrawn Employer within 60 days of the Rehabilitation Plan Withdrawal in order to eventually qualify for a restoration of benefits; in exercising their discretionary authority under this Proviso 2, the Board of Trustees shall consider, weigh and balance the following factors:

(i) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination were aware of, participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the circumstances that led to the administrative termination of the Employer;

(ii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination benefited, directly or indirectly from the cessation of Employer Contributions or from the circumstances that led to the administrative termination of the Employer;

(iii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination resisted or attempted to alter, or acquiesced in, the circumstances that led to the administrative termination of the Employer;

(iv) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination have become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Employer that has undergone the administrative termination; and

(v) the extent of the hardship that might be incurred by any actively employed members of the affected Bargaining Unit or by any members who submitted a retirement application prior to the effective date of the administrative termination due to the elimination of Adjustable Benefits.

Proviso 3: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant to Subsection D(2) above, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date of the Rehabilitation Plan Withdrawal.

E. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DEFAULT SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection E, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Section B(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Default Schedule described herein; and

(2) whose *last* year of Contributory Service Credit prior to the Employer's becoming subject to the Default Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Default Schedule.

Proviso 1: *Provided, however.* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant to this Subsection E, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Default Schedule, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant this Subsection E. shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Default Schedule.

F. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DISTRESSED EMPLOYER SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection F, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (with the exception indicated in Section 2(C)(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Distressed Employer Schedule described herein; and

(2) whose last year of Contributory Service Credit prior to the Employer's becoming subject to the Distressed Employer Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Distressed Employer Schedule.

Proviso 1: Provided, however, that any Pensioner otherwise subject to the reduction in Adjustable Benefits indicated in the Distressed Employer Schedule, due to his Contributing Employer becoming subject to that Schedule pursuant to this Subsection F, who has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Distressed Employer Schedule, shall not be subject to the reduction of Adjustable Benefits otherwise mandated by the Distressed Employer Schedule provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date, and provided further that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no Pensioners with Retirement Dates prior to September 24, 2010 shall be subject to such Distressed Employer Schedule benefit reduction.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the reduction of Adjustable Benefits. due to his Contributing Employer becoming subject to the Distressed Employer Schedule pursuant to this Subsection F, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such surviving spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Distressed Employer Schedule, *and provided* further in any event that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no spouse shall be subject to such Distressed Employer Schedule benefit reduction if the Participant's death occurred prior to September 24, 2010.

G. RESTORATION OF ADJUSTED BENEFITS.

Any Participant who incurs a benefit adjustment or elimination under the terms of Sections 2(A), 2(B), 2(C), 2(D), 2(E) or 2(F) above may have those affected benefits restored if, subsequent to the event causing the benefit adjustment, the Participant:

(1) in the case of benefit adjustment caused by a Rehabilitation Plan Withdrawal (see Section 2(I) below), permanently ceases all employment with, and performance of services in any capacity for, the Contributing Employer (and any successors or trades or businesses under common control with such Employer within the meaning of ERISA § 4001(b)(1)) within 60 days of the occurrence of such Rehabilitation Plan Withdrawal; and

(2) in any case, subsequently earns one year of Contributory Service Credit with a Contributing Employer while that Employer is in compliance with the Primary Schedule described herein.

H. ADJUSTABLE BENEFITS.

As used herein, Adjustable Benefits shall mean and include:

(1) Any right to receive a Retirement Pension Benefit (Pension Plan, Article IV) prior to age 65 [including without limitation any pre-age 65 benefits that would otherwise be payable as *(i)* a Twenty Year Service Pension (Pension Plan § 4.01); *(ii)* a Contributory Credit Pension (Pension Plan § 4.04); *(iii)* a Vested Pension (Pension Plan § 4.07); (iv) a Deferred Pension (Pension Plan § 4.08); or *(v)* a Twenty-Year Deferred Pension (Pension Plan § 4.09)].

(2) Early retirement benefit or retirement-type subsidies [including without limitation *(i)* an Early Retirement Pension (Pension Plan § 4.02); *(ii)* a 25-And-Out Pension (Pension Plan § 4.05); or a 30-And-Out Pension (Pension Plan § 4.06)].

(3) All Disability Benefits not yet in pay status (Pension Plan, Article V).

(4) Before Retirement Death Benefits (Pension Plan, Article VI) other than the 50% surviving spouse benefit.

(5) Post-retirement death benefits that are not part of the annuity form of payment.

(6) All Partial Pensions (Pension Plan, Appendix D), to the extent any such pension is tied to one or more of the Adjustable Benefits listed above.

(7) All Contribution-Based Pensions (Pension Plan § 4.03) except that, assuming the Participant meets all other requirements for receiving a Contribution-Based Pension, the Contribution-Based Pension is payable at age 65 reduced by 1/2% per month for each month prior to age 65 at the time of retirement with a minimum retirement age of 57. Such minimum retirement age shall not apply if the Participant retired prior to age 57 before the Participant's Adjustable Benefits were eliminated or reduced. In such circumstance, the Participant shall be entitled to receive the Contribution-Based Pension reduced by 1/2% per month for each month prior to age 65 at the time of retirement. *Provided, however,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the reductions in the Contribution-Based

Pensions payable at age 65 referenced in this subparagraph (7) shall be based on actuarial equivalence in accordance with the Schedule attached as Exhibit B hereto.

(8) To the extent not already included in paragraphs (1) - (7) above, the following categories of benefits listed and defined as "adjustable benefits" under ERISA§ 305(e)(8)(iv):

(i) benefits, rights, and features under the plan, including post-retirement death benefits, 60-month guarantees, disability benefits not yet in pay status, and similar benefits,

(ii) any early retirement benefit or retirement-type subsidy (within the meaning of ERISA Section 204(g)(2)(A)) and any benefit payment option (other than the qualified joint and survivor annuity), and

(iii) benefit increases that would not be eligible for a guarantee under ERISA Section 4022A on the first day of the Fund's initial critical year under the PPA because the increases were adopted (or, if later, took effect) less than 60 months before such first day.

Provided, however, that except as provided in subparagraph (8)(iii) above, nothing in this paragraph shall be construed to reduce the level of a Participant's accrued benefit payable at normal retirement.

I. REHABILITATION PLAN WITHDRAWAL

Subject to the discretionary authority of the Board of Trustees indicated in the final clause of this Subsection I, a "Rehabilitation Plan Withdrawal" occurs on the date a Contributing Employer (a) is no longer required to make Employer Contributions to the Pension Fund under one or more of its Collective Bargaining Agreements, or (b) undergoes a significant reduction in its obligation to make Employer Contributions resulting from outsourcing or subcontracting work covered by the applicable Collective Bargaining Agreement(s), as a result of actions by members of a Bargaining Unit (or its representatives) or the Contributing Employer, which actions include, but are not limited to the following:

(1) decertification or other removal of the Union as a bargaining agent;

(2) ratification or other acceptance of a Collective Bargaining Agreement which permits withdrawal of the Bargaining Unit, in whole or in part, from the Pension Plan;

(3) administrative termination of the Contributing Employer with respect to any or all of its Collective Bargaining Agreements due to: (i) a violation of the Fund's rules with respect to the terms of a Collective Bargaining Agreement (including, without limitation, a provision providing for a split bargaining unit); or (ii) a violation of any other Fund rule or policy (including, without limitation, practices or arrangements that result in adverse selection);

(4) any transaction or other event (including, without limitation, a merger, consolidation, division, asset sale (other than an asset sale complying with ERISA § 4204), liquidation, dissolution, joint venture, outsourcing, subcontracting) whereby all or a portion of the operations for which the Contributing Employer has

an obligation to contribute are continued (whether by the Contributing Employer or by another party) in whole or in part without maintaining the obligation to contribute to the Fund under the same or better terms (including, for example, as to number of participants and contribution rate) as existed before the transaction;

Provided, however, that with respect to the circumstances described in Subparagraphs. (3)(ii) or (4) above, the Board of Trustees shall have full discretionary authority to consider, weigh and balance the following factors in determining whether a Rehabilitation Plan Withdrawal has occurred:

(i) the extent to which the affected Bargaining Unit or its bargaining representative participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the cessation of Employer Contributions;

(ii) the extent to which the affected Bargaining Unit benefited, directly or indirectly, from the cessation of Employer Contributions;

(iii) the extent to which the affected Bargaining Unit, or its bargaining representative, resisted or attempted to resist, or acquiesced in, the cessation of Employer Contributions;

(iv) the extent to which the affected Bargaining Unit, or any of its members, become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Contributing Employer who incurred the cessation of Employer Contributions; and

(v) the extent of the hardship that might be incurred by members of the affected Bargaining Unit by the elimination of Adjustable Benefits.

J. BENEFIT ADJUSTMENTS APPLICABLE TO ALL PARTICIPANTS (INCLUDING INACTIVE VESTED PARTICIPANTS) WHO HAVE NOT SUBMITTED A RETIREMENT APPLICATION ON OR BEFORE JULY 1, 2011 AND DO NOT HAVE A BENEFIT COMMENCEMENT ON OR BEFORE THAT DATE.

Minimum Retirement Age 57.

Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

K. SPECIAL SCHEDULE: QUALIFYING NEW ("HYBRID METHOD") EMPLOYERS (EXCEPT AS NOTED, PRESERVES ALL BENEFITS).

1. Benefits.

Bargaining Units (and any non-Bargaining Unit groups participating in the Fund) whose Contributing Employers have been specifically accepted and approved by the Trustees as satisfying the requirements for this Qualifying New Employer Schedule will, as it relates to benefits or potential benefit adjustments, be treated

in the same way as Bargaining Units (and non-Bargaining Unit groups) under the Primary Schedule (Section 2.A. above).

2. Contributions.

Contributing Employers who have qualified as New Employers within the meaning of Appendix E of the Plan Document, Section 2.2 (b) (and are thus eligible for treatment under the Pension Fund's alternative, or "hybrid," method of calculating Employer Withdrawal Liability), *and* who have fulfilled all requirements relating to the duration and/or level of continued participation in the Pension Fund contained in the agreement under which the Fund accepted the Employer as a New Employer, may contribute under this Schedule to the Fund at a rate to be specifically and separately approved by the Board of Trustees with respect to each such New Employer (the "New Rate"), subject to a specific determination by the Board of Trustees that the following conditions have been or will be met:

(i) The New Employer has in fact fulfilled its contribution or participation commitments under the agreement in which the Fund accepted the Employer's New Employer status, and the New Employer has fulfilled all other obligations under that agreement, is current in its ongoing contribution obligations to the Fund and is in compliance with the Fund's rules and polices applicable to Contributing Employers;

(ii) Unless a New Rate is determined and made available under this Schedule, the New Employer would likely withdraw from the Fund on about the expiration date of its most recent Collective Bargaining Agreement requiring contributions to the Fund;

(iii) the New Employer's continued participation in the Fund at the New Rate, under the specific circumstances presented, will result in net positive cash flow to the Fund, in comparison to the net cash flow that would result from a withdrawal by the New Employer from the Fund; and

(iv) the New Employer's obligation to contribute to the Fund at the New Rate is documented in a Collective Bargaining Agreement that is or will be acceptable to the Board of Trustees, and contains (or will contain) terms under which the bargaining representative of the affected Bargaining Unit specifically agrees or acknowledges that any reductions in labor costs resulting from the New Employer's contributions at the New Rate have been allocated to the Bargaining Unit in a manner that is satisfactory to the bargaining representative.

L. SPECIAL SCHEDULE: QUALIFYING BARGAINING UNITS THAT HAVE BEEN SUBJECT TO A WAGE FREEZE (EXCEPT AS NOTED PRESERVES ALL BENEFITS). (Effective on and after March 14, 2017)

1. Benefits.

With regard to any Bargaining Unit subject to a Collective Bargaining Agreement in effect as of March 1, 2017 (the "Current Agreement") that –

(i) was (or is) of 3 to 5 years in duration,

(ii) did not (or does not) provide for any wage increases for the entire duration of the Agreement, and

(iii) required (or requires) pension contribution rate increases in compliance with the Primary Schedule (Section 2.A of this Rehabilitation Plan) for the entire duration of the Agreement, but did not (or does not) at any time require contributions at rates equal to or in excess of any of the maximum rates specified under the provisos to the Primary Schedule the benefits available to any such Bargaining Unit under any new Collective Bargaining Agreement that is the immediate successor or renewal Agreement of the Current Agreement, and is not in compliance with the Primary Schedule ("Successor Agreement"), will be nevertheless identical to the benefits available to Bargaining Units whose Collective Bargaining Agreements are in compliance with the Primary Schedule, provided that any such Successor Agreement has the characteristics specified in Section 2.L.2 below.

2. Contributions.

In order for a Bargaining Unit to qualify for the benefits specified under Section 2.L.1 above, the Successor Agreement must:

(i) Not be of less duration than the Current Agreement, but not exceeding 5 years in duration;

(ii) require pension contributions at a rate that is at least as high as the highest rate required under the Current Agreement, but need not provide for any increase in the contribution rates for the duration of the Successor Agreement (the "Special Rate"); and

(iii) contain terms under which the bargaining representative of the affected Bargaining Unit specifically agrees and acknowledges that any reduction in labor costs resulting from contributions at the Special Rate (*i.e.,* contributions without the rate increases otherwise required under the Primary Schedule) have been allocated to the Bargaining Unit in a manner that is satisfactory to the bargaining representative.

Section 3. REHABILITATION PLAN STANDARDS AND OBJECTIVES.

The Schedules of Contributions and Benefits discussed above have been formulated by the Fund's Board of Trustees as reasonable measures which, under reasonable actuarial assumptions, are designed and projected to forestall the possible insolvency of the Fund prior to 2025. Projections of insolvency may vary from year to year as actual experience may differ from assumptions.

The Trustees recognize the possibility that actual experience could be less favorable than the reasonable assumptions used for the Rehabilitation Plan on an annual basis. Consequently, the annual standards for meeting the requirements of the Rehabilitation Plan are as follows:

- Actuarial projections updated for each year show, based on reasonable assumptions, that under the Rehabilitation Plan and its schedules (as amended and updated from time to time) the Fund will forestall its possible insolvency *prior* to 2023.

Section 4. ALTERNATIVES CONSIDERED BY THE TRUSTEES.

The Board of Trustees considered numerous alternatives [including combinations of contribution rate increases (and other updates to the schedules of contribution rates in light

of the experience of the Fund) and benefit adjustments] that might enable the Fund to emerge from Critical Status either by the end of ten year PPA Rehabilitation Period (which began on January 1, 2011 and ends on December 31, 2020), or to forestall possible insolvency indefinitely (beyond the date referenced above under the "Standards and Objectives" heading). Some of the alternatives considered were determined to be unreasonable measures. The various default and alternative schedules considered included the following:

Schedules considered by the Board of Trustees in formulating an initial 2008 rehabilitation plan that might permit the Fund to emerge by the end of the Rehabilitation Period on December 31. 2020:

Schedule	Benefit Reductions	Contribution Rate Increases
Default	Immediate maximum Critical Status benefit cuts for all participants to the extent permitted by law	15% per year until emergence in 2021 (plus an additional 1.6% annual increase for Benefit Classes 14 and below
Alternative 1	Maintain current benefits	17% per year until emergence in 2021
Alternative 2	On the second anniversary of the new bargaining agreement, reduce the future benefit accrual rate from 1% of contributions payable at age 62 to 1% of contributions at payable at age 65	16% per year until emergence in 2021

In formulating the Fund's initial rehabilitation plan in 2008, the Board of Trustees concluded that utilizing any and all *possible* measures to emerge from Critical Status by the end of the 10-year presumptive Rehabilitation Period described in ERISA Section 305(e)(4), would be unreasonable and would involve considerable risk to the Fund and Fund participants. In particular, the Board of Trustees concluded that the continued existence of the Fund and the Trustees' ability to maintain and improve the Fund's funded status in accordance with the terms of the IRS approved amortization extension would be jeopardized by any attempt to emerge from critical status by the end of the presumptive 10-year Rehabilitation Period.

As shown above, based on January 1, 2008 valuation data, the emergence by the end of the presumptive 10 year Rehabilitation Period would require double-digit annual contribution rate increases. For example, the daily contribution rate would generally have to grow from $52 to over $300. Therefore, the Trustees concluded in 2008 that annual contribution rate increases above the 8%/6%/4% level in the Primary Schedule were not reasonable and could trigger mass withdrawals and significant losses to the Fund and the participants.

During the process of updating the Rehabilitation Plan in each applicable year subsequent to 2008, the Trustees concluded that in light of current valuation data available in each of those years, the experience of the Fund and projections, the option available to the Fund under ERISA Section 305(e)(3)(ii) was to pursue reasonable measures to forestall a possible insolvency. The Trustees also concluded during the 2010 - 2016 update processes that requiring annual contribution increases above the level described in the Primary Schedule would not be reasonable and would likely accelerate a possible insolvency of the Fund rather than forestall it.

Prior to Plan/calendar year 2017, the Trustees have implemented (and, where applicable, have continued to implement) numerous measures to improve the Fund's funding. These have included:

- Reducing the benefit accrual rate from 2% of contributions to 1% of contributions;

- Protecting the "and-out" and early retirement benefits while freezing them at their year-end 2003 levels;

- Obtaining agreements from the major bargaining parties to reallocate significant amounts of annual benefit contributions to the Pension Fund;

- Obtaining an amortization extension from the Internal Revenue Service in 2005, and successfully seeking a waiver of the conditions of that extension in light of investment losses resulting from the weakness in financial markets in recent years (waiver or alteration of conditions granted in 2016);

- Requiring as a condition of continued participation in the Fund that new bargaining agreements in the last several years include significant annual contribution rate increases;

- Providing information to Congress and federal agencies with respect to legislative or regulatory proposals that appear to assist in addressing the funding challenges confronting the Fund;

- Approving a Distressed Employer Schedule as part of the Fund's Rehabilitation Plan under which YRC, Inc. and its affiliate USF Holland, Inc., two distressed (but historically significant) Contributing Employers, resumed Contributions in June 2011 at rates lower than would have been permitted under previous (pre-2011) Rehabilitation Plan Schedules; this Distressed Employer Schedule significantly adjusted the benefits of the affected Bargaining Unit members, and helped assure that despite the lower Contribution rates, the continued participation of these Employers would tend to improve overall pension funding; and

- Adopting a new withdrawal liability method, and obtaining approval of that method by the Pension Benefit Guaranty Corporation, under which new Contributing Employers, and existing Contributing Employers who satisfy their withdrawal liability under the Fund's historic (pre-2011) withdrawal liability method *(i.e.,* the "modified presumptive method"), will have any future withdrawal liability determined under the "direct attribution" method; the Trustees believe that this "hybrid" method will be attractive to some Contributing Employers who wish to continue to participate in the Fund, but may be concerned about the potential for future growth of their estimated withdrawal liability as calculated under the Fund's prior (pre-2011) withdrawal liability method, and that this, in turn, will encourage continued participation in the Fund and tend to improve overall pension funding.

- Amending the Primary Schedule of the Rehabilitation Plan to permit Contributing Employers, who satisfy their existing withdrawal liability and qualify as New Employers eligible for the direct attribution method under the hybrid method, to comply with the Primary Schedule without the need (under their current collective bargaining agreements) for the contribution rate increases otherwise required under the Primary Schedule. The Trustees determined that this amendment to the Rehabilitation Plan will encourage existing Contributing Employers to satisfy their existing withdrawal liability and to continue their participation in the Fund as New Employers under the

hybrid method; the Trustees determined that the New Employers' participation on these terms would tend to improve overall pension funding.

- Authorizing the filing, on September 25, 2015, of an application with the United States Department of the Treasury requesting approval of a plan of suspension of benefits under MPRA. (The Trustees determined that the filing of this application was a reasonable measure designed to forestall insolvency, and therefore one that they were required to take under the PPA. However, the Fund's MPRA application was denied by the Department of Treasury on May 6, 2016, and the Trustees have determined that it is not feasible for the Fund to submit a revised MPRA application.)

As part of their responsibility to consider updates to the Rehabilitation Plan during Plan Year 2017, the Board of Trustees approved the continuation, to the extent feasible, of the measures listed above and also approved the Special Schedule relating to Qualifying New ("Hybrid Method") Employers indicated in Section 2.K. of this Appendix. In March 2017 the Trustees added Section 2.L relating to Qualifying Bargaining Units that Have Been Subject to a Wage Freezes as an additional update to this Appendix.

However, the Trustees have also determined, as part of the 2017 Rehabilitation Plan update process, that mandating additional significant benefit cuts (beyond those provided in this updated Rehabilitation Plan), or (as noted) mandating significant contribution rate increases at levels beyond those required in recent years, would risk substantially accelerating the rate at which employers would withdraw from the Fund, in large part because the Union could conclude that it would be in its members' best interest to agree to withdrawals. The Board of Trustees also determined that this acceleration of employer withdrawals would, in turn, be counterproductive to the Trustees' effort to forestall possible insolvency.

Exhibit A

Primary Schedule: Contribution Rate Increases by Bargaining Agreement Year (all rate increases are to be compounded annually)

Calendar Year of Contribution Rate Increases	Year of initial Bargaining Agreement Conforming to Primary Schedule											
	2006 & Earlier	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
2006	7%											
2007	7%	8%										
2008	7%	8%	8%									
2009	7%	8%	8%	8%								
2010	7%	8%	8%	8%	8%							
2011	6%	8%	8%	8%	8%	8%						
2012	5%	6%	8%	8%	8%	8%	8%					
2013	4%	4%	6%	8%	8%	8%	8%	8%				
2014	4%	4%	6%	8%	8%	8%	8%	8%	8%			
2015	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%		
2016	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%	
2017	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%
2018	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%
2019	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%
2020	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%
2021	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%
2022	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%
2023	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%
2024	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%
2025	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
2026	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
2027	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%

EXHIBIT B

Schedule for Actuarial Reduction of Age 65 Benefits

(Applicable to Default Schedule and Rehabilitation Plan Withdrawal benefit adjustments for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA§ 305(i)(10)] on or before July 1, 2011)

Age	Percent of Age 65 Benefit Based on Actuarial Equivalence
65	100%
64	90%
63	81%
62	74%
61	67%
60	61%
59	55%
58	50%
57	46%

APPENDIX M-10. REHABILITATION PLAN (INCLUDING 2018 UPDATE)

Section 1. PREAMBLE AND DEFINITIONS.

Appendix M comprising the Rehabilitation Plan was added to the Pension Plan effective on and after March 26, 2008, and has been amended from time to time since then.

This Appendix M-10 is added to the Pension Plan effective on and after December 31, 2018 (except where a different effective date for any provision is noted below) in order to update the Rehabilitation Plan in compliance with the requirements of the Pension Protection Act of 2006 ("PPA").

The Central States, Southeast and Southwest Areas Pension Fund (the "Fund") was initially certified on March 24, 2008 by its actuary to be in "critical status" (sometimes referred to as the "red zone") under the PPA: the Fund's actuary has also certified the Fund to be in critical status in March of each subsequent year through March 2014. For 2015, 2016, 2017 and 2018 the actuary certified the Fund to be in "critical and declining status", pursuant to the Multiemployer Pension Reform Act of 2014 ("MPRA"). The Fund's Board of Trustees, as the plan sponsor of a "critical and declining status" pension plan, is charged under the PPA and MPRA with developing a "rehabilitation plan" designed to improve the financial condition of the Fund in accordance with the standards set forth in the PPA, and with annually updating the rehabilitation plan. Although for plan year 2009 the Fund was exempt from the update requirement, pursuant to an election under the Worker Retiree and Employer Recovery Act of 2008, for subsequent plan years the PPA provisions concerning the rehabilitation plan update process are applicable to the Fund. The purpose of this updated Rehabilitation Plan is to comply with those PPA provisions, as amended to date, including any applicable amendments under MPRA.

Under the PPA, a rehabilitation plan, including annual updates to the plan, must include one or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted by the parties obligated under agreements participating in the pension plan, may reasonably be expected to enable the Fund to emerge from critical status in accordance with the rehabilitation plan. The PPA also provides that one of the rehabilitation plan schedules of benefits and contributions shall be designated the "default" schedule. The default schedule must assume that there are no increases in contributions under the plan other than the increases necessary to emerge from critical status after future benefit accruals and other benefits have been reduced to the maximum extent permitted by law. The PPA also creates certain categories of "adjustable benefits" which may be reduced or eliminated dependent upon the outcome of bargaining over the rehabilitation plan schedules and dependent on the exercise of certain flexibility and discretion conferred upon the Board of Trustees by the PPA. Adjustable benefits that may be affected in this manner include post-retirement death benefits, early retirement benefits or retirement-type subsidies, and generally any benefit that would be payable prior to normal retirement age (age 65 benefits under the Fund's Plan Document - or, as discussed below, a Contribution Based Benefit actuarially reduced to be equivalent to an age 65 benefit). As noted, the PPA also requires annual updates of the rehabilitation plan.

Unless otherwise indicated, all capitalized terms herein shall have the definitions and meanings assigned to them in the Fund's Pension Plan Document.

Section 2. SCHEDULES OF CONTRIBUTIONS AND BENEFITS.

With the PPA requirements outlined above in mind, the Fund's Board of Trustees hereby provides the following PPA Schedules to the parties charged with bargaining over agreements requiring contributions to the Fund.

A. PRIMARY SCHEDULE (EXCEPT AS NOTED, PRESERVES ALL CURRENT BENEFITS).

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers are in compliance with this Primary Schedule, there will be no change in benefit formulas, levels or payment options in effect on January 1, 2008, *except that* as provided in Section 2(J) below, Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date (within the meaning of ERISA § 305(i)(10)) on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Further, subject to the notice requirements of the PPA and other applicable law, any Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers incur a Rehabilitation Plan Withdrawal on or after March 26, 2008 shall have their Adjustable Benefits listed in Section 2(H) below eliminated or reduced to the extent indicated in Section 2(B)(1) below.

2. Contributions

Compliance with the Primary Schedule requires annually compounded contribution rate increases in accordance with Exhibit A effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each agreement anniversary date (or reallocation anniversary, where applicable) during the term of the new bargaining agreement to the extent indicated in Exhibit A, depending on the year that the new agreement is effective. Note that all contribution rate increases are annually compounded on the total contribution rate (including any reallocations of employee benefit contributions or agreed mid-contract contribution increases) immediately prior to the increase.

The required annual rate increase may be provided through annual allocations to pension contributions of general and aggregate employee benefit contribution increases that were negotiated at the outset of an agreement, but were not specifically allocated to pension contributions until subsequent contract years. The Primary Schedule requires 8% per year contribution rate increases for the first 5 years, 6% per year contribution rate increases for the next 3 years and 4% per year contribution rate increases each year thereafter for 2008 agreements under the Primary Schedule and comparable rate increases over time for all other agreements under the Primary Schedule *(see* Exhibit A).

Provided, however, that absent further amendment to this rehabilitation plan, as of June 1, 2011, any Collective Bargaining Agreement requiring contributions of (1) $348 per week for each full-time employee with respect to Participants covered

by the National Master Automobile Transporter Agreement, and (2) $342 per week for each full-time employee with respect to all other Participants, will be deemed to be in compliance with the Primary Schedule *without* the need for additional annual rate increases.

Provided further that any Employer that qualifies as a New Employer under § 2.2(b) of Appendix E of the Pension Plan will be deemed, as of the date it qualifies as a New Employer, to be in compliance with the Primary Schedule *without* the need for additional contribution rate increases.

B. DEFAULT SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers agree to comply with this Default Schedule [or who become subject to the Default Schedule due to a failure to achieve an agreement to accept one of the Rehabilitation Plan Schedules within the time frame specified under ERISA § 305(e)(3)(C)], the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Default Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee groups participating in the Fund):

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by 1/2% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57.

2. Contributions

Compliance with the Default Schedule consists of annually compounded contribution rate increases of 4% effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each anniversary thereof during the term of the agreement.

3. Effect of agreement to or imposition of Default Schedule.

(i) If a Contributing Employer agrees to the Default Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

(ii) If a Contributing Employer becomes subject to the Default Schedule by operation of ERISA Section 305(e)(3)(C), because the bargaining parties

have failed to adopt either of the Schedules compliant with this Rehabilitation Plan within 180 days of the expiration of their prior Collective Bargaining Agreement, the Fund will then accept a Collective Bargaining Agreement that is compliant with the Primary Schedule described in this Rehabilitation Plan, provided that such new Collective Bargaining Agreement provides for Primary Schedule contribution rates that are retroactive to the expiration date of the last Collective Bargaining Agreement that covered the affected Bargaining Unit.

C. DISTRESSED EMPLOYER SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers and contribution rates have been specifically accepted and approved by the Board of Trustees as satisfying the Qualifications for the Distressed Employer Schedule (as set forth in Section 2(C)(2) below), the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Distressed Employer Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee group participating in the Fund) that is accepted by the Board of Trustees as qualifying under the Distressed Employer Schedule:

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by ½% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) have not achieved a Retirement Date on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57, *and except that* any Participant who (i) has achieved a minimum age of 55 as of the date of the Distressed Employer's termination of participation in the Fund (see Section 2(C)(2) below) and (ii) has accrued a minimum of 25 years credit towards a Contributory Credit Pension or an And-Out Pension as of that date (see Pension Plan §§ 4.04, 4.05 and 4.06), shall be entitled to retain his eligibility for (but not gain further credit towards) any such Pension, *provided that* any such Participant has a minimum retirement age of 62.

2. Contributions and Qualifications for the Distressed Employer Schedule.

The Board of Trustees may deem a Collective Bargaining Agreement with contribution rates not in compliance with either the Primary Schedule or the Default Schedule to be in compliance with and subject to the Distressed Employer Schedule, if in the Board of Trustees' sole discretion, the Board determines that the Contributing Employer meets each of the following qualifications:

(i) the common stock of the Employer or its parent corporation (or other affiliate under 80% or more common control with the Employer) is publicly traded and registered pursuant to the securities laws of the United States;

(ii) the Employer has previously incurred a termination of its participation in the Fund due to an inability to remain current in its Contribution obligations, and the Employer was in terminated status immediately prior to executing the Agreement sought to be qualified under the Distressed Employer Schedule;

(iii) during the last ten years in which the Employer participated in the Fund prior to its termination, it had paid contributions to the Fund on behalf of at least 1,000 full-time employees per month (or had, including part-time employees, paid contributions on behalf of the equivalent of at least 1,000 full-time employees per month for the specified ten year period);

(iv) the Employer submits to a review of its financial condition and operations by the Fund's Staff and outside expert and consultants, and agrees to reimburse the Fund for all fees and expenses incurred by the Fund in this review (including, but not limited to, reimbursement to the Fund for the time devoted by the Fund's Staff to any such review, with this reimbursement to be made at market rates for comparable services performed by Fund's Staff);

(v) on the basis of this financial and operational review, it appears that the Employer is not able to contribute to the Fund at a higher rate than is indicated in the Collective Bargaining Agreement proposed for acceptance under the Distressed Employer Schedule, *and* that acceptance of the proposed Agreement is in the best interest of the Fund under all the circumstances and advances the goals of this Rehabilitation Plan; and

(vi) the Employer provides the Fund with first lien collateral in any and all unencumbered assets to the fullest extent it is able in order to fully secure (i) any delinquent or deferred Contribution obligations owed to the Fund, (ii) the Employer's obligation to make current and future pension contributions to the Fund, and (iii) any future withdrawal liability potentially incurred by the Employer (with the amount of such potential withdrawal liability to be determined based on estimates to be provided by the Fund).

3. Effect of agreement to or imposition of the Distressed Employer Schedule.

If a Contributing Employer becomes subject to the Distressed Employer Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

D. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER INCURRING A REHABILITATION PLAN WITHDRAWAL.

Subject to the provisos indicated in the final clauses of this Subsection D, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be

eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] with the Fund is on or after April 8, 2008, and:

(1) whose last Hour of Service prior to January 1, 2008 was earned while employed by United Parcel Service, Inc. ("UPS"), or with any trades or businesses at any time under common control with UPS, within the meaning of ERISA § 4001(b)(1); *or*

(2) who *(i)* has earned or earns an Hour of Service while employed with a Contributing Employer (or any predecessor or successor entity) that at any time on or after March 26, 2008 incurs a Rehabilitation Plan Withdrawal *(see* Section 2(I) below), and *(ii)* whose *last* year of Contributory Service Credit *prior* to the Rehabilitation Plan Withdrawal was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) ultimately incurring such Withdrawal.

Proviso 1: *Provided, however,* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant Section 2(D)(2) above, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the earlier of: (i) the date of such Rehabilitation Plan Withdrawal or (ii) the date of the expiration of the last Collective Bargaining Agreement requiring Employer Contributions under the Primary Schedule prior to such Withdrawal, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: And provided further that in the event of a Rehabilitation Plan Withdrawal resulting from an administrative termination of a Contributing Employer as referenced in Section 2(I)(3)(ii) below, the Board of Trustees shall have full discretionary authority (A) to decline to apply the elimination of Adjustable Benefits to Participants otherwise affected by a Rehabilitation Plan Withdrawal of this type who have submitted a pension application naming a Retirement Date to the Fund on or before the date selected by the Trustees as the effective date of the administrative termination which ended the Employer's obligation to contribute to the Pension Fund, and (B) to decline to apply the requirement of Section 2(G) below that a Participant incurring a benefit adjustment due to Rehabilitation Plan Withdrawal must cease employment with and the performance of services for the withdrawn Employer within 60 days of the Rehabilitation Plan Withdrawal in order to eventually qualify for a restoration of benefits; in exercising their discretionary authority under this Proviso 2, the Board of Trustees shall consider, weigh and balance the following factors:

(i) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination were aware of, participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the circumstances that led to the administrative termination of the Employer;

(ii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination benefited, directly or indirectly from the cessation of Employer Contributions or from the circumstances that led to the administrative termination of the Employer;

(iii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination resisted or attempted to alter, or acquiesced in, the circumstances that led to the administrative termination of the Employer;

(iv) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination have become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Employer that has undergone the administrative termination; and

(v) the extent of the hardship that might be incurred by any actively employed members of the affected Bargaining Unit or by any members who submitted a retirement application prior to the effective date of the administrative termination due to the elimination of Adjustable Benefits.

Proviso 3: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant to Subsection D(2) above, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date of the Rehabilitation Plan Withdrawal.

E. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DEFAULT SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection E, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Section B(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Default Schedule described herein; and

(2) whose *last* year of Contributory Service Credit prior to the Employer's becoming subject to the Default Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Default Schedule.

Proviso 1: *Provided, however.* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant to this Subsection E, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Default Schedule, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming

subject to the Default Schedule pursuant this Subsection E. shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Default Schedule.

F. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DISTRESSED EMPLOYER SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection F, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (with the exception indicated in Section 2(C)(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Distressed Employer Schedule described herein; and

(2) whose last year of Contributory Service Credit prior to the Employer's becoming subject to the Distressed Employer Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Distressed Employer Schedule.

Proviso 1: Provided, however, that any Pensioner otherwise subject to the reduction in Adjustable Benefits indicated in the Distressed Employer Schedule, due to his Contributing Employer becoming subject to that Schedule pursuant to this Subsection F, who has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Distressed Employer Schedule, shall not be subject to the reduction of Adjustable Benefits otherwise mandated by the Distressed Employer Schedule provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date, and provided further that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no Pensioners with Retirement Dates prior to September 24, 2010 shall be subject to such Distressed Employer Schedule benefit reduction.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the reduction of Adjustable Benefits. due to his Contributing Employer becoming subject to the Distressed Employer Schedule pursuant to this Subsection F, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such surviving spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Distressed Employer Schedule, *and provided* further in any event that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no spouse shall be subject to such Distressed Employer Schedule benefit reduction if the Participant's death occurred prior to September 24, 2010.

G. RESTORATION OF ADJUSTED BENEFITS.

Any Participant who incurs a benefit adjustment or elimination under the terms of Sections 2(A), 2(B), 2(C), 2(D), 2(E) or 2(F) above may have those affected benefits restored if, subsequent to the event causing the benefit adjustment, the Participant:

(1) in the case of benefit adjustment caused by a Rehabilitation Plan Withdrawal (see Section 2(I) below), permanently ceases all employment with, and performance of services in any capacity for, the Contributing Employer (and any successors or trades or businesses under common control with such Employer within the meaning of ERISA § 4001(b)(1)) within 60 days of the occurrence of such Rehabilitation Plan Withdrawal; and

(2) in any case, subsequently earns one year of Contributory Service Credit with a Contributing Employer while that Employer is in compliance with the Primary Schedule described herein.

H. ADJUSTABLE BENEFITS.

As used herein, Adjustable Benefits shall mean and include:

(1) Any right to receive a Retirement Pension Benefit (Pension Plan, Article IV) prior to age 65 [including without limitation any pre-age 65 benefits that would otherwise be payable as *(i)* a Twenty Year Service Pension (Pension Plan § 4.01); *(ii)* a Contributory Credit Pension (Pension Plan § 4.04); *(iii)* a Vested Pension (Pension Plan § 4.07); (iv) a Deferred Pension (Pension Plan § 4.08); or *(v)* a Twenty-Year Deferred Pension (Pension Plan § 4.09)].

(2) Early retirement benefit or retirement-type subsidies [including without limitation *(i)* an Early Retirement Pension (Pension Plan § 4.02); *(ii)* a 25-And-Out Pension (Pension Plan § 4.05); or a 30-And-Out Pension (Pension Plan § 4.06)].

(3) All Disability Benefits not yet in pay status (Pension Plan, Article V).

(4) Before Retirement Death Benefits (Pension Plan, Article VI) other than the 50% surviving spouse benefit.

(5) Post-retirement death benefits that are not part of the annuity form of payment.

(6) All Partial Pensions (Pension Plan, Appendix D), to the extent any such pension is tied to one or more of the Adjustable Benefits listed above.

(7) All Contribution-Based Pensions (Pension Plan § 4.03) except that, assuming the Participant meets all other requirements for receiving a Contribution-Based Pension, the Contribution-Based Pension is payable at age 65 reduced by 1/2% per month for each month prior to age 65 at the time of retirement with a minimum retirement age of 57. Such minimum retirement age shall not apply if the Participant retired prior to age 57 before the Participant's Adjustable Benefits were eliminated or reduced. In such circumstance, the Participant shall be entitled to receive the Contribution-Based Pension reduced by 1/2% per month for each month prior to age 65 at the time of retirement. *Provided, however,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the reductions in the Contribution-Based

Pensions payable at age 65 referenced in this subparagraph (7) shall be based on actuarial equivalence in accordance with the Schedule attached as Exhibit B hereto.

(8) To the extent not already included in paragraphs (1) - (7) above, the following categories of benefits listed and defined as "adjustable benefits" under ERISA§ 305(e)(8)(iv):

(i) benefits, rights, and features under the plan, including post-retirement death benefits, 60-month guarantees, disability benefits not yet in pay status, and similar benefits,

(ii) any early retirement benefit or retirement-type subsidy (within the meaning of ERISA Section 204(g)(2)(A)) and any benefit payment option (other than the qualified joint and survivor annuity), and

(iii) benefit increases that would not be eligible for a guarantee under ERISA Section 4022A on the first day of the Fund's initial critical year under the PPA because the increases were adopted (or, if later, took effect) less than 60 months before such first day.

Provided, however, that except as provided in subparagraph (8)(iii) above, nothing in this paragraph shall be construed to reduce the level of a Participant's accrued benefit payable at normal retirement.

I. REHABILITATION PLAN WITHDRAWAL

Subject to the discretionary authority of the Board of Trustees indicated in the final clause of this Subsection I, a "Rehabilitation Plan Withdrawal" occurs on the date a Contributing Employer (a) is no longer required to make Employer Contributions to the Pension Fund under one or more of its Collective Bargaining Agreements, or (b) undergoes a significant reduction in its obligation to make Employer Contributions resulting from outsourcing or subcontracting work covered by the applicable Collective Bargaining Agreement(s), as a result of actions by members of a Bargaining Unit (or its representatives) or the Contributing Employer, which actions include, but are not limited to the following:

(1) decertification or other removal of the Union as a bargaining agent;

(2) ratification or other acceptance of a Collective Bargaining Agreement which permits withdrawal of the Bargaining Unit, in whole or in part, from the Pension Plan;

(3) administrative termination of the Contributing Employer with respect to any or all of its Collective Bargaining Agreements due to: (i) a violation of the Fund's rules with respect to the terms of a Collective Bargaining Agreement (including, without limitation, a provision providing for a split bargaining unit); or (ii) a violation of any other Fund rule or policy (including, without limitation, practices or arrangements that result in adverse selection);

(4) any transaction or other event (including, without limitation, a merger, consolidation, division, asset sale (other than an asset sale complying with ERISA § 4204), liquidation, dissolution, joint venture, outsourcing, subcontracting) whereby all or a portion of the operations for which the Contributing Employer has

an obligation to contribute are continued (whether by the Contributing Employer or by another party) in whole or in part without maintaining the obligation to contribute to the Fund under the same or better terms (including, for example, as to number of participants and contribution rate) as existed before the transaction;

Provided, however, that with respect to the circumstances described in Subparagraphs. (3)(ii) or (4) above, the Board of Trustees shall have full discretionary authority to consider, weigh and balance the following factors in determining whether a Rehabilitation Plan Withdrawal has occurred:

(i) the extent to which the affected Bargaining Unit or its bargaining representative participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the cessation of Employer Contributions;

(ii) the extent to which the affected Bargaining Unit benefited, directly or indirectly, from the cessation of Employer Contributions;

(iii) the extent to which the affected Bargaining Unit, or its bargaining representative, resisted or attempted to resist, or acquiesced in, the cessation of Employer Contributions;

(iv) the extent to which the affected Bargaining Unit, or any of its members, become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Contributing Employer who incurred the cessation of Employer Contributions; and

(v) the extent of the hardship that might be incurred by members of the affected Bargaining Unit by the elimination of Adjustable Benefits.

J. BENEFIT ADJUSTMENTS APPLICABLE TO ALL PARTICIPANTS (INCLUDING INACTIVE VESTED PARTICIPANTS) WHO HAVE NOT SUBMITTED A RETIREMENT APPLICATION ON OR BEFORE JULY 1, 2011 AND DO NOT HAVE A BENEFIT COMMENCEMENT ON OR BEFORE THAT DATE.

Minimum Retirement Age 57.

Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

K. SPECIAL SCHEDULE: QUALIFYING NEW ("HYBRID METHOD") EMPLOYERS (EXCEPT AS NOTED, PRESERVES ALL BENEFITS).

1. Benefits.

Bargaining Units (and any non-Bargaining Unit groups participating in the Fund) whose Contributing Employers have been specifically accepted and approved by the Trustees as satisfying the requirements for this Qualifying New Employer Schedule will, as it relates to benefits or potential benefit adjustments, be treated

in the same way as Bargaining Units (and non-Bargaining Unit groups) under the Primary Schedule (Section 2.A. above).

2. Contributions.

Contributing Employers who have qualified as New Employers within the meaning of Appendix E of the Plan Document, Section 2.2 (b) (and are thus eligible for treatment under the Pension Fund's alternative, or "hybrid," method of calculating Employer Withdrawal Liability), *and* who have fulfilled all requirements relating to the duration and/or level of continued participation in the Pension Fund contained in the agreement under which the Fund accepted the Employer as a New Employer, may contribute under this Schedule to the Fund at a rate to be specifically and separately approved by the Board of Trustees with respect to each such New Employer (the "New Rate"), subject to a specific determination by the Board of Trustees that the following conditions have been or will be met:

(i) The New Employer has in fact fulfilled its contribution or participation commitments under the agreement in which the Fund accepted the Employer's New Employer status, and the New Employer has fulfilled all other obligations under that agreement, is current in its ongoing contribution obligations to the Fund and is in compliance with the Fund's rules and polices applicable to Contributing Employers;

(ii) Unless a New Rate is determined and made available under this Schedule, the New Employer would likely withdraw from the Fund on about the expiration date of its most recent Collective Bargaining Agreement requiring contributions to the Fund;

(iii) the New Employer's continued participation in the Fund at the New Rate, under the specific circumstances presented, will result in net positive cash flow to the Fund, in comparison to the net cash flow that would result from a withdrawal by the New Employer from the Fund; and

(iv) the New Employer's obligation to contribute to the Fund at the New Rate is documented in a Collective Bargaining Agreement that is or will be acceptable to the Board of Trustees, and contains (or will contain) terms under which the bargaining representative of the affected Bargaining Unit specifically agrees or acknowledges that any reductions in labor costs resulting from the New Employer's contributions at the New Rate have been allocated to the Bargaining Unit in a manner that is satisfactory to the bargaining representative.

L. SPECIAL SCHEDULE: QUALIFYING BARGAINING UNITS THAT HAVE BEEN SUBJECT TO A WAGE FREEZE (EXCEPT AS NOTED PRESERVES ALL BENEFITS). (Effective on and after March 14, 2017)

1. Benefits.

With regard to any Bargaining Unit subject to a Collective Bargaining Agreement in effect as of March 1, 2017 (the "Current Agreement") that –

(i) was (or is) of 3 to 5 years in duration,

(ii) did not (or does not) provide for any wage increases for the entire duration of the Agreement, and

(iii) required (or requires) pension contribution rate increases in compliance with the Primary Schedule (Section 2.A of this Rehabilitation Plan) for the entire duration of the Agreement, but did not (or does not) at any time require contributions at rates equal to or in excess of any of the maximum rates specified under the provisos to the Primary Schedule

the benefits available to any such Bargaining Unit under any new Collective Bargaining Agreement that is the immediate successor or renewal Agreement of the Current Agreement, and is not in compliance with the Primary Schedule ("Successor Agreement"), will be nevertheless identical to the benefits available to Bargaining Units whose Collective Bargaining Agreements are in compliance with the Primary Schedule, provided that any such Successor Agreement has the characteristics specified in Section 2.L.2 below.

2. Contributions.

In order for a Bargaining Unit to qualify for the benefits specified under Section 2.L.1 above, the Successor Agreement must:

(i) Not be of less duration than the Current Agreement, but not exceeding 5 years in duration;

(ii) require pension contributions at a rate that is at least as high as the highest rate required under the Current Agreement, but need not provide for any increase in the contribution rates for the duration of the Successor Agreement (the "Special Rate"); and

(iii) contain terms under which the bargaining representative of the affected Bargaining Unit specifically agrees and acknowledges that any reduction in labor costs resulting from contributions at the Special Rate (*i.e.,* contributions without the rate increases otherwise required under the Primary Schedule) have been allocated to the Bargaining Unit in a manner that is satisfactory to the bargaining representative.

Section 3. REHABILITATION PLAN STANDARDS AND OBJECTIVES.

The Schedules of Contributions and Benefits discussed above have been formulated by the Fund's Board of Trustees as reasonable measures which, under reasonable actuarial assumptions, are designed and projected to forestall the possible insolvency of the Fund prior to 2025. Projections of insolvency may vary from year to year as actual experience may differ from assumptions.

The Trustees recognize the possibility that actual experience could be less favorable than the reasonable assumptions used for the Rehabilitation Plan on an annual basis. Consequently, the annual standards for meeting the requirements of the Rehabilitation Plan are as follows:

- Actuarial projections updated for each year show, based on reasonable assumptions, that under the Rehabilitation Plan and its schedules (as amended and updated from time to time) the Fund will forestall its possible insolvency *prior* to 2023.

Section 4. ALTERNATIVES CONSIDERED BY THE TRUSTEES.

The Board of Trustees considered numerous alternatives [including combinations of contribution rate increases (and other updates to the schedules of contribution rates in light of the experience of the Fund) and benefit adjustments] that might enable the Fund to emerge from Critical Status either by the end of ten year PPA Rehabilitation Period (which began on January 1, 2011 and ends on December 31, 2020), or to forestall possible insolvency indefinitely (beyond the date referenced above under the "Standards and Objectives" heading). Some of the alternatives considered were determined to be unreasonable measures. The various default and alternative schedules considered included the following:

Schedules considered by the Board of Trustees in formulating an initial 2008 rehabilitation plan that might permit the Fund to emerge by the end of the Rehabilitation Period on December 31. 2020:

Schedule	Benefit Reductions	Contribution Rate Increases
Default	Immediate maximum Critical Status benefit cuts for all participants to the extent permitted by law	15% per year until emergence in 2021 (plus an additional 1.6% annual increase for Benefit Classes 14 and below)
Alternative 1	Maintain current benefits	17% per year until emergence in 2021
Alternative 2	On the second anniversary of the new bargaining agreement, reduce the future benefit accrual rate from 1% of contributions payable at age 62 to 1% of contributions at payable at age 65	16% per year until emergence in 2021

In formulating the Fund's initial rehabilitation plan in 2008, the Board of Trustees concluded that utilizing any and all *possible* measures to emerge from Critical Status by the end of the 10-year presumptive Rehabilitation Period described in ERISA Section 305(e)(4), would be unreasonable and would involve considerable risk to the Fund and Fund participants. In particular, the Board of Trustees concluded that the continued existence of the Fund and the Trustees' ability to maintain and improve the Fund's funded status in accordance with the terms of the IRS approved amortization extension would be jeopardized by any attempt to emerge from critical status by the end of the presumptive 10-year Rehabilitation Period.

As shown above, based on January 1, 2008 valuation data, the emergence by the end of the presumptive 10 year Rehabilitation Period would require double-digit annual contribution rate increases. For example, the daily contribution rate would generally have to grow from $52 to over $300. Therefore, the Trustees concluded in 2008 that annual contribution rate increases above the 8%/6%/4% level in the Primary Schedule were not reasonable and could trigger mass withdrawals and significant losses to the Fund and the participants.

During the process of updating the Rehabilitation Plan in each applicable year subsequent to 2008, the Trustees concluded that in light of current valuation data available in each of those years, the experience of the Fund and projections, the option available to the Fund under ERISA Section 305(e)(3)(ii) was to pursue reasonable measures to forestall a possible insolvency. The Trustees also concluded during the 2010 - 2017 update processes that requiring annual contribution increases above the level described in the Primary Schedule would not be reasonable and would likely accelerate a possible insolvency of the Fund rather than forestall it.

Prior to Plan/calendar year 2018, the Trustees have implemented (and, where applicable, have continued to implement) numerous measures to improve the Fund's funding. These have included:

- Reducing the benefit accrual rate from 2% of contributions to 1% of contributions;

- Protecting the "and-out" and early retirement benefits while freezing them at their year-end 2003 levels;

- Obtaining agreements from the major bargaining parties to reallocate significant amounts of annual benefit contributions to the Pension Fund;

- Obtaining an amortization extension from the Internal Revenue Service in 2005, and successfully seeking a waiver of the conditions of that extension in light of investment losses resulting from the weakness in financial markets in recent years (waiver or alteration of conditions granted in 2016);

- Requiring as a condition of continued participation in the Fund that new bargaining agreements in the last several years include significant annual contribution rate increases;

- Providing information to Congress and federal agencies with respect to legislative or regulatory proposals that appear to assist in addressing the funding challenges confronting the Fund;

- Approving a Distressed Employer Schedule as part of the Fund's Rehabilitation Plan under which YRC, Inc. and its affiliate USF Holland, Inc., two distressed (but historically significant) Contributing Employers, resumed Contributions in June 2011 at rates lower than would have been permitted under previous (pre-2011) Rehabilitation Plan Schedules; this Distressed Employer Schedule significantly adjusted the benefits of the affected Bargaining Unit members, and helped assure that despite the lower Contribution rates, the continued participation of these Employers would tend to improve overall pension funding; and

- Adopting a new withdrawal liability method, and obtaining approval of that method by the Pension Benefit Guaranty Corporation, under which new Contributing Employers, and existing Contributing Employers who satisfy their withdrawal liability under the Fund's historic (pre-2011) withdrawal liability method *(i.e.,* the "modified presumptive method"), will have any future withdrawal liability determined under the "direct attribution" method; the Trustees believe that this "hybrid" method will be attractive to some Contributing Employers who wish to continue to participate in the Fund, but may be concerned about the potential for future growth of their estimated withdrawal liability as calculated under the Fund's prior (pre-2011) withdrawal liability method, and that this, in turn, will encourage continued participation in the Fund and tend to improve overall pension funding.

- Amending the Primary Schedule of the Rehabilitation Plan to permit Contributing Employers, who satisfy their existing withdrawal liability and qualify as New Employers eligible for the direct attribution method under the hybrid method, to comply with the Primary Schedule without the need (under their current collective bargaining agreements) for the contribution rate increases otherwise required under the Primary Schedule. The Trustees determined that this amendment to the Rehabilitation Plan will encourage existing Contributing Employers to satisfy their existing withdrawal

liability and to continue their participation in the Fund as New Employers under the hybrid method; the Trustees determined that the New Employers' participation on these terms would tend to improve overall pension funding.

- Authorizing the filing, on September 25, 2015, of an application with the United States Department of the Treasury requesting approval of a plan of suspension of benefits under MPRA. (The Trustees determined that the filing of this application was a reasonable measure designed to forestall insolvency, and therefore one that they were required to take under the PPA. However, the Fund's MPRA application was denied by the Department of Treasury on May 6, 2016, and the Trustees have determined that it is not feasible for the Fund to submit a revised MPRA application.)

- Approval of the Special Schedule relating to Qualifying New ("Hybrid") Method Employers indicated in Section 2.K. of this Appendix.

- And the addition of Section 2.L. to this Appendix dealing with Qualifying Bargaining Units that have been subject to wage freezes.

However, the Trustees have also determined, as part of the 2018 Rehabilitation Plan update process, that mandating additional significant benefit cuts (beyond those provided in this updated Rehabilitation Plan), or (as noted) mandating significant contribution rate increases at levels beyond those required in recent years, would risk substantially accelerating the rate at which employers would withdraw from the Fund, in large part because the Union could conclude that it would be in its members' best interest to agree to withdrawals. The Board of Trustees also determined that this acceleration of employer withdrawals would, in turn, be counterproductive to the Trustees' effort to forestall possible insolvency.

Exhibit A
Primary Schedule: Contribution Rate Increases by Bargaining Agreement Year
(all rate increases are to be compounded annually)

Calendar Year of Contribution Rate Increases	Year of initial Bargaining Agreement Conforming to Primary Schedule												
	2006 & Earlier	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
2006	7%												
2007	7%	8%											
2008	7%	8%	8%										
2009	7%	8%	8%	8%									
2010	7%	8%	8%	8%	8%								
2011	6%	8%	8%	8%	8%	8%							
2012	5%	6%	8%	8%	8%	8%	8%						
2013	4%	4%	6%	8%	8%	8%	8%	8%					
2014	4%	4%	6%	8%	8%	8%	8%	8%	8%				
2015	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%			
2016	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%		
2017	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%	
2018	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%
2019	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%
2020	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%
2021	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%
2022	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%
2023	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%
2024	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%
2025	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%
2026	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
2027	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%

EXHIBIT B

Schedule for Actuarial Reduction of Age 65 Benefits

(Applicable to Default Schedule and Rehabilitation Plan Withdrawal benefit adjustments for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA§ 305(i)(10)] on or before July 1, 2011)

Age	Percent of Age 65 Benefit Based on Actuarial Equivalence
65	100%
64	90%
63	81%
62	74%
61	67%
60	61%
59	55%
58	50%
57	46%

APPENDIX M-11. REHABILITATION PLAN (INCLUDING 2019 UPDATE)

Section 1. PREAMBLE AND DEFINITIONS.

Appendix M comprising the Rehabilitation Plan was added to the Pension Plan effective on and after March 26, 2008, and has been amended from time to time since then.

This Appendix M-11 is added to the Pension Plan effective on and after December 31, 2019 (except where a different effective date for any provision is noted below) in order to update the Rehabilitation Plan in compliance with the requirements of the Pension Protection Act of 2006 ("PPA").

The Central States, Southeast and Southwest Areas Pension Fund (the "Fund") was initially certified on March 24, 2008 by its actuary to be in "critical status" (sometimes referred to as the "red zone") under the PPA: the Fund's actuary has also certified the Fund to be in critical status in March of each subsequent year through March 2014. For 2015, 2016, 2017, 2018 and 2019 the actuary certified the Fund to be in "critical and declining status", pursuant to the Multiemployer Pension Reform Act of 2014 ("MPRA"). The Fund's Board of Trustees, as the plan sponsor of a "critical and declining status" pension plan, is charged under the PPA and MPRA with developing a "rehabilitation plan" designed to improve the financial condition of the Fund in accordance with the standards set forth in the PPA, and with annually updating the rehabilitation plan. Although for plan year 2009 the Fund was exempt from the update requirement, pursuant to an election under the Worker Retiree and Employer Recovery Act of 2008, for subsequent plan years the PPA provisions concerning the rehabilitation plan update process are applicable to the Fund. The purpose of this updated Rehabilitation Plan is to comply with those PPA provisions, as amended to date, including any applicable amendments under MPRA.

Under the PPA, a rehabilitation plan, including annual updates to the plan, must include one or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted by the parties obligated under agreements participating in the pension plan, may reasonably be expected to enable the Fund to emerge from critical status in accordance with the rehabilitation plan. The PPA also provides that one of the rehabilitation plan schedules of benefits and contributions shall be designated the "default" schedule. The default schedule must assume that there are no increases in contributions under the plan other than the increases necessary to emerge from critical status after future benefit accruals and other benefits have been reduced to the maximum extent permitted by law. The PPA also creates certain categories of "adjustable benefits" which may be reduced or eliminated dependent upon the outcome of bargaining over the rehabilitation plan schedules and dependent on the exercise of certain flexibility and discretion conferred upon the Board of Trustees by the PPA. Adjustable benefits that may be affected in this manner include post-retirement death benefits, early retirement benefits or retirement-type subsidies, and generally any benefit that would be payable prior to normal retirement age (age 65 benefits under the Fund's Plan Document - or, as discussed below, a Contribution Based Benefit actuarially reduced to be equivalent to an age 65 benefit). As noted, the PPA also requires annual updates of the rehabilitation plan.

Unless otherwise indicated, all capitalized terms herein shall have the definitions and meanings assigned to them in the Fund's Pension Plan Document.

Section 2. SCHEDULES OF CONTRIBUTIONS AND BENEFITS.

With the PPA requirements outlined above in mind, the Fund's Board of Trustees hereby provides the following PPA Schedules to the parties charged with bargaining over agreements requiring contributions to the Fund.

A. PRIMARY SCHEDULE (EXCEPT AS NOTED, PRESERVES ALL CURRENT BENEFITS).

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers are in compliance with this Primary Schedule, there will be no change in benefit formulas, levels or payment options in effect on January 1, 2008, *except that* as provided in Section 2(J) below, Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date (within the meaning of ERISA § 305(i)(10)) on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Further, subject to the notice requirements of the PPA and other applicable law, any Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers incur a Rehabilitation Plan Withdrawal on or after March 26, 2008 shall have their Adjustable Benefits listed in Section 2(H) below eliminated or reduced to the extent indicated in Section 2(B)(1) below.

2. Contributions

Compliance with the Primary Schedule requires annually compounded contribution rate increases in accordance with Exhibit A effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each agreement anniversary date (or reallocation anniversary, where applicable) during the term of the new bargaining agreement to the extent indicated in Exhibit A, depending on the year that the new agreement is effective. Note that all contribution rate increases are annually compounded on the total contribution rate (including any reallocations of employee benefit contributions or agreed mid-contract contribution increases) immediately prior to the increase.

The required annual rate increase may be provided through annual allocations to pension contributions of general and aggregate employee benefit contribution increases that were negotiated at the outset of an agreement, but were not specifically allocated to pension contributions until subsequent contract years. The Primary Schedule requires 8% per year contribution rate increases for the first 5 years, 6% per year contribution rate increases for the next 3 years and 4% per year contribution rate increases each year thereafter for 2008 agreements under the Primary Schedule and comparable rate increases over time for all other agreements under the Primary Schedule *(see* Exhibit A).

Provided, however, that absent further amendment to this rehabilitation plan, as of June 1, 2011, any Collective Bargaining Agreement requiring contributions of (1) $348 per week for each full-time employee with respect to Participants covered by the National Master Automobile Transporter Agreement, and (2) $342 per week

for each full-time employee with respect to all other Participants, will be deemed to be in compliance with the Primary Schedule *without* the need for additional annual rate increases.

Provided further that any Employer that qualifies as a New Employer under § 2.2(b) of Appendix E of the Pension Plan will be deemed, as of the date it qualifies as a New Employer, to be in compliance with the Primary Schedule *without* the need for additional contribution rate increases.

B. DEFAULT SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers agree to comply with this Default Schedule [or who become subject to the Default Schedule due to a failure to achieve an agreement to accept one of the Rehabilitation Plan Schedules within the time frame specified under ERISA § 305(e)(3)(C)], the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Default Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee groups participating in the Fund):

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by 1/2% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57.

2. Contributions

Compliance with the Default Schedule consists of annually compounded contribution rate increases of 4% effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each anniversary thereof during the term of the agreement.

3. Effect of agreement to or imposition of Default Schedule.

(i) If a Contributing Employer agrees to the Default Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

(ii) If a Contributing Employer becomes subject to the Default Schedule by operation of ERISA Section 305(e)(3)(C), because the bargaining parties have failed to adopt either of the Schedules compliant with this Rehabilitation

Plan within 180 days of the expiration of their prior Collective Bargaining Agreement, the Fund will then accept a Collective Bargaining Agreement that is compliant with the Primary Schedule described in this Rehabilitation Plan, provided that such new Collective Bargaining Agreement provides for Primary Schedule contribution rates that are retroactive to the expiration date of the last Collective Bargaining Agreement that covered the affected Bargaining Unit.

C. DISTRESSED EMPLOYER SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers and contribution rates have been specifically accepted and approved by the Board of Trustees as satisfying the Qualifications for the Distressed Employer Schedule (as set forth in Section 2(C)(2) below), the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Distressed Employer Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee group participating in the Fund) that is accepted by the Board of Trustees as qualifying under the Distressed Employer Schedule:

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by ½% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) have not achieved a Retirement Date on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57, *and except that* any Participant who (i) has achieved a minimum age of 55 as of the date of the Distressed Employer's termination of participation in the Fund (see Section 2(C)(2) below) and (ii) has accrued a minimum of 25 years credit towards a Contributory Credit Pension or an And-Out Pension as of that date (see Pension Plan §§ 4.04, 4.05 and 4.06), shall be entitled to retain his eligibility for (but not gain further credit towards) any such Pension, *provided that* any such Participant has a minimum retirement age of 62.

3. Contributions and Qualifications for the Distressed Employer Schedule.

The Board of Trustees may deem a Collective Bargaining Agreement with contribution rates not in compliance with either the Primary Schedule or the Default Schedule to be in compliance with and subject to the Distressed Employer Schedule, if in the Board of Trustees' sole discretion, the Board determines that the Contributing Employer meets each of the following qualifications:

(i) the common stock of the Employer or its parent corporation (or other affiliate under 80% or more common control with the Employer) is publicly traded and registered pursuant to the securities laws of the United States;

(ii) the Employer has previously incurred a termination of its participation in the Fund due to an inability to remain current in its Contribution obligations, and the Employer was in terminated status immediately prior to executing the Agreement sought to be qualified under the Distressed Employer Schedule;

(iii) during the last ten years in which the Employer participated in the Fund prior to its termination, it had paid contributions to the Fund on behalf of at least 1,000 full-time employees per month (or had, including part-time employees, paid contributions on behalf of the equivalent of at least 1,000 full-time employees per month for the specified ten year period);

(iv) the Employer submits to a review of its financial condition and operations by the Fund's Staff and outside expert and consultants, and agrees to reimburse the Fund for all fees and expenses incurred by the Fund in this review (including, but not limited to, reimbursement to the Fund for the time devoted by the Fund's Staff to any such review, with this reimbursement to be made at market rates for comparable services performed by Fund's Staff);

(v) on the basis of this financial and operational review, it appears that the Employer is not able to contribute to the Fund at a higher rate than is indicated in the Collective Bargaining Agreement proposed for acceptance under the Distressed Employer Schedule, *and* that acceptance of the proposed Agreement is in the best interest of the Fund under all the circumstances and advances the goals of this Rehabilitation Plan; and

(vi) the Employer provides the Fund with first lien collateral in any and all unencumbered assets to the fullest extent it is able in order to fully secure (i) any delinquent or deferred Contribution obligations owed to the Fund, (ii) the Employer's obligation to make current and future pension contributions to the Fund, and (iii) any future withdrawal liability potentially incurred by the Employer (with the amount of such potential withdrawal liability to be determined based on estimates to be provided by the Fund).

3. Effect of agreement to or imposition of the Distressed Employer Schedule.

If a Contributing Employer becomes subject to the Distressed Employer Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

D. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER INCURRING A REHABILITATION PLAN WITHDRAWAL.

Subject to the provisos indicated in the final clauses of this Subsection D, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] with the Fund is on or after April 8, 2008, and:

(1) whose last Hour of Service prior to January 1, 2008 was earned while employed by United Parcel Service, Inc. ("UPS"), or with any trades or businesses at any

time under common control with UPS, within the meaning of ERISA § 4001(b)(1); *or*

(2) who *(i)* has earned or earns an Hour of Service while employed with a Contributing Employer (or any predecessor or successor entity) that at any time on or after March 26, 2008 incurs a Rehabilitation Plan Withdrawal *(see* Section 2(I) below), and *(ii)* whose *last* year of Contributory Service Credit *prior* to the Rehabilitation Plan Withdrawal was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) ultimately incurring such Withdrawal.

Proviso 1: *Provided, however,* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant Section 2(D)(2) above, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the earlier of: (i) the date of such Rehabilitation Plan Withdrawal or (ii) the date of the expiration of the last Collective Bargaining Agreement requiring Employer Contributions under the Primary Schedule prior to such Withdrawal, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: And provided further that in the event of a Rehabilitation Plan Withdrawal resulting from an administrative termination of a Contributing Employer as referenced in Section 2(I)(3)(ii) below, the Board of Trustees shall have full discretionary authority (A) to decline to apply the elimination of Adjustable Benefits to Participants otherwise affected by a Rehabilitation Plan Withdrawal of this type who have submitted a pension application naming a Retirement Date to the Fund on or before the date selected by the Trustees as the effective date of the administrative termination which ended the Employer's obligation to contribute to the Pension Fund, and (B) to decline to apply the requirement of Section 2(G) below that a Participant incurring a benefit adjustment due to Rehabilitation Plan Withdrawal must cease employment with and the performance of services for the withdrawn Employer within 60 days of the Rehabilitation Plan Withdrawal in order to eventually qualify for a restoration of benefits; in exercising their discretionary authority under this Proviso 2, the Board of Trustees shall consider, weigh and balance the following factors:

(i) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination were aware of, participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the circumstances that led to the administrative termination of the Employer;

(ii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination benefited, directly or indirectly from the cessation of Employer Contributions or from the circumstances that led to the administrative termination of the Employer;

(iii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination resisted or attempted to alter, or acquiesced in, the circumstances that led to the administrative termination of the Employer;

(iv) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination have become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Employer that has undergone the administrative termination; and

(v) the extent of the hardship that might be incurred by any actively employed members of the affected Bargaining Unit or by any members who submitted a retirement application prior to the effective date of the administrative termination due to the elimination of Adjustable Benefits.

Proviso 3: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant to Subsection D(2) above, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date of the Rehabilitation Plan Withdrawal.

E. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DEFAULT SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection E, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Section B(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Default Schedule described herein; and

(2) whose *last* year of Contributory Service Credit prior to the Employer's becoming subject to the Default Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Default Schedule.

Proviso 1: *Provided, however.* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant to this Subsection E, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Default Schedule, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant this Subsection E. shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Default Schedule.

F. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DISTRESSED EMPLOYER SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection F, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (with the exception indicated in Section 2(C)(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Distressed Employer Schedule described herein; and

(2) whose last year of Contributory Service Credit prior to the Employer's becoming subject to the Distressed Employer Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Distressed Employer Schedule.

Proviso 1: Provided, however, that any Pensioner otherwise subject to the reduction in Adjustable Benefits indicated in the Distressed Employer Schedule, due to his Contributing Employer becoming subject to that Schedule pursuant to this Subsection F, who has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Distressed Employer Schedule, shall not be subject to the reduction of Adjustable Benefits otherwise mandated by the Distressed Employer Schedule provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date, and provided further that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no Pensioners with Retirement Dates prior to September 24, 2010 shall be subject to such Distressed Employer Schedule benefit reduction.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the reduction of Adjustable Benefits. due to his Contributing Employer becoming subject to the Distressed Employer Schedule pursuant to this Subsection F, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such surviving spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Distressed Employer Schedule, *and provided* further in any event that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no spouse shall be subject to such Distressed Employer Schedule benefit reduction if the Participant's death occurred prior to September 24, 2010.

G. RESTORATION OF ADJUSTED BENEFITS.

Any Participant who incurs a benefit adjustment or elimination under the terms of Sections 2(A), 2(B), 2(C), 2(D), 2(E) or 2(F) above may have those affected benefits restored if, subsequent to the event causing the benefit adjustment, the Participant:

(1) in the case of benefit adjustment caused by a Rehabilitation Plan Withdrawal (see Section 2(I) below), permanently ceases all employment with, and performance of services in any capacity for, the Contributing Employer (and any successors or trades or businesses under common control with such Employer within the

meaning of ERISA § 4001(b)(1)) within 60 days of the occurrence of such Rehabilitation Plan Withdrawal; and

(2) in any case, subsequently earns one year of Contributory Service Credit with a Contributing Employer while that Employer is in compliance with the Primary Schedule described herein.

H. ADJUSTABLE BENEFITS.

As used herein, Adjustable Benefits shall mean and include:

(1) Any right to receive a Retirement Pension Benefit (Pension Plan, Article IV) prior to age 65 [including without limitation any pre-age 65 benefits that would otherwise be payable as *(i)* a Twenty Year Service Pension (Pension Plan § 4.01); *(ii)* a Contributory Credit Pension (Pension Plan § 4.04); *(iii)* a Vested Pension (Pension Plan § 4.07); (iv) a Deferred Pension (Pension Plan § 4.08); or *(v)* a Twenty-Year Deferred Pension (Pension Plan § 4.09)].

(2) Early retirement benefit or retirement-type subsidies [including without limitation *(i)* an Early Retirement Pension (Pension Plan § 4.02); *(ii)* a 25-And-Out Pension (Pension Plan § 4.05); or a 30-And-Out Pension (Pension Plan § 4.06)].

(3) All Disability Benefits not yet in pay status (Pension Plan, Article V).

(4) Before Retirement Death Benefits (Pension Plan, Article VI) other than the 50% surviving spouse benefit.

(5) Post-retirement death benefits that are not part of the annuity form of payment.

(6) All Partial Pensions (Pension Plan, Appendix D), to the extent any such pension is tied to one or more of the Adjustable Benefits listed above.

(7) All Contribution-Based Pensions (Pension Plan § 4.03) except that, assuming the Participant meets all other requirements for receiving a Contribution-Based Pension, the Contribution-Based Pension is payable at age 65 reduced by 1/2% per month for each month prior to age 65 at the time of retirement with a minimum retirement age of 57. Such minimum retirement age shall not apply if the Participant retired prior to age 57 before the Participant's Adjustable Benefits were eliminated or reduced. In such circumstance, the Participant shall be entitled to receive the Contribution-Based Pension reduced by 1/2% per month for each month prior to age 65 at the time of retirement. *Provided, however,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the reductions in the Contribution-Based Pensions payable at age 65 referenced in this subparagraph (7) shall be based on actuarial equivalence in accordance with the Schedule attached as Exhibit B hereto.

(8) To the extent not already included in paragraphs (1) - (7) above, the following categories of benefits listed and defined as "adjustable benefits" under ERISA§ 305(e)(8)(iv):

(i) benefits, rights, and features under the plan, including post-retirement death benefits, 60-month guarantees, disability benefits not yet in pay status, and similar benefits,

(ii) any early retirement benefit or retirement-type subsidy (within the meaning of ERISA Section 204(g)(2)(A)) and any benefit payment option (other than the qualified joint and survivor annuity), and

(iii) benefit increases that would not be eligible for a guarantee under ERISA Section 4022A on the first day of the Fund's initial critical year under the PPA because the increases were adopted (or, if later, took effect) less than 60 months before such first day.

Provided, however, that except as provided in subparagraph (8)(iii) above, nothing in this paragraph shall be construed to reduce the level of a Participant's accrued benefit payable at normal retirement.

I. REHABILITATION PLAN WITHDRAWAL

Subject to the discretionary authority of the Board of Trustees indicated in the final clause of this Subsection I, a "Rehabilitation Plan Withdrawal" occurs on the date a Contributing Employer (a) is no longer required to make Employer Contributions to the Pension Fund under one or more of its Collective Bargaining Agreements, or (b) undergoes a significant reduction in its obligation to make Employer Contributions resulting from outsourcing or subcontracting work covered by the applicable Collective Bargaining Agreement(s), as a result of actions by members of a Bargaining Unit (or its representatives) or the Contributing Employer, which actions include, but are not limited to the following:

(1) decertification or other removal of the Union as a bargaining agent;

(2) ratification or other acceptance of a Collective Bargaining Agreement which permits withdrawal of the Bargaining Unit, in whole or in part, from the Pension Plan;

(3) administrative termination of the Contributing Employer with respect to any or all of its Collective Bargaining Agreements due to: (i) a violation of the Fund's rules with respect to the terms of a Collective Bargaining Agreement (including, without limitation, a provision providing for a split bargaining unit); or (ii) a violation of any other Fund rule or policy (including, without limitation, practices or arrangements that result in adverse selection);

(4) any transaction or other event (including, without limitation, a merger, consolidation, division, asset sale (other than an asset sale complying with ERISA § 4204), liquidation, dissolution, joint venture, outsourcing, subcontracting) whereby all or a portion of the operations for which the Contributing Employer has an obligation to contribute are continued (whether by the Contributing Employer or by another party) in whole or in part without maintaining the obligation to contribute to the Fund under the same or better terms (including, for example, as to number of participants and contribution rate) as existed before the transaction;

Provided, however, that with respect to the circumstances described in Subparagraphs. (3)(ii) or (4) above, the Board of Trustees shall have full discretionary authority to

consider, weigh and balance the following factors in determining whether a Rehabilitation Plan Withdrawal has occurred:

(i) the extent to which the affected Bargaining Unit or its bargaining representative participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the cessation of Employer Contributions;

(ii) the extent to which the affected Bargaining Unit benefited, directly or indirectly, from the cessation of Employer Contributions;

(iii) the extent to which the affected Bargaining Unit, or its bargaining representative, resisted or attempted to resist, or acquiesced in, the cessation of Employer Contributions;

(iv) the extent to which the affected Bargaining Unit, or any of its members, become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Contributing Employer who incurred the cessation of Employer Contributions; and

(v) the extent of the hardship that might be incurred by members of the affected Bargaining Unit by the elimination of Adjustable Benefits.

J. BENEFIT ADJUSTMENTS APPLICABLE TO ALL PARTICIPANTS (INCLUDING INACTIVE VESTED PARTICIPANTS) WHO HAVE NOT SUBMITTED A RETIREMENT APPLICATION ON OR BEFORE JULY 1, 2011 AND DO NOT HAVE A BENEFIT COMMENCEMENT ON OR BEFORE THAT DATE.

Minimum Retirement Age 57.

Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

K. SPECIAL SCHEDULE: QUALIFYING NEW ("HYBRID METHOD") EMPLOYERS (EXCEPT AS NOTED, PRESERVES ALL BENEFITS).

1. Benefits.

Bargaining Units (and any non-Bargaining Unit groups participating in the Fund) whose Contributing Employers have been specifically accepted and approved by the Trustees as satisfying the requirements for this Qualifying New Employer Schedule will, as it relates to benefits or potential benefit adjustments, be treated in the same way as Bargaining Units (and non-Bargaining Unit groups) under the Primary Schedule (Section 2.A. above).

2. Contributions.

Contributing Employers who have qualified as New Employers within the meaning of Appendix E of the Plan Document, Section 2.2 (b) (and are thus eligible for treatment under the Pension Fund's alternative, or "hybrid," method of calculating Employer Withdrawal Liability), *and* who have fulfilled all requirements relating to the duration and/or level of continued participation in the Pension Fund contained in the agreement under which the Fund accepted the Employer as a New Employer, may contribute under this Schedule to the Fund at a rate to be specifically and separately approved by the Board of Trustees with respect to each such New Employer (the "New Rate"), subject to a specific determination by the Board of Trustees that the following conditions have been or will be met:

(i) The New Employer has in fact fulfilled its contribution or participation commitments under the agreement in which the Fund accepted the Employer's New Employer status, and the New Employer has fulfilled all other obligations under that agreement, is current in its ongoing contribution obligations to the Fund and is in compliance with the Fund's rules and polices applicable to Contributing Employers;

(ii) Unless a New Rate is determined and made available under this Schedule, the New Employer would likely withdraw from the Fund on about the expiration date of its most recent Collective Bargaining Agreement requiring contributions to the Fund;

(iii) the New Employer's continued participation in the Fund at the New Rate, under the specific circumstances presented, will result in net positive cash flow to the Fund, in comparison to the net cash flow that would result from a withdrawal by the New Employer from the Fund; and

(iv) the New Employer's obligation to contribute to the Fund at the New Rate is documented in a Collective Bargaining Agreement that is or will be acceptable to the Board of Trustees, and contains (or will contain) terms under which the bargaining representative of the affected Bargaining Unit specifically agrees or acknowledges that any reductions in labor costs resulting from the New Employer's contributions at the New Rate have been allocated to the Bargaining Unit in a manner that is satisfactory to the bargaining representative.

L. SPECIAL SCHEDULE: QUALIFYING BARGAINING UNITS THAT HAVE BEEN SUBJECT TO A WAGE FREEZE (EXCEPT AS NOTED PRESERVES ALL BENEFITS). (Effective on and after March 14, 2017)

1. Benefits.

With regard to any Bargaining Unit subject to a Collective Bargaining Agreement in effect as of March 1, 2017 (the "Current Agreement") that –

(i) was (or is) of 3 to 5 years in duration,

(ii) did not (or does not) provide for any wage increases for the entire duration of the Agreement, and

(iii) required (or requires) pension contribution rate increases in compliance with the Primary Schedule (Section 2.A of this Rehabilitation Plan) for the entire duration of the Agreement, but did not (or does not) at any time require contributions at

rates equal to or in excess of any of the maximum rates specified under the provisos to the Primary Schedule

the benefits available to any such Bargaining Unit under any new Collective Bargaining Agreement that is the immediate successor or renewal Agreement of the Current Agreement, and is not in compliance with the Primary Schedule ("Successor Agreement"), will be nevertheless identical to the benefits available to Bargaining Units whose Collective Bargaining Agreements are in compliance with the Primary Schedule, provided that any such Successor Agreement has the characteristics specified in Section 2.L.2 below.

B. Contributions.

In order for a Bargaining Unit to qualify for the benefits specified under Section 2.L.1 above, the Successor Agreement must:

(i) Not be of less duration than the Current Agreement, but not exceeding 5 years in duration;

(ii) require pension contributions at a rate that is at least as high as the highest rate required under the Current Agreement, but need not provide for any increase in the contribution rates for the duration of the Successor Agreement (the "Special Rate"); and

(iii) contain terms under which the bargaining representative of the affected Bargaining Unit specifically agrees and acknowledges that any reduction in labor costs resulting from contributions at the Special Rate (*i.e.,* contributions without the rate increases otherwise required under the Primary Schedule) have been allocated to the Bargaining Unit in a manner that is satisfactory to the bargaining representative.

Section 3. REHABILITATION PLAN STANDARDS AND OBJECTIVES.

The Schedules of Contributions and Benefits discussed above have been formulated by the Fund's Board of Trustees as reasonable measures which, under reasonable actuarial assumptions, are designed and projected to forestall the possible insolvency of the Fund prior to 2025. Projections of insolvency may vary from year to year as actual experience may differ from assumptions.

The Trustees recognize the possibility that actual experience could be less favorable than the reasonable assumptions used for the Rehabilitation Plan on an annual basis. Consequently, the annual standards for meeting the requirements of the Rehabilitation Plan are as follows:

- Actuarial projections updated for each year show, based on reasonable assumptions, that under the Rehabilitation Plan and its schedules (as amended and updated from time to time) the Fund will forestall its possible insolvency *prior* to 2023.

Section 4. ALTERNATIVES CONSIDERED BY THE TRUSTEES.

The Board of Trustees considered numerous alternatives [including combinations of contribution rate increases (and other updates to the schedules of contribution rates in light of the experience of the Fund) and benefit adjustments] that might enable the Fund to emerge from Critical Status either by the end of ten year PPA Rehabilitation Period (which began on January 1, 2011 and ends on December 31, 2020), or to forestall possible insolvency

indefinitely (beyond the date referenced above under the "Standards and Objectives" heading). Some of the alternatives considered were determined to be unreasonable measures. The various default and alternative schedules considered included the following:

Schedules considered by the Board of Trustees in formulating an initial 2008 rehabilitation plan that might permit the Fund to emerge by the end of the Rehabilitation Period on December 31. 2020:

Schedule	Benefit Reductions	Contribution Rate Increases
Default	Immediate maximum Critical Status benefit cuts for all participants to the extent permitted by law	15% per year until emergence in 2021 (plus an additional 1.6% annual increase for Benefit Classes 14 and below)
Alternative 1	Maintain current benefits	17% per year until emergence in 2021
Alternative 2	On the second anniversary of the new bargaining agreement, reduce the future benefit accrual rate from 1% of contributions payable at age 62 to 1% of contributions at payable at age 65	16% per year until emergence in 2021

In formulating the Fund's initial rehabilitation plan in 2008, the Board of Trustees concluded that utilizing any and all *possible* measures to emerge from Critical Status by the end of the 10-year presumptive Rehabilitation Period described in ERISA Section 305(e)(4), would be unreasonable and would involve considerable risk to the Fund and Fund participants. In particular, the Board of Trustees concluded that the continued existence of the Fund and the Trustees' ability to maintain and improve the Fund's funded status in accordance with the terms of the IRS approved amortization extension would be jeopardized by any attempt to emerge from critical status by the end of the presumptive 10-year Rehabilitation Period.

As shown above, based on January 1, 2008 valuation data, the emergence by the end of the presumptive 10 year Rehabilitation Period would require double-digit annual contribution rate increases. For example, the daily contribution rate would generally have to grow from $52 to over $300. Therefore, the Trustees concluded in 2008 that annual contribution rate increases above the 8%/6%/4% level in the Primary Schedule were not reasonable and could trigger mass withdrawals and significant losses to the Fund and the participants.

During the process of updating the Rehabilitation Plan in each applicable year subsequent to 2008, the Trustees concluded that in light of current valuation data available in each of those years, the experience of the Fund and projections, the option available to the Fund under ERISA Section 305(e)(3)(ii) was to pursue reasonable measures to forestall a possible insolvency. The Trustees also concluded during the 2010 - 2017 update processes that requiring annual contribution increases above the level described in the Primary Schedule would not be reasonable and would likely accelerate a possible insolvency of the Fund rather than forestall it.

Prior to Plan/calendar year 2019, the Trustees have implemented (and, where applicable, have continued to implement) numerous measures to improve the Fund's funding. These have included:

- Reducing the benefit accrual rate from 2% of contributions to 1% of contributions;

- Protecting the "and-out" and early retirement benefits while freezing them at their year-end 2003 levels;

- Obtaining agreements from the major bargaining parties to reallocate significant amounts of annual benefit contributions to the Pension Fund;

- Obtaining an amortization extension from the Internal Revenue Service in 2005, and successfully seeking a waiver of the conditions of that extension in light of investment losses resulting from the weakness in financial markets in recent years (waiver or alteration of conditions granted in 2016);

- Requiring as a condition of continued participation in the Fund that new bargaining agreements in the last several years include significant annual contribution rate increases;

- Providing information to Congress and federal agencies with respect to legislative or regulatory proposals that appear to assist in addressing the funding challenges confronting the Fund;

- Approving a Distressed Employer Schedule as part of the Fund's Rehabilitation Plan under which YRC, Inc. and its affiliate USF Holland, Inc., two distressed (but historically significant) Contributing Employers, resumed Contributions in June 2011 at rates lower than would have been permitted under previous (pre-2011) Rehabilitation Plan Schedules; this Distressed Employer Schedule significantly adjusted the benefits of the affected Bargaining Unit members, and helped assure that despite the lower Contribution rates, the continued participation of these Employers would tend to improve overall pension funding; and

- Adopting a new withdrawal liability method, and obtaining approval of that method by the Pension Benefit Guaranty Corporation, under which new Contributing Employers, and existing Contributing Employers who satisfy their withdrawal liability under the Fund's historic (pre-2011) withdrawal liability method *(i.e.,* the "modified presumptive method"), will have any future withdrawal liability determined under the "direct attribution" method; the Trustees believe that this "hybrid" method will be attractive to some Contributing Employers who wish to continue to participate in the Fund, but may be concerned about the potential for future growth of their estimated withdrawal liability as calculated under the Fund's prior (pre-2011) withdrawal liability method, and that this, in turn, will encourage continued participation in the Fund and tend to improve overall pension funding.

- Amending the Primary Schedule of the Rehabilitation Plan to permit Contributing Employers, who satisfy their existing withdrawal liability and qualify as New Employers eligible for the direct attribution method under the hybrid method, to comply with the Primary Schedule without the need (under their current collective bargaining agreements) for the contribution rate increases otherwise required under the Primary Schedule. The Trustees determined that this amendment to the Rehabilitation Plan will encourage existing Contributing Employers to satisfy their existing withdrawal liability and to continue their participation in the Fund as New Employers under the hybrid method; the Trustees determined that the New Employers' participation on these terms would tend to improve overall pension funding.

- Authorizing the filing, on September 25, 2015, of an application with the United States Department of the Treasury requesting approval of a plan of suspension of benefits under MPRA. (The Trustees determined that the filing of this application was a reasonable measure designed to forestall insolvency, and therefore one that they were required to take under the PPA. However, the Fund's MPRA application was denied by the Department of Treasury on May 6, 2016, and the Trustees have determined that it is not feasible for the Fund to submit a revised MPRA application.)

- Approval of the Special Schedule relating to Qualifying New ("Hybrid") Method Employers indicated in Section 2.K. of this Appendix.

- And the addition of Section 2.L. to this Appendix dealing with Qualifying Bargaining Units that have been subject to wage freezes.

However, the Trustees have also determined, as part of the 2019 Rehabilitation Plan update process, that mandating additional significant benefit cuts (beyond those provided in this updated Rehabilitation Plan), or (as noted) mandating significant contribution rate increases at levels beyond those required in recent years, would risk substantially accelerating the rate at which employers would withdraw from the Fund, in large part because the Union could conclude that it would be in its members' best interest to agree to withdrawals. The Board of Trustees also determined that this acceleration of employer withdrawals would, in turn, be counterproductive to the Trustees' effort to forestall possible insolvency.

Exhibit A
Primary Schedule: Contribution Rate Increases by Bargaining Agreement Year
(all rate increases are to be compounded annually)

Calendar Year of Contribution Rate Increases	Year of initial Bargaining Agreement Conforming to Primary Schedule													
	2006 & Earlier	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
2006	7%													
2007	7%	8%												
2008	7%	8%	8%											
2009	7%	8%	8%	8%										
2010	7%	8%	8%	8%	8%									
2011	6%	8%	8%	8%	8%	8%								
2012	5%	6%	8%	8%	8%	8%	8%							
2013	4%	4%	6%	8%	8%	8%	8%	8%						
2014	4%	4%	6%	8%	8%	8%	8%	8%	8%					
2015	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%				
2016	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%			
2017	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%		
2018	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%	
2019	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%
2020	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%
2021	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%
2022	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%
2023	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%
2024	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%
2025	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%
2026	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%
2027	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%

EXHIBIT B

Schedule for Actuarial Reduction of Age 65 Benefits

(Applicable to Default Schedule and Rehabilitation Plan Withdrawal benefit adjustments for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA§ 305(i)(10)] on or before July 1, 2011)

Age	Percent of Age 65 Benefit Based on Actuarial Equivalence
65	100%
64	90%
63	81%
62	74%
61	67%
60	61%
59	55%
58	50%
57	46%

APPENDIX M-12. REHABILITATION PLAN (INCLUDING 2020 UPDATE)

Section 1. PREAMBLE AND DEFINITIONS.

Appendix M comprising the Rehabilitation Plan was added to the Pension Plan effective on and after March 26, 2008, and has been amended from time to time since then.

This Appendix M-12 is added to the Pension Plan effective on and after December 31, 2020 (except where a different effective date for any provision is noted below) in order to update the Rehabilitation Plan in compliance with the requirements of the Pension Protection Act of 2006 ("PPA").

The Central States, Southeast and Southwest Areas Pension Fund (the "Fund") was initially certified on March 24, 2008 by its actuary to be in "critical status" (sometimes referred to as the "red zone") under the PPA: the Fund's actuary has also certified the Fund to be in critical status in March of each subsequent year through March 2014. For 2015, 2016, 2017, 2018, 2019 and 2020 the actuary certified the Fund to be in "critical and declining status", pursuant to the Multiemployer Pension Reform Act of 2014 ("MPRA"). The Fund's Board of Trustees, as the plan sponsor of a "critical and declining status" pension plan, is charged under the PPA and MPRA with developing a "rehabilitation plan" designed to improve the financial condition of the Fund in accordance with the standards set forth in the PPA, and with annually updating the rehabilitation plan. Although for plan year 2009 the Fund was exempt from the update requirement, pursuant to an election under the Worker Retiree and Employer Recovery Act of 2008, for subsequent plan years the PPA provisions concerning the rehabilitation plan update process are applicable to the Fund. The purpose of this updated Rehabilitation Plan is to comply with those PPA provisions, as amended to date, including any applicable amendments under MPRA.

Under the PPA, a rehabilitation plan, including annual updates to the plan, must include one or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted by the parties obligated under agreements participating in the pension plan, may reasonably be expected to enable the Fund to emerge from critical status in accordance with the rehabilitation plan. The PPA also provides that one of the rehabilitation plan schedules of benefits and contributions shall be designated the "default" schedule. The default schedule must assume that there are no increases in contributions under the plan other than the increases necessary to emerge from critical status after future benefit accruals and other benefits have been reduced to the maximum extent permitted by law. The PPA also creates certain categories of "adjustable benefits" which may be reduced or eliminated dependent upon the outcome of bargaining over the rehabilitation plan schedules and dependent on the exercise of certain flexibility and discretion conferred upon the Board of Trustees by the PPA. Adjustable benefits that may be affected in this manner include post-retirement death benefits, early retirement benefits or retirement-type subsidies, and generally any benefit that would be payable prior to normal retirement age (age 65 benefits under the Fund's Plan Document - or, as discussed below, a Contribution Based Benefit actuarially reduced to be equivalent to an age 65 benefit). As noted, the PPA also requires annual updates of the rehabilitation plan.

Unless otherwise indicated, all capitalized terms herein shall have the definitions and meanings assigned to them in the Fund's Pension Plan Document.

Section 2. SCHEDULES OF CONTRIBUTIONS AND BENEFITS.

With the PPA requirements outlined above in mind, the Fund's Board of Trustees hereby provides the following PPA Schedules to the parties charged with bargaining over agreements requiring contributions to the Fund.

A. PRIMARY SCHEDULE (EXCEPT AS NOTED, PRESERVES ALL CURRENT BENEFITS).

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers are in compliance with this Primary Schedule, there will be no change in benefit formulas, levels or payment options in effect on January 1, 2008, *except that* as provided in Section 2(J) below, Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date (within the meaning of ERISA § 305(i)(10)) on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Further, subject to the notice requirements of the PPA and other applicable law, any Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers incur a Rehabilitation Plan Withdrawal on or after March 26, 2008 shall have their Adjustable Benefits listed in Section 2(H) below eliminated or reduced to the extent indicated in Section 2(B)(1) below.

2. Contributions

Compliance with the Primary Schedule requires annually compounded contribution rate increases in accordance with Exhibit A effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each agreement anniversary date (or reallocation anniversary, where applicable) during the term of the new bargaining agreement to the extent indicated in Exhibit A, depending on the year that the new agreement is effective. Note that all contribution rate increases are annually compounded on the total contribution rate (including any reallocations of employee benefit contributions or agreed mid-contract contribution increases) immediately prior to the increase.

The required annual rate increase may be provided through annual allocations to pension contributions of general and aggregate employee benefit contribution increases that were negotiated at the outset of an agreement, but were not specifically allocated to pension contributions until subsequent contract years. The Primary Schedule requires 8% per year contribution rate increases for the first 5 years, 6% per year contribution rate increases for the next 3 years and 4% per year contribution rate increases each year thereafter for 2008 agreements under the Primary Schedule and comparable rate increases over time for all other agreements under the Primary Schedule *(see* Exhibit A).

Provided, however, that absent further amendment to this rehabilitation plan, as of June 1, 2011, any Collective Bargaining Agreement requiring contributions of (1) $348 per week for each full-time employee with respect to Participants covered

by the National Master Automobile Transporter Agreement, and (2) $342 per week for each full-time employee with respect to all other Participants, will be deemed to be in compliance with the Primary Schedule *without* the need for additional annual rate increases.

Provided further that any Employer that qualifies as a New Employer under § 2.2(b) of Appendix E of the Pension Plan will be deemed, as of the date it qualifies as a New Employer, to be in compliance with the Primary Schedule *without* the need for additional contribution rate increases.

B. DEFAULT SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers agree to comply with this Default Schedule [or who become subject to the Default Schedule due to a failure to achieve an agreement to accept one of the Rehabilitation Plan Schedules within the time frame specified under ERISA § 305(e)(3)(C)], the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Default Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee groups participating in the Fund):

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by 1/2% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57.

2. Contributions

Compliance with the Default Schedule consists of annually compounded contribution rate increases of 4% effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each anniversary thereof during the term of the agreement.

3. Effect of agreement to or imposition of Default Schedule.

(i) If a Contributing Employer agrees to the Default Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

(ii) If a Contributing Employer becomes subject to the Default Schedule by operation of ERISA Section 305(e)(3)(C), because the bargaining parties

have failed to adopt either of the Schedules compliant with this Rehabilitation Plan within 180 days of the expiration of their prior Collective Bargaining Agreement, the Fund will then accept a Collective Bargaining Agreement that is compliant with the Primary Schedule described in this Rehabilitation Plan, provided that such new Collective Bargaining Agreement provides for Primary Schedule contribution rates that are retroactive to the expiration date of the last Collective Bargaining Agreement that covered the affected Bargaining Unit.

C. DISTRESSED EMPLOYER SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers and contribution rates have been specifically accepted and approved by the Board of Trustees as satisfying the Qualifications for the Distressed Employer Schedule (as set forth in Section 2(C)(2) below), the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Distressed Employer Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee group participating in the Fund) that is accepted by the Board of Trustees as qualifying under the Distressed Employer Schedule:

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by ½% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) have not achieved a Retirement Date on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57, *and except that* any Participant who (i) has achieved a minimum age of 55 as of the date of the Distressed Employer's termination of participation in the Fund (see Section 2(C)(2) below) and (ii) has accrued a minimum of 25 years credit towards a Contributory Credit Pension or an And-Out Pension as of that date (see Pension Plan §§ 4.04, 4.05 and 4.06), shall be entitled to retain his eligibility for (but not gain further credit towards) any such Pension, *provided that* any such Participant has a minimum retirement age of 62.

2. Contributions and Qualifications for the Distressed Employer Schedule.

The Board of Trustees may deem a Collective Bargaining Agreement with contribution rates not in compliance with either the Primary Schedule or the Default Schedule to be in compliance with and subject to the Distressed Employer Schedule, if in the Board of Trustees' sole discretion, the Board determines that the Contributing Employer meets each of the following qualifications:

(i) the common stock of the Employer or its parent corporation (or other affiliate under 80% or more common control with the Employer) is publicly traded and registered pursuant to the securities laws of the United States;

(ii) the Employer has previously incurred a termination of its participation in the Fund due to an inability to remain current in its Contribution obligations, and the Employer was in terminated status immediately prior to executing the Agreement sought to be qualified under the Distressed Employer Schedule;

(iii) during the last ten years in which the Employer participated in the Fund prior to its termination, it had paid contributions to the Fund on behalf of at least 1,000 full-time employees per month (or had, including part-time employees, paid contributions on behalf of the equivalent of at least 1,000 full-time employees per month for the specified ten year period);

(iv) the Employer submits to a review of its financial condition and operations by the Fund's Staff and outside expert and consultants, and agrees to reimburse the Fund for all fees and expenses incurred by the Fund in this review (including, but not limited to, reimbursement to the Fund for the time devoted by the Fund's Staff to any such review, with this reimbursement to be made at market rates for comparable services performed by Fund's Staff);

(v) on the basis of this financial and operational review, it appears that the Employer is not able to contribute to the Fund at a higher rate than is indicated in the Collective Bargaining Agreement proposed for acceptance under the Distressed Employer Schedule, *and* that acceptance of the proposed Agreement is in the best interest of the Fund under all the circumstances and advances the goals of this Rehabilitation Plan; and

(vi) the Employer provides the Fund with first lien collateral in any and all unencumbered assets to the fullest extent it is able in order to fully secure (i) any delinquent or deferred Contribution obligations owed to the Fund, (ii) the Employer's obligation to make current and future pension contributions to the Fund, and (iii) any future withdrawal liability potentially incurred by the Employer (with the amount of such potential withdrawal liability to be determined based on estimates to be provided by the Fund).

3. Effect of agreement to or imposition of the Distressed Employer Schedule.

If a Contributing Employer becomes subject to the Distressed Employer Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

D. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER INCURRING A REHABILITATION PLAN WITHDRAWAL.

Subject to the provisos indicated in the final clauses of this Subsection D, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be

eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] with the Fund is on or after April 8, 2008, and:

(1) whose last Hour of Service prior to January 1, 2008 was earned while employed by United Parcel Service, Inc. ("UPS"), or with any trades or businesses at any time under common control with UPS, within the meaning of ERISA § 4001(b)(1); *or*

(2) who *(i)* has earned or earns an Hour of Service while employed with a Contributing Employer (or any predecessor or successor entity) that at any time on or after March 26, 2008 incurs a Rehabilitation Plan Withdrawal *(see* Section 2(I) below), and *(ii)* whose *last* year of Contributory Service Credit *prior* to the Rehabilitation Plan Withdrawal was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) ultimately incurring such Withdrawal.

Proviso 1: *Provided, however,* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant Section 2(D)(2) above, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the earlier of: (i) the date of such Rehabilitation Plan Withdrawal or (ii) the date of the expiration of the last Collective Bargaining Agreement requiring Employer Contributions under the Primary Schedule prior to such Withdrawal, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: And provided further that in the event of a Rehabilitation Plan Withdrawal resulting from an administrative termination of a Contributing Employer as referenced in Section 2(I)(3)(ii) below, the Board of Trustees shall have full discretionary authority (A) to decline to apply the elimination of Adjustable Benefits to Participants otherwise affected by a Rehabilitation Plan Withdrawal of this type who have submitted a pension application naming a Retirement Date to the Fund on or before the date selected by the Trustees as the effective date of the administrative termination which ended the Employer's obligation to contribute to the Pension Fund, and (B) to decline to apply the requirement of Section 2(G) below that a Participant incurring a benefit adjustment due to Rehabilitation Plan Withdrawal must cease employment with and the performance of services for the withdrawn Employer within 60 days of the Rehabilitation Plan Withdrawal in order to eventually qualify for a restoration of benefits; in exercising their discretionary authority under this Proviso 2, the Board of Trustees shall consider, weigh and balance the following factors:

(i) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination were aware of, participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the circumstances that led to the administrative termination of the Employer;

(ii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination benefited, directly or indirectly from the cessation of Employer Contributions or from the circumstances that led to the administrative termination of the Employer;

(iii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination resisted or attempted to alter, or acquiesced in, the circumstances that led to the administrative termination of the Employer;

(iv) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination have become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Employer that has undergone the administrative termination; and

(v) the extent of the hardship that might be incurred by any actively employed members of the affected Bargaining Unit or by any members who submitted a retirement application prior to the effective date of the administrative termination due to the elimination of Adjustable Benefits.

Proviso 3: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant to Subsection D(2) above, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date of the Rehabilitation Plan Withdrawal.

E. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DEFAULT SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection E, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Section B(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Default Schedule described herein; and

(2) whose *last* year of Contributory Service Credit prior to the Employer's becoming subject to the Default Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Default Schedule.

Proviso 1: *Provided, however.* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant to this Subsection E, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Default Schedule, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant this Subsection E. shall not incur a loss of

Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Default Schedule.

F. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DISTRESSED EMPLOYER SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection F, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (with the exception indicated in Section 2(C)(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Distressed Employer Schedule described herein; and

(2) whose last year of Contributory Service Credit prior to the Employer's becoming subject to the Distressed Employer Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Distressed Employer Schedule.

Proviso 1: Provided, however, that any Pensioner otherwise subject to the reduction in Adjustable Benefits indicated in the Distressed Employer Schedule, due to his Contributing Employer becoming subject to that Schedule pursuant to this Subsection F, who has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Distressed Employer Schedule, shall not be subject to the reduction of Adjustable Benefits otherwise mandated by the Distressed Employer Schedule provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date, and provided further that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no Pensioners with Retirement Dates prior to September 24, 2010 shall be subject to such Distressed Employer Schedule benefit reduction.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the reduction of Adjustable Benefits. due to his Contributing Employer becoming subject to the Distressed Employer Schedule pursuant to this Subsection F, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such surviving spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Distressed Employer Schedule, *and provided* further in any event that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no spouse shall be subject to such Distressed Employer Schedule benefit reduction if the Participant's death occurred prior to September 24, 2010.

G. RESTORATION OF ADJUSTED BENEFITS.

Any Participant who incurs a benefit adjustment or elimination under the terms of Sections 2(A), 2(B), 2(C), 2(D), 2(E) or 2(F) above may have those affected benefits restored if, subsequent to the event causing the benefit adjustment, the Participant:

(1) in the case of benefit adjustment caused by a Rehabilitation Plan Withdrawal (see Section 2(I) below), permanently ceases all employment with, and performance of services in any capacity for, the Contributing Employer (and any successors or trades or businesses under common control with such Employer within the meaning of ERISA § 4001(b)(1)) within 60 days of the occurrence of such Rehabilitation Plan Withdrawal; and

(2) in any case, subsequently earns one year of Contributory Service Credit with a Contributing Employer while that Employer is in compliance with the Primary Schedule described herein.

H. ADJUSTABLE BENEFITS.

As used herein, Adjustable Benefits shall mean and include:

(1) Any right to receive a Retirement Pension Benefit (Pension Plan, Article IV) prior to age 65 [including without limitation any pre-age 65 benefits that would otherwise be payable as *(i)* a Twenty Year Service Pension (Pension Plan § 4.01); *(ii)* a Contributory Credit Pension (Pension Plan § 4.04); *(iii)* a Vested Pension (Pension Plan § 4.07); (iv) a Deferred Pension (Pension Plan § 4.08); or *(v)* a Twenty-Year Deferred Pension (Pension Plan § 4.09)].

(2) Early retirement benefit or retirement-type subsidies [including without limitation *(i)* an Early Retirement Pension (Pension Plan § 4.02); *(ii)* a 25-And-Out Pension (Pension Plan § 4.05); or a 30-And-Out Pension (Pension Plan § 4.06)].

(3) All Disability Benefits not yet in pay status (Pension Plan, Article V).

(4) Before Retirement Death Benefits (Pension Plan, Article VI) other than the 50% surviving spouse benefit.

(5) Post-retirement death benefits that are not part of the annuity form of payment.

(6) All Partial Pensions (Pension Plan, Appendix D), to the extent any such pension is tied to one or more of the Adjustable Benefits listed above.

(7) All Contribution-Based Pensions (Pension Plan § 4.03) except that, assuming the Participant meets all other requirements for receiving a Contribution-Based Pension, the Contribution-Based Pension is payable at age 65 reduced by 1/2% per month for each month prior to age 65 at the time of retirement with a minimum retirement age of 57. Such minimum retirement age shall not apply if the Participant retired prior to age 57 before the Participant's Adjustable Benefits were eliminated or reduced. In such circumstance, the Participant shall be entitled to receive the Contribution-Based Pension reduced by 1/2% per month for each month prior to age 65 at the time of retirement. *Provided, however,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the reductions in the Contribution-Based Pensions payable at age 65 referenced in this subparagraph (7) shall be based on actuarial equivalence in accordance with the Schedule attached as Exhibit B hereto.

(8) To the extent not already included in paragraphs (1) - (7) above, the following categories of benefits listed and defined as "adjustable benefits" under ERISA§ 305(e)(8)(iv):

(i) benefits, rights, and features under the plan, including post-retirement death benefits, 60-month guarantees, disability benefits not yet in pay status, and similar benefits,

(ii) any early retirement benefit or retirement-type subsidy (within the meaning of ERISA Section 204(g)(2)(A)) and any benefit payment option (other than the qualified joint and survivor annuity), and

(iii) benefit increases that would not be eligible for a guarantee under ERISA Section 4022A on the first day of the Fund's initial critical year under the PPA because the increases were adopted (or, if later, took effect) less than 60 months before such first day.

Provided, however, that except as provided in subparagraph (8)(iii) above, nothing in this paragraph shall be construed to reduce the level of a Participant's accrued benefit payable at normal retirement.

I. REHABILITATION PLAN WITHDRAWAL

Subject to the discretionary authority of the Board of Trustees indicated in the final clause of this Subsection I, a "Rehabilitation Plan Withdrawal" occurs on the date a Contributing Employer (a) is no longer required to make Employer Contributions to the Pension Fund under one or more of its Collective Bargaining Agreements, or (b) undergoes a significant reduction in its obligation to make Employer Contributions resulting from outsourcing or subcontracting work covered by the applicable Collective Bargaining Agreement(s), as a result of actions by members of a Bargaining Unit (or its representatives) or the Contributing Employer, which actions include, but are not limited to the following:

(1) decertification or other removal of the Union as a bargaining agent;

(2) ratification or other acceptance of a Collective Bargaining Agreement which permits withdrawal of the Bargaining Unit, in whole or in part, from the Pension Plan;

(3) administrative termination of the Contributing Employer with respect to any or all of its Collective Bargaining Agreements due to: (i) a violation of the Fund's rules with respect to the terms of a Collective Bargaining Agreement (including, without limitation, a provision providing for a split bargaining unit); or (ii) a violation of any other Fund rule or policy (including, without limitation, practices or arrangements that result in adverse selection);

(4) any transaction or other event (including, without limitation, a merger, consolidation, division, asset sale (other than an asset sale complying with ERISA § 4204), liquidation, dissolution, joint venture, outsourcing, subcontracting) whereby all or a portion of the operations for which the Contributing Employer has an obligation to contribute are continued (whether by the Contributing Employer or by another party) in whole or in part without maintaining the obligation to contribute to the Fund under the same or better terms (including, for example, as to number of participants and contribution rate) as existed before the transaction;

Provided, however, that with respect to the circumstances described in Subparagraphs. (3)(ii) or (4) above, the Board of Trustees shall have full discretionary authority to consider, weigh and balance the following factors in determining whether a Rehabilitation Plan Withdrawal has occurred:

(i) the extent to which the affected Bargaining Unit or its bargaining representative participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the cessation of Employer Contributions;

(ii) the extent to which the affected Bargaining Unit benefited, directly or indirectly, from the cessation of Employer Contributions;

(iii) the extent to which the affected Bargaining Unit, or its bargaining representative, resisted or attempted to resist, or acquiesced in, the cessation of Employer Contributions;

(iv) the extent to which the affected Bargaining Unit, or any of its members, become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Contributing Employer who incurred the cessation of Employer Contributions; and

(v) the extent of the hardship that might be incurred by members of the affected Bargaining Unit by the elimination of Adjustable Benefits.

J. BENEFIT ADJUSTMENTS APPLICABLE TO ALL PARTICIPANTS (INCLUDING INACTIVE VESTED PARTICIPANTS) WHO HAVE NOT SUBMITTED A RETIREMENT APPLICATION ON OR BEFORE JULY 1, 2011 AND DO NOT HAVE A BENEFIT COMMENCEMENT ON OR BEFORE THAT DATE.

Minimum Retirement Age 57.

Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

K. SPECIAL SCHEDULE: QUALIFYING NEW ("HYBRID METHOD") EMPLOYERS (EXCEPT AS NOTED, PRESERVES ALL BENEFITS).

1. Benefits.

Bargaining Units (and any non-Bargaining Unit groups participating in the Fund) whose Contributing Employers have been specifically accepted and approved by the Trustees as satisfying the requirements for this Qualifying New Employer Schedule will, as it relates to benefits or potential benefit adjustments, be treated in the same way as Bargaining Units (and non-Bargaining Unit groups) under the Primary Schedule (Section 2.A. above).

2. Contributions.

Contributing Employers who have qualified as New Employers within the meaning of Appendix E of the Plan Document, Section 2.2 (b) (and are thus eligible for treatment under the Pension Fund's alternative, or "hybrid," method of calculating Employer Withdrawal Liability), *and* who have fulfilled all requirements relating to the duration and/or level of continued participation in the Pension Fund contained in the agreement under which the Fund accepted the Employer as a New Employer, may contribute under this Schedule to the Fund at a rate to be specifically and separately approved by the Board of Trustees with respect to each such New Employer (the "New Rate"), subject to a specific determination by the Board of Trustees that the following conditions have been or will be met:

(i) The New Employer has in fact fulfilled its contribution or participation commitments under the agreement in which the Fund accepted the Employer's New Employer status, and the New Employer has fulfilled all other obligations under that agreement, is current in its ongoing contribution obligations to the Fund and is in compliance with the Fund's rules and polices applicable to Contributing Employers;

(ii) Unless a New Rate is determined and made available under this Schedule, the New Employer would likely withdraw from the Fund on about the expiration date of its most recent Collective Bargaining Agreement requiring contributions to the Fund;

(iii) the New Employer's continued participation in the Fund at the New Rate, under the specific circumstances presented, will result in net positive cash flow to the Fund, in comparison to the net cash flow that would result from a withdrawal by the New Employer from the Fund; and

(iv) the New Employer's obligation to contribute to the Fund at the New Rate is documented in a Collective Bargaining Agreement that is or will be acceptable to the Board of Trustees, and contains (or will contain) terms under which the bargaining representative of the affected Bargaining Unit specifically agrees or acknowledges that any reductions in labor costs resulting from the New Employer's contributions at the New Rate have been allocated to the Bargaining Unit in a manner that is satisfactory to the bargaining representative.

L. SPECIAL SCHEDULE: QUALIFYING BARGAINING UNITS THAT HAVE BEEN SUBJECT TO A WAGE FREEZE (EXCEPT AS NOTED PRESERVES ALL BENEFITS). (Effective on and after March 14, 2017)

1. Benefits.

With regard to any Bargaining Unit subject to a Collective Bargaining Agreement in effect as of March 1, 2017 (the "Current Agreement") that –

(i) was (or is) of 3 to 5 years in duration,

(ii) did not (or does not) provide for any wage increases for the entire duration of the Agreement, and

(iii) required (or requires) pension contribution rate increases in compliance with the Primary Schedule (Section 2.A of this Rehabilitation Plan) for the entire

duration of the Agreement, but did not (or does not) at any time require contributions at rates equal to or in excess of any of the maximum rates specified under the provisos to the Primary Schedule

the benefits available to any such Bargaining Unit under any new Collective Bargaining Agreement that is the immediate successor or renewal Agreement of the Current Agreement, and is not in compliance with the Primary Schedule ("Successor Agreement"), will be nevertheless identical to the benefits available to Bargaining Units whose Collective Bargaining Agreements are in compliance with the Primary Schedule, provided that any such Successor Agreement has the characteristics specified in Section 2.L.2 below.

2. Contributions.

In order for a Bargaining Unit to qualify for the benefits specified under Section 2.L.1 above, the Successor Agreement must:

(i) Not be of less duration than the Current Agreement, but not exceeding 5 years in duration;

(ii) require pension contributions at a rate that is at least as high as the highest rate required under the Current Agreement, but need not provide for any increase in the contribution rates for the duration of the Successor Agreement (the "Special Rate"); and

(iii) contain terms under which the bargaining representative of the affected Bargaining Unit specifically agrees and acknowledges that any reduction in labor costs resulting from contributions at the Special Rate (*i.e.,* contributions without the rate increases otherwise required under the Primary Schedule) have been allocated to the Bargaining Unit in a manner that is satisfactory to the bargaining representative.

Section 3. REHABILITATION PLAN STANDARDS AND OBJECTIVES.

The Schedules of Contributions and Benefits discussed above have been formulated by the Fund's Board of Trustees as reasonable measures which, under reasonable actuarial assumptions, are designed and projected to forestall the possible insolvency of the Fund prior to 2025. Projections of insolvency may vary from year to year as actual experience may differ from assumptions.

The Trustees recognize the possibility that actual experience could be less favorable than the reasonable assumptions used for the Rehabilitation Plan on an annual basis. Consequently, the annual standards for meeting the requirements of the Rehabilitation Plan are as follows:

- Actuarial projections updated for each year show, based on reasonable assumptions, that under the Rehabilitation Plan and its schedules (as amended and updated from time to time) the Fund will forestall its possible insolvency *prior* to 2023.

Section 4. ALTERNATIVES CONSIDERED BY THE TRUSTEES.

The Board of Trustees considered numerous alternatives [including combinations of contribution rate increases (and other updates to the schedules of contribution rates in light of the experience of the Fund) and benefit adjustments] that might enable the Fund to emerge from Critical Status either by the end of ten year PPA Rehabilitation Period (which began on

January 1, 2011 and ends on December 31, 2020), or to forestall possible insolvency indefinitely (beyond the date referenced above under the "Standards and Objectives" heading). Some of the alternatives considered were determined to be unreasonable measures. The various default and alternative schedules considered included the following:

Schedules considered by the Board of Trustees in formulating an initial 2008 rehabilitation plan that might permit the Fund to emerge by the end of the Rehabilitation Period on December 31. 2020:

Schedule	Benefit Reductions	Contribution Rate Increases
Default	Immediate maximum Critical Status benefit cuts for all participants to the extent permitted by law	15% per year until emergence in 2021 (plus an additional 1.6% annual increase for Benefit Classes 14 and below)
Alternative 1	Maintain current benefits	17% per year until emergence in 2021
Alternative 2	On the second anniversary of the new bargaining agreement, reduce the future benefit accrual rate from 1% of contributions payable at age 62 to 1% of contributions at payable at age 65	16% per year until emergence in 2021

In formulating the Fund's initial rehabilitation plan in 2008, the Board of Trustees concluded that utilizing any and all *possible* measures to emerge from Critical Status by the end of the 10-year presumptive Rehabilitation Period described in ERISA Section 305(e)(4), would be unreasonable and would involve considerable risk to the Fund and Fund participants. In particular, the Board of Trustees concluded that the continued existence of the Fund and the Trustees' ability to maintain and improve the Fund's funded status in accordance with the terms of the IRS approved amortization extension would be jeopardized by any attempt to emerge from critical status by the end of the presumptive 10-year Rehabilitation Period.

As shown above, based on January 1, 2008 valuation data, the emergence by the end of the presumptive 10 year Rehabilitation Period would require double-digit annual contribution rate increases. For example, the daily contribution rate would generally have to grow from $52 to over $300. Therefore, the Trustees concluded in 2008 that annual contribution rate increases above the 8%/6%/4% level in the Primary Schedule were not reasonable and could trigger mass withdrawals and significant losses to the Fund and the participants.

During the process of updating the Rehabilitation Plan in each applicable year subsequent to 2008, the Trustees concluded that in light of current valuation data available in each of those years, the experience of the Fund and projections, the option available to the Fund under ERISA Section 305(e)(3)(ii) was to pursue reasonable measures to forestall a possible insolvency. The Trustees also concluded during the 2010 - 2020 update processes that requiring annual contribution increases above the level described in the Primary Schedule would not be reasonable and would likely accelerate a possible insolvency of the Fund rather than forestall it.

Prior to Plan/calendar year 2020, the Trustees have implemented (and, where applicable, have continued to implement) numerous measures to improve the Fund's funding. These have included:

- Reducing the benefit accrual rate from 2% of contributions to 1% of contributions;

- Protecting the "and-out" and early retirement benefits while freezing them at their year-end 2003 levels;

- Obtaining agreements from the major bargaining parties to reallocate significant amounts of annual benefit contributions to the Pension Fund;

- Obtaining an amortization extension from the Internal Revenue Service in 2005, and successfully seeking a waiver of the conditions of that extension in light of investment losses resulting from the weakness in financial markets in recent years (waiver or alteration of conditions granted in 2016);

- Requiring as a condition of continued participation in the Fund that new bargaining agreements in the last several years include significant annual contribution rate increases;

- Providing information to Congress and federal agencies with respect to legislative or regulatory proposals that appear to assist in addressing the funding challenges confronting the Fund;

- Approving a Distressed Employer Schedule as part of the Fund's Rehabilitation Plan under which YRC, Inc. and its affiliate USF Holland, Inc., two distressed (but historically significant) Contributing Employers, resumed Contributions in June 2011 at rates lower than would have been permitted under previous (pre-2011) Rehabilitation Plan Schedules; this Distressed Employer Schedule significantly adjusted the benefits of the affected Bargaining Unit members, and helped assure that despite the lower Contribution rates, the continued participation of these Employers would tend to improve overall pension funding; and

- Adopting a new withdrawal liability method, and obtaining approval of that method by the Pension Benefit Guaranty Corporation, under which new Contributing Employers, and existing Contributing Employers who satisfy their withdrawal liability under the Fund's historic (pre-2011) withdrawal liability method *(i.e.,* the "modified presumptive method"), will have any future withdrawal liability determined under the "direct attribution" method; the Trustees believe that this "hybrid" method will be attractive to some Contributing Employers who wish to continue to participate in the Fund, but may be concerned about the potential for future growth of their estimated withdrawal liability as calculated under the Fund's prior (pre-2011) withdrawal liability method, and that this, in turn, will encourage continued participation in the Fund and tend to improve overall pension funding.

- Amending the Primary Schedule of the Rehabilitation Plan to permit Contributing Employers, who satisfy their existing withdrawal liability and qualify as New Employers eligible for the direct attribution method under the hybrid method, to comply with the Primary Schedule without the need (under their current collective bargaining agreements) for the contribution rate increases otherwise required under the Primary Schedule. The Trustees determined that this amendment to the Rehabilitation Plan will encourage existing Contributing Employers to satisfy their existing withdrawal liability and to continue their participation in the Fund as New Employers under the hybrid method; the Trustees determined that the New Employers' participation on these terms would tend to improve overall pension funding.

- Authorizing the filing, on September 25, 2015, of an application with the United States Department of the Treasury requesting approval of a plan of suspension of benefits under MPRA. (The Trustees determined that the filing of this application was a reasonable measure designed to forestall insolvency, and therefore one that they were required to take under the PPA. However, the Fund's MPRA application was denied by the Department of Treasury on May 6, 2016, and the Trustees have determined that it is not feasible for the Fund to submit a revised MPRA application.)

- Approval of the Special Schedule relating to Qualifying New ("Hybrid") Method Employers indicated in Section 2.K. of this Appendix.

- And the addition of Section 2.L. to this Appendix dealing with Qualifying Bargaining Units that have been subject to wage freezes.

However, the Trustees have also determined, as part of the 2020 Rehabilitation Plan update process, that mandating additional significant benefit cuts (beyond those provided in this updated Rehabilitation Plan), or (as noted) mandating significant contribution rate increases at levels beyond those required in recent years, would risk substantially accelerating the rate at which employers would withdraw from the Fund, in large part because the Union could conclude that it would be in its members' best interest to agree to withdrawals. The Board of Trustees also determined that this acceleration of employer withdrawals would, in turn, be counterproductive to the Trustees' effort to forestall possible insolvency.

Exhibit A
Primary Schedule: Contribution Rate Increases by Bargaining Agreement Year
(all rate increases are to be compounded annually)

Calendar Year of Contribution Rate Increases	Year of initial Bargaining Agreement Conforming to Primary Schedule														
	2006 & Earlier	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
2006	7%														
2007	7%	8%													
2008	7%	8%	8%												
2009	7%	8%	8%	8%											
2010	7%	8%	8%	8%	8%										
2011	6%	8%	8%	8%	8%	8%									
2012	5%	6%	8%	8%	8%	8%	8%								
2013	4%	4%	6%	8%	8%	8%	8%	8%							
2014	4%	4%	6%	8%	8%	8%	8%	8%	8%						
2015	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%					
2016	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%				
2017	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%			
2018	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%		
2019	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%	
2020	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%
2021	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%
2022	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%
2023	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%
2024	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%
2025	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%
2026	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%
2027	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%
2028	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%

EXHIBIT B

Schedule for Actuarial Reduction of Age 65 Benefits

(Applicable to Default Schedule and Rehabilitation Plan Withdrawal benefit adjustments for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA§ 305(i)(10)] on or before July 1, 2011)

Age	Percent of Age 65 Benefit Based on Actuarial Equivalence
65	100%
64	90%
63	81%
62	74%
61	67%
60	61%
59	55%
58	50%
57	46%

APPENDIX M-13. REHABILITATION PLAN (INCLUDING 2021 UPDATE)

Section 1. PREAMBLE AND DEFINITIONS.

Appendix M comprising the Rehabilitation Plan was added to the Pension Plan effective on and after March 26, 2008, and has been amended from time to time since then.

This Appendix M-13 is added to the Pension Plan effective on and after December 31, 2021 (except where a different effective date for any provision is noted below) in order to update the Rehabilitation Plan in compliance with the requirements of the Pension Protection Act of 2006 ("PPA").

The Central States, Southeast and Southwest Areas Pension Fund (the "Fund") was initially certified on March 24, 2008 by its actuary to be in "critical status" (sometimes referred to as the "red zone") under the PPA: the Fund's actuary has also certified the Fund to be in critical status in March of each subsequent year through March 2014. For 2015, 2016, 2017, 2018, 2019, 2020 and 2021 the actuary certified the Fund to be in "critical and declining status", pursuant to the Multiemployer Pension Reform Act of 2014 ("MPRA"). The Fund's Board of Trustees, as the plan sponsor of a "critical and declining status" pension plan, is charged under the PPA and MPRA with developing a "rehabilitation plan" designed to improve the financial condition of the Fund in accordance with the standards set forth in the PPA, and with annually updating the rehabilitation plan. Although for plan year 2009 the Fund was exempt from the update requirement, pursuant to an election under the Worker Retiree and Employer Recovery Act of 2008, for subsequent plan years the PPA provisions concerning the rehabilitation plan update process are applicable to the Fund. The purpose of this updated Rehabilitation Plan is to comply with those PPA provisions, as amended to date, including any applicable amendments under MPRA.

Under the PPA, a rehabilitation plan, including annual updates to the plan, must include one or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted by the parties obligated under agreements participating in the pension plan, may reasonably be expected to enable the Fund to emerge from critical status in accordance with the rehabilitation plan. The PPA also provides that one of the rehabilitation plan schedules of benefits and contributions shall be designated the "default" schedule. The default schedule must assume that there are no increases in contributions under the plan other than the increases necessary to emerge from critical status after future benefit accruals and other benefits have been reduced to the maximum extent permitted by law. The PPA also creates certain categories of "adjustable benefits" which may be reduced or eliminated dependent upon the outcome of bargaining over the rehabilitation plan schedules and dependent on the exercise of certain flexibility and discretion conferred upon the Board of Trustees by the PPA. Adjustable benefits that may be affected in this manner include post-retirement death benefits, early retirement benefits or retirement-type subsidies, and generally any benefit that would be payable prior to normal retirement age (age 65 benefits under the Fund's Plan Document - or, as discussed below, a Contribution Based Benefit actuarially reduced to be equivalent to an age 65 benefit). As noted, the PPA also requires annual updates of the rehabilitation plan.

Unless otherwise indicated, all capitalized terms herein shall have the definitions and meanings assigned to them in the Fund's Pension Plan Document.

Section 2. SCHEDULES OF CONTRIBUTIONS AND BENEFITS.

With the PPA requirements outlined above in mind, the Fund's Board of Trustees hereby provides the following PPA Schedules to the parties charged with bargaining over agreements requiring contributions to the Fund.

A. PRIMARY SCHEDULE (EXCEPT AS NOTED, PRESERVES ALL CURRENT BENEFITS).

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers are in compliance with this Primary Schedule, there will be no change in benefit formulas, levels or payment options in effect on January 1, 2008, *except that* as provided in Section 2(J) below, Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date (within the meaning of ERISA § 305(i)(10)) on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Further, subject to the notice requirements of the PPA and other applicable law, any Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers incur a Rehabilitation Plan Withdrawal on or after March 26, 2008 shall have their Adjustable Benefits listed in Section 2(H) below eliminated or reduced to the extent indicated in Section 2(B)(1) below.

2. Contributions

Compliance with the Primary Schedule requires annually compounded contribution rate increases in accordance with Exhibit A effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each agreement anniversary date (or reallocation anniversary, where applicable) during the term of the new bargaining agreement to the extent indicated in Exhibit A, depending on the year that the new agreement is effective. Note that all contribution rate increases are annually compounded on the total contribution rate (including any reallocations of employee benefit contributions or agreed mid-contract contribution increases) immediately prior to the increase.

The required annual rate increase may be provided through annual allocations to pension contributions of general and aggregate employee benefit contribution increases that were negotiated at the outset of an agreement, but were not specifically allocated to pension contributions until subsequent contract years. The Primary Schedule requires 8% per year contribution rate increases for the first 5 years, 6% per year contribution rate increases for the next 3 years and 4% per year contribution rate increases each year thereafter for 2008 agreements under the Primary Schedule and comparable rate increases over time for all other agreements under the Primary Schedule *(see* Exhibit A).

Provided, however, that absent further amendment to this rehabilitation plan, as of June 1, 2011, any Collective Bargaining Agreement requiring contributions of (1) $348 per week for each full-time employee with respect to Participants covered by the National Master Automobile Transporter Agreement, and (2) $342 per week for each full-time employee with respect

to all other Participants, will be deemed to be in compliance with the Primary Schedule *without* the need for additional annual rate increases.

Provided further that any Employer that qualifies as a New Employer under § 2.2(b) of Appendix E of the Pension Plan will be deemed, as of the date it qualifies as a New Employer, to be in compliance with the Primary Schedule *without* the need for additional contribution rate increases.

B. DEFAULT SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers agree to comply with this Default Schedule [or who become subject to the Default Schedule due to a failure to achieve an agreement to accept one of the Rehabilitation Plan Schedules within the time frame specified under ERISA § 305(e)(3)(C)], the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Default Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee groups participating in the Fund):

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by 1/2% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57.

2. Contributions

Compliance with the Default Schedule consists of annually compounded contribution rate increases of 4% effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each anniversary thereof during the term of the agreement.

3. Effect of agreement to or imposition of Default Schedule.

(i) If a Contributing Employer agrees to the Default Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

(ii) If a Contributing Employer becomes subject to the Default Schedule by operation of ERISA Section 305(e)(3)(C), because the bargaining parties have failed to adopt either of the Schedules compliant with this

Rehabilitation Plan within 180 days of the expiration of their prior Collective Bargaining Agreement, the Fund will then accept a Collective Bargaining Agreement that is compliant with the Primary Schedule described in this Rehabilitation Plan, provided that such new Collective Bargaining Agreement provides for Primary Schedule contribution rates that are retroactive to the expiration date of the last Collective Bargaining Agreement that covered the affected Bargaining Unit.

C. DISTRESSED EMPLOYER SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers and contribution rates have been specifically accepted and approved by the Board of Trustees as satisfying the Qualifications for the Distressed Employer Schedule (as set forth in Section 2(C)(2) below), the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Distressed Employer Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee group participating in the Fund) that is accepted by the Board of Trustees as qualifying under the Distressed Employer Schedule:

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by ½% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) have not achieved a Retirement Date on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57, *and except that* any Participant who (i) has achieved a minimum age of 55 as of the date of the Distressed Employer's termination of participation in the Fund (see Section 2(C)(2) below) and (ii) has accrued a minimum of 25 years credit towards a Contributory Credit Pension or an And-Out Pension as of that date (see Pension Plan §§ 4.04, 4.05 and 4.06), shall be entitled to retain his eligibility for (but not gain further credit towards) any such Pension, *provided that* any such Participant has a minimum retirement age of 62.

2. Contributions and Qualifications for the Distressed Employer Schedule.

The Board of Trustees may deem a Collective Bargaining Agreement with contribution rates not in compliance with either the Primary Schedule or the Default Schedule to be in compliance with and subject to the Distressed Employer Schedule, if in the Board of Trustees' sole discretion, the Board determines that the Contributing Employer meets each of the following qualifications:

(i) the common stock of the Employer or its parent corporation (or other affiliate under 80% or more common control with the Employer) is publicly traded and registered pursuant to the securities laws of the United States;

(ii) the Employer has previously incurred a termination of its participation in the Fund due to an inability to remain current in its Contribution obligations, and the Employer was in terminated status immediately prior to executing the Agreement sought to be qualified under the Distressed Employer Schedule;

(iii) during the last ten years in which the Employer participated in the Fund prior to its termination, it had paid contributions to the Fund on behalf of at least 1,000 full-time employees per month (or had, including part-time employees, paid contributions on behalf of the equivalent of at least 1,000 full-time employees per month for the specified ten year period);

(iv) the Employer submits to a review of its financial condition and operations by the Fund's Staff and outside expert and consultants, and agrees to reimburse the Fund for all fees and expenses incurred by the Fund in this review (including, but not limited to, reimbursement to the Fund for the time devoted by the Fund's Staff to any such review, with this reimbursement to be made at market rates for comparable services performed by Fund's Staff);

(v) on the basis of this financial and operational review, it appears that the Employer is not able to contribute to the Fund at a higher rate than is indicated in the Collective Bargaining Agreement proposed for acceptance under the Distressed Employer Schedule, *and* that acceptance of the proposed Agreement is in the best interest of the Fund under all the circumstances and advances the goals of this Rehabilitation Plan; and

(vi) the Employer provides the Fund with first lien collateral in any and all unencumbered assets to the fullest extent it is able in order to fully secure (i) any delinquent or deferred Contribution obligations owed to the Fund, (ii) the Employer's obligation to make current and future pension contributions to the Fund, and (iii) any future withdrawal liability potentially incurred by the Employer (with the amount of such potential withdrawal liability to be determined based on estimates to be provided by the Fund).

3. Effect of agreement to or imposition of the Distressed Employer Schedule.

If a Contributing Employer becomes subject to the Distressed Employer Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

D. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER INCURRING A REHABILITATION PLAN WITHDRAWAL.

Subject to the provisos indicated in the final clauses of this Subsection D, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be

eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] with the Fund is on or after April 8, 2008, and:

(1) whose last Hour of Service prior to January 1, 2008 was earned while employed by United Parcel Service, Inc. ("UPS"), or with any trades or businesses at any time under common control with UPS, within the meaning of ERISA § 4001(b)(1); *or*

(2) who *(i)* has earned or earns an Hour of Service while employed with a Contributing Employer (or any predecessor or successor entity) that at any time on or after March 26, 2008 incurs a Rehabilitation Plan Withdrawal *(see* Section 2(I) below), and *(ii)* whose *last* year of Contributory Service Credit *prior* to the Rehabilitation Plan Withdrawal was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) ultimately incurring such Withdrawal.

Proviso 1: *Provided, however,* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant Section 2(D)(2) above, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the earlier of: (i) the date of such Rehabilitation Plan Withdrawal or (ii) the date of the expiration of the last Collective Bargaining Agreement requiring Employer Contributions under the Primary Schedule prior to such Withdrawal, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: And provided further that in the event of a Rehabilitation Plan Withdrawal resulting from an administrative termination of a Contributing Employer as referenced in Section 2(I)(3)(ii) below, the Board of Trustees shall have full discretionary authority (A) to decline to apply the elimination of Adjustable Benefits to Participants otherwise affected by a Rehabilitation Plan Withdrawal of this type who have submitted a pension application naming a Retirement Date to the Fund on or before the date selected by the Trustees as the effective date of the administrative termination which ended the Employer's obligation to contribute to the Pension Fund, and (B) to decline to apply the requirement of Section 2(G) below that a Participant incurring a benefit adjustment due to Rehabilitation Plan Withdrawal must cease employment with and the performance of services for the withdrawn Employer within 60 days of the Rehabilitation Plan Withdrawal in order to eventually qualify for a restoration of benefits; in exercising their discretionary authority under this Proviso 2, the Board of Trustees shall consider, weigh and balance the following factors:

(i) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination were aware of, participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the circumstances that led to the administrative termination of the Employer;

(ii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination benefited, directly or indirectly from the cessation of Employer Contributions or from the circumstances that led to the administrative termination of the Employer;

(iii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination resisted or attempted to alter, or acquiesced in, the circumstances that led to the administrative termination of the Employer;

(iv) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination have become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Employer that has undergone the administrative termination; and

(v) the extent of the hardship that might be incurred by any actively employed members of the affected Bargaining Unit or by any members who submitted a retirement application prior to the effective date of the administrative termination due to the elimination of Adjustable Benefits.

Proviso 3: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant to Subsection D(2) above, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date of the Rehabilitation Plan Withdrawal.

E. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DEFAULT SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection E, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Section B(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Default Schedule described herein; and

(2) whose *last* year of Contributory Service Credit prior to the Employer's becoming subject to the Default Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Default Schedule.

Proviso 1: *Provided, however.* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant to this Subsection E, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Default Schedule, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant this Subsection E. shall not incur a loss of

Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Default Schedule.

F. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DISTRESSED EMPLOYER SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection F, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (with the exception indicated in Section 2(C)(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Distressed Employer Schedule described herein; and

(2) whose last year of Contributory Service Credit prior to the Employer's becoming subject to the Distressed Employer Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Distressed Employer Schedule.

Proviso 1: Provided, however, that any Pensioner otherwise subject to the reduction in Adjustable Benefits indicated in the Distressed Employer Schedule, due to his Contributing Employer becoming subject to that Schedule pursuant to this Subsection F, who has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Distressed Employer Schedule, shall not be subject to the reduction of Adjustable Benefits otherwise mandated by the Distressed Employer Schedule provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date, and provided further that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no Pensioners with Retirement Dates prior to September 24, 2010 shall be subject to such Distressed Employer Schedule benefit reduction.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the reduction of Adjustable Benefits. due to his Contributing Employer becoming subject to the Distressed Employer Schedule pursuant to this Subsection F, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such surviving spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Distressed Employer Schedule, *and provided* further in any event that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no spouse shall be subject to such Distressed Employer Schedule benefit reduction if the Participant's death occurred prior to September 24, 2010.

G. RESTORATION OF ADJUSTED BENEFITS.

Any Participant who incurs a benefit adjustment or elimination under the terms of Sections 2(A), 2(B), 2(C), 2(D), 2(E) or 2(F) above may have those affected benefits restored if, subsequent to the event causing the benefit adjustment, the Participant:

(1) in the case of benefit adjustment caused by a Rehabilitation Plan Withdrawal (see Section 2(I) below), permanently ceases all employment with, and performance of services in any capacity for, the Contributing Employer (and any successors or trades or businesses under common control with such Employer within the meaning of ERISA § 4001(b)(1)) within 60 days of the occurrence of such Rehabilitation Plan Withdrawal; and

(2) in any case, subsequently earns one year of Contributory Service Credit with a Contributing Employer while that Employer is in compliance with the Primary Schedule described herein.

H. ADJUSTABLE BENEFITS.

As used herein, Adjustable Benefits shall mean and include:

(1) Any right to receive a Retirement Pension Benefit (Pension Plan, Article IV) prior to age 65 [including without limitation any pre-age 65 benefits that would otherwise be payable as *(i)* a Twenty Year Service Pension (Pension Plan § 4.01); *(ii)* a Contributory Credit Pension (Pension Plan § 4.04); *(iii)* a Vested Pension (Pension Plan § 4.07); (iv) a Deferred Pension (Pension Plan § 4.08); or *(v)* a Twenty-Year Deferred Pension (Pension Plan § 4.09)].

(2) Early retirement benefit or retirement-type subsidies [including without limitation *(i)* an Early Retirement Pension (Pension Plan § 4.02); *(ii)* a 25-And-Out Pension (Pension Plan § 4.05); or a 30-And-Out Pension (Pension Plan § 4.06)].

(3) All Disability Benefits not yet in pay status (Pension Plan, Article V).

(4) Before Retirement Death Benefits (Pension Plan, Article VI) other than the 50% surviving spouse benefit.

(5) Post-retirement death benefits that are not part of the annuity form of payment.

(6) All Partial Pensions (Pension Plan, Appendix D), to the extent any such pension is tied to one or more of the Adjustable Benefits listed above.

(7) All Contribution-Based Pensions (Pension Plan § 4.03) except that, assuming the Participant meets all other requirements for receiving a Contribution-Based Pension, the Contribution-Based Pension is payable at age 65 reduced by 1/2% per month for each month prior to age 65 at the time of retirement with a minimum retirement age of 57. Such minimum retirement age shall not apply if the Participant retired prior to age 57 before the Participant's Adjustable Benefits were eliminated or reduced. In such circumstance, the Participant shall be entitled to receive the Contribution-Based Pension reduced by 1/2% per month for each month prior to age 65 at the time of retirement. *Provided, however,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the reductions in the Contribution-Based Pensions payable at age 65 referenced in this subparagraph (7) shall be based on actuarial equivalence in accordance with the Schedule attached as Exhibit B hereto.

(8) To the extent not already included in paragraphs (1) - (7) above, the following categories of benefits listed and defined as "adjustable benefits" under ERISA§ 305(e)(8)(iv):

(i) benefits, rights, and features under the plan, including post-retirement death benefits, 60-month guarantees, disability benefits not yet in pay status, and similar benefits,

(ii) any early retirement benefit or retirement-type subsidy (within the meaning of ERISA Section 204(g)(2)(A)) and any benefit payment option (other than the qualified joint and survivor annuity), and

(iii) benefit increases that would not be eligible for a guarantee under ERISA Section 4022A on the first day of the Fund's initial critical year under the PPA because the increases were adopted (or, if later, took effect) less than 60 months before such first day.

Provided, however, that except as provided in subparagraph (8)(iii) above, nothing in this paragraph shall be construed to reduce the level of a Participant's accrued benefit payable at normal retirement.

I. REHABILITATION PLAN WITHDRAWAL

Subject to the discretionary authority of the Board of Trustees indicated in the final clause of this Subsection I, a "Rehabilitation Plan Withdrawal" occurs on the date a Contributing Employer (a) is no longer required to make Employer Contributions to the Pension Fund under one or more of its Collective Bargaining Agreements, or (b) undergoes a significant reduction in its obligation to make Employer Contributions resulting from outsourcing or subcontracting work covered by the applicable Collective Bargaining Agreement(s), as a result of actions by members of a Bargaining Unit (or its representatives) or the Contributing Employer, which actions include, but are not limited to the following:

(1) decertification or other removal of the Union as a bargaining agent;

(2) ratification or other acceptance of a Collective Bargaining Agreement which permits withdrawal of the Bargaining Unit, in whole or in part, from the Pension Plan;

(3) administrative termination of the Contributing Employer with respect to any or all of its Collective Bargaining Agreements due to: (i) a violation of the Fund's rules with respect to the terms of a Collective Bargaining Agreement (including, without limitation, a provision providing for a split bargaining unit); or (ii) a violation of any other Fund rule or policy (including, without limitation, practices or arrangements that result in adverse selection);

(4) any transaction or other event (including, without limitation, a merger, consolidation, division, asset sale (other than an asset sale complying with ERISA § 4204), liquidation, dissolution, joint venture, outsourcing, subcontracting) whereby all or a portion of the operations for which the Contributing Employer has an obligation to contribute are continued (whether by the Contributing Employer or by another party) in whole or in part without maintaining the obligation to contribute to the Fund under the same or better terms (including, for example, as to number of participants and contribution rate) as existed before the transaction;

Provided, however, that with respect to the circumstances described in Subparagraphs. (3)(ii) or (4) above, the Board of Trustees shall have full discretionary authority to consider, weigh and balance the following factors in determining whether a Rehabilitation Plan Withdrawal has occurred:

(i) the extent to which the affected Bargaining Unit or its bargaining representative participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the cessation of Employer Contributions;

(ii) the extent to which the affected Bargaining Unit benefited, directly or indirectly, from the cessation of Employer Contributions;

(iii) the extent to which the affected Bargaining Unit, or its bargaining representative, resisted or attempted to resist, or acquiesced in, the cessation of Employer Contributions;

(iv) the extent to which the affected Bargaining Unit, or any of its members, become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Contributing Employer who incurred the cessation of Employer Contributions; and

(v) the extent of the hardship that might be incurred by members of the affected Bargaining Unit by the elimination of Adjustable Benefits.

J. BENEFIT ADJUSTMENTS APPLICABLE TO ALL PARTICIPANTS (INCLUDING INACTIVE VESTED PARTICIPANTS) WHO HAVE NOT SUBMITTED A RETIREMENT APPLICATION ON OR BEFORE JULY 1, 2011 AND DO NOT HAVE A BENEFIT COMMENCEMENT ON OR BEFORE THAT DATE.

Minimum Retirement Age 57.

Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

K. SPECIAL SCHEDULE: QUALIFYING NEW ("HYBRID METHOD") EMPLOYERS (EXCEPT AS NOTED, PRESERVES ALL BENEFITS).

1. Benefits.

Bargaining Units (and any non-Bargaining Unit groups participating in the Fund) whose Contributing Employers have been specifically accepted and approved by the Trustees as satisfying the requirements for this Qualifying New Employer Schedule will, as it relates to benefits or potential benefit adjustments, be treated in the same way as Bargaining Units (and non-Bargaining Unit groups) under the Primary Schedule (Section 2.A. above).

2. Contributions.

Contributing Employers who have qualified as New Employers within the meaning of Appendix E of the Plan Document, Section 2.2 (b) (and are thus eligible for treatment under the Pension Fund's alternative, or "hybrid," method of calculating Employer Withdrawal Liability), *and* who have fulfilled all requirements relating to the duration and/or level of continued participation in the Pension Fund contained in the agreement under which the Fund accepted the Employer as a New Employer, may contribute under this Schedule to the Fund at a rate to be specifically and separately approved by the Board of Trustees with respect to each such New Employer (the "New Rate"), subject to a specific determination by the Board of Trustees that the following conditions have been or will be met:

(i) The New Employer has in fact fulfilled its contribution or participation commitments under the agreement in which the Fund accepted the Employer's New Employer status, and the New Employer has fulfilled all other obligations under that agreement, is current in its ongoing contribution obligations to the Fund and is in compliance with the Fund's rules and polices applicable to Contributing Employers;

(ii) Unless a New Rate is determined and made available under this Schedule, the New Employer would likely withdraw from the Fund on about the expiration date of its most recent Collective Bargaining Agreement requiring contributions to the Fund;

(iii) the New Employer's continued participation in the Fund at the New Rate, under the specific circumstances presented, will result in net positive cash flow to the Fund, in comparison to the net cash flow that would result from a withdrawal by the New Employer from the Fund; and

(iv) the New Employer's obligation to contribute to the Fund at the New Rate is documented in a Collective Bargaining Agreement that is or will be acceptable to the Board of Trustees, and contains (or will contain) terms under which the bargaining representative of the affected Bargaining Unit specifically agrees or acknowledges that any reductions in labor costs resulting from the New Employer's contributions at the New Rate have been allocated to the Bargaining Unit in a manner that is satisfactory to the bargaining representative.

L. SPECIAL SCHEDULE: QUALIFYING BARGAINING UNITS THAT HAVE BEEN SUBJECT TO A WAGE FREEZE (EXCEPT AS NOTED PRESERVES ALL BENEFITS). (Effective on and after March 14, 2017)

1. Benefits.

With regard to any Bargaining Unit subject to a Collective Bargaining Agreement in effect as of March 1, 2017 (the "Current Agreement") that –

(i) was (or is) of 3 to 5 years in duration,

(ii) did not (or does not) provide for any wage increases for the entire duration of the Agreement, and

(iii) required (or requires) pension contribution rate increases in compliance with the Primary Schedule (Section 2.A of this Rehabilitation Plan) for the entire

duration of the Agreement, but did not (or does not) at any time require contributions at rates equal to or in excess of any of the maximum rates specified under the provisos to the Primary Schedule

the benefits available to any such Bargaining Unit under any new Collective Bargaining Agreement that is the immediate successor or renewal Agreement of the Current Agreement, and is not in compliance with the Primary Schedule ("Successor Agreement"), will be nevertheless identical to the benefits available to Bargaining Units whose Collective Bargaining Agreements are in compliance with the Primary Schedule, provided that any such Successor Agreement has the characteristics specified in Section 2.L.2 below.

2. Contributions.

In order for a Bargaining Unit to qualify for the benefits specified under Section 2.L.1 above, the Successor Agreement must:

(i) Not be of less duration than the Current Agreement, but not exceeding 5 years in duration;

(ii) require pension contributions at a rate that is at least as high as the highest rate required under the Current Agreement, but need not provide for any increase in the contribution rates for the duration of the Successor Agreement (the "Special Rate"); and

(iii) contain terms under which the bargaining representative of the affected Bargaining Unit specifically agrees and acknowledges that any reduction in labor costs resulting from contributions at the Special Rate (*i.e.,* contributions without the rate increases otherwise required under the Primary Schedule) have been allocated to the Bargaining Unit in a manner that is satisfactory to the bargaining representative.

Section 3. REHABILITATION PLAN STANDARDS AND OBJECTIVES.

The Schedules of Contributions and Benefits discussed above have been formulated by the Fund's Board of Trustees as reasonable measures which, under reasonable actuarial assumptions, are designed and projected to forestall the possible insolvency of the Fund prior to 2025. Projections of insolvency may vary from year to year as actual experience may differ from assumptions.

The Trustees recognize the possibility that actual experience could be less favorable than the reasonable assumptions used for the Rehabilitation Plan on an annual basis. Consequently, the annual standards for meeting the requirements of the Rehabilitation Plan are as follows:

- Actuarial projections updated for each year show, based on reasonable assumptions, that under the Rehabilitation Plan and its schedules (as amended and updated from time to time) the Fund will forestall its possible insolvency *prior* to 2023.

Section 4. ALTERNATIVES CONSIDERED BY THE TRUSTEES.

The Board of Trustees considered numerous alternatives [including combinations of contribution rate increases (and other updates to the schedules of contribution rates in light of the experience of the Fund) and benefit adjustments] that might enable the Fund to emerge from Critical Status either by the end of ten year PPA Rehabilitation Period (which began on

January 1, 2011 and ended on December 31, 2020), or to forestall possible insolvency indefinitely (beyond the date referenced above under the "Standards and Objectives" heading). Some of the alternatives considered were determined to be unreasonable measures. The various default and alternative schedules considered included the following:

Schedules considered by the Board of Trustees in formulating an initial 2008 rehabilitation plan that might permit the Fund to emerge by the end of the Rehabilitation Period on December 31. 2020:

Schedule	Benefit Reductions	Contribution Rate Increases
Default	Immediate maximum Critical Status benefit cuts for all participants to the extent permitted by law	15% per year until emergence in 2021 (plus an additional 1.6% annual increase for Benefit Classes 14 and below)
Alternative 1	Maintain current benefits	17% per year until emergence in 2021
Alternative 2	On the second anniversary of the new bargaining agreement, reduce the future benefit accrual rate from 1% of contributions payable at age 62 to 1% of contributions at payable at age 65	16% per year until emergence in 2021

In formulating the Fund's initial rehabilitation plan in 2008, the Board of Trustees concluded that utilizing any and all *possible* measures to emerge from Critical Status by the end of the 10-year presumptive Rehabilitation Period described in ERISA Section 305(e)(4), would be unreasonable and would involve considerable risk to the Fund and Fund participants. In particular, the Board of Trustees concluded that the continued existence of the Fund and the Trustees' ability to maintain and improve the Fund's funded status in accordance with the terms of the IRS approved amortization extension would be jeopardized by any attempt to emerge from critical status by the end of the presumptive 10-year Rehabilitation Period.

As shown above, based on January 1, 2008 valuation data, the emergence by the end of the presumptive 10 year Rehabilitation Period would require double-digit annual contribution rate increases. For example, the daily contribution rate would generally have to grow from $52 to over $300. Therefore, the Trustees concluded in 2008 that annual contribution rate increases above the 8%/6%/4% level in the Primary Schedule were not reasonable and could trigger mass withdrawals and significant losses to the Fund and the participants.

During the process of updating the Rehabilitation Plan in each applicable year subsequent to 2008, the Trustees concluded that in light of current valuation data available in each of those years, the experience of the Fund and projections, the option available to the Fund under ERISA Section 305(e)(3)(ii) was to pursue reasonable measures to forestall a possible insolvency. The Trustees also concluded during the 2010 - 2020 update processes that requiring annual contribution increases above the level described in the Primary Schedule would not be reasonable and would likely accelerate a possible insolvency of the Fund rather than forestall it.

Prior to Plan/calendar year 2021, the Trustees have implemented (and, where applicable, have continued to implement) numerous measures to improve the Fund's funding. These have included:

- Reducing the benefit accrual rate from 2% of contributions to 1% of contributions;

- Protecting the "and-out" and early retirement benefits while freezing them at their year-end 2003 levels;

- Obtaining agreements from the major bargaining parties to reallocate significant amounts of annual benefit contributions to the Pension Fund;

- Obtaining an amortization extension from the Internal Revenue Service in 2005, and successfully seeking a waiver of the conditions of that extension in light of investment losses resulting from the weakness in financial markets in recent years (waiver or alteration of conditions granted in 2016);

- Requiring as a condition of continued participation in the Fund that new bargaining agreements in the last several years include significant annual contribution rate increases;

- Providing information to Congress and federal agencies with respect to legislative or regulatory proposals that appear to assist in addressing the funding challenges confronting the Fund;

- Approving a Distressed Employer Schedule as part of the Fund's Rehabilitation Plan under which YRC, Inc. and its affiliate USF Holland, Inc., two distressed (but historically significant) Contributing Employers, resumed Contributions in June 2011 at rates lower than would have been permitted under previous (pre-2011) Rehabilitation Plan Schedules; this Distressed Employer Schedule significantly adjusted the benefits of the affected Bargaining Unit members, and helped assure that despite the lower Contribution rates, the continued participation of these Employers would tend to improve overall pension funding; and

- Adopting a new withdrawal liability method, and obtaining approval of that method by the Pension Benefit Guaranty Corporation, under which new Contributing Employers, and existing Contributing Employers who satisfy their withdrawal liability under the Fund's historic (pre-2011) withdrawal liability method *(i.e.,* the "modified presumptive method"), will have any future withdrawal liability determined under the "direct attribution" method; the Trustees believe that this "hybrid" method will be attractive to some Contributing Employers who wish to continue to participate in the Fund, but may be concerned about the potential for future growth of their estimated withdrawal liability as calculated under the Fund's prior (pre-2011) withdrawal liability method, and that this, in turn, will encourage continued participation in the Fund and tend to improve overall pension funding.

- Amending the Primary Schedule of the Rehabilitation Plan to permit Contributing Employers, who satisfy their existing withdrawal liability and qualify as New Employers eligible for the direct attribution method under the hybrid method, to comply with the Primary Schedule without the need (under their current collective bargaining agreements) for the contribution rate increases otherwise required under the Primary Schedule. The Trustees determined that this amendment to the Rehabilitation Plan will encourage existing Contributing Employers to satisfy their existing withdrawal liability and to continue their participation in the Fund as New Employers under the

hybrid method; the Trustees determined that the New Employers' participation on these terms would tend to improve overall pension funding.

- Authorizing the filing, on September 25, 2015, of an application with the United States Department of the Treasury requesting approval of a plan of suspension of benefits under MPRA. (The Trustees determined that the filing of this application was a reasonable measure designed to forestall insolvency, and therefore one that they were required to take under the PPA. However, the Fund's MPRA application was denied by the Department of Treasury on May 6, 2016, and the Trustees have determined that it is not feasible for the Fund to submit a revised MPRA application.)

- Approval of the Special Schedule relating to Qualifying New ("Hybrid") Method Employers indicated in Section 2.K. of this Appendix.

- And the addition of Section 2.L. to this Appendix dealing with Qualifying Bargaining Units that have been subject to wage freezes.

However, the Trustees have also determined, as part of the 2021 Rehabilitation Plan update process, that mandating additional significant benefit cuts (beyond those provided in this updated Rehabilitation Plan), or (as noted) mandating significant contribution rate increases at levels beyond those required in recent years, would risk substantially accelerating the rate at which employers would withdraw from the Fund, in large part because the Union could conclude that it would be in its members' best interest to agree to withdrawals. The Board of Trustees also determined that this acceleration of employer withdrawals would, in turn, be counterproductive to the Trustees' effort to forestall possible insolvency.

Exhibit A
Primary Schedule: Contribution Rate Increases by Bargaining Agreement Year
(all rate increases are to be compounded annually)

Calendar Year of Contribution Rate Increases	Year of Initial Bargaining Agreement Conforming to Primary Schedule															
	2006 & Earlier	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
2006	7%															
2007	7%	8%														
2008	7%	8%	8%													
2009	7%	8%	8%	8%												
2010	7%	8%	8%	8%	8%											
2011	6%	8%	8%	8%	8%	8%										
2012	5%	6%	8%	8%	8%	8%	8%									
2013	4%	4%	6%	8%	8%	8%	8%	8%								
2014	4%	4%	6%	8%	8%	8%	8%	8%	8%							
2015	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%						
2016	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%					
2017	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%				
2018	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%			
2019	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%		
2020	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%	
2021	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%
2022	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%
2023	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%
2024	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%
2025	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%
2026	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%
2027	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%
2028	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%

EXHIBIT B

Schedule for Actuarial Reduction of Age 65 Benefits

(Applicable to Default Schedule and Rehabilitation Plan Withdrawal benefit adjustments for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA§ 305(i)(10)] on or before July 1, 2011)

Age	Percent of Age 65 Benefit Based on Actuarial Equivalence
65	100%
64	90%
63	81%
62	74%
61	67%
60	61%
59	55%
58	50%
57	46%

APPENDIX M-14. REHABILITATION PLAN (INCLUDING 2022 UPDATE)

Section 1. PREAMBLE AND DEFINITIONS.

Appendix M comprising the Rehabilitation Plan was added to the Pension Plan effective on and after March 26, 2008, and has been amended from time to time since then.

This Appendix M-14 is added to the Pension Plan effective on and after December 31, 2022 (except where a different effective date for any provision is noted below) in order to update the Rehabilitation Plan in compliance with the requirements of the Pension Protection Act of 2006 ("PPA").

The Central States, Southeast and Southwest Areas Pension Fund (the "Fund") was initially certified on March 24, 2008 by its actuary to be in "critical status" (sometimes referred to as the "red zone") under the PPA: the Fund's actuary has also certified the Fund to be in critical status in March of each subsequent year through March 2014. For 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022, the actuary certified the Fund to be in "critical and declining status", pursuant to the Multiemployer Pension Reform Act of 2014 ("MPRA"). The Fund's Board of Trustees, as the plan sponsor of a "critical and declining status" pension plan, is charged under the PPA and MPRA with developing a "rehabilitation plan" designed to improve the financial condition of the Fund in accordance with the standards set forth in the PPA, and with annually updating the rehabilitation plan. Although for plan year 2009 the Fund was exempt from the update requirement, pursuant to an election under the Worker Retiree and Employer Recovery Act of 2008, for subsequent plan years the PPA provisions concerning the rehabilitation plan update process are applicable to the Fund. The purpose of this updated Rehabilitation Plan is to comply with those PPA provisions, as amended to date, including any applicable amendments under MPRA.

Under the PPA, a rehabilitation plan, including annual updates to the plan, must include one or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted by the parties obligated under agreements participating in the pension plan, may reasonably be expected to enable the Fund to emerge from critical status in accordance with the rehabilitation plan. The PPA also provides that one of the rehabilitation plan schedules of benefits and contributions shall be designated the "default" schedule. The default schedule must assume that there are no increases in contributions under the plan other than the increases necessary to emerge from critical status after future benefit accruals and other benefits have been reduced to the maximum extent permitted by law. The PPA also creates certain categories of "adjustable benefits" which may be reduced or eliminated dependent upon the outcome of bargaining over the rehabilitation plan schedules and dependent on the exercise of certain flexibility and discretion conferred upon the Board of Trustees by the PPA. Adjustable benefits that may be affected in this manner include post-retirement death benefits, early retirement benefits or retirement-type subsidies, and generally any benefit that would be payable prior to normal retirement age (age 65 benefits under the Fund's Plan Document - or, as discussed below, a Contribution Based Benefit actuarially reduced to be equivalent to an age 65 benefit). As noted, the PPA also requires annual updates of the rehabilitation plan.

Unless otherwise indicated, all capitalized terms herein shall have the definitions and meanings assigned to them in the Fund's Pension Plan Document.

Section 2. SCHEDULES OF CONTRIBUTIONS AND BENEFITS.

With the PPA requirements outlined above in mind, the Fund's Board of Trustees hereby provides the following PPA Schedules to the parties charged with bargaining over agreements requiring contributions to the Fund.

A. PRIMARY SCHEDULE (EXCEPT AS NOTED, PRESERVES ALL CURRENT BENEFITS).

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers are in compliance with this Primary Schedule, there will be no change in benefit formulas, levels or payment options in effect on January 1, 2008, *except that* as provided in Section 2(J) below, Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date (within the meaning of ERISA § 305(i)(10)) on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Further, subject to the notice requirements of the PPA and other applicable law, any Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers incur a Rehabilitation Plan Withdrawal on or after March 26, 2008 shall have their Adjustable Benefits listed in Section 2(H) below eliminated or reduced to the extent indicated in Section 2(B)(1) below.

2. Contributions

Compliance with the Primary Schedule requires annually compounded contribution rate increases in accordance with Exhibit A effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each agreement anniversary date (or reallocation anniversary, where applicable) during the term of the new bargaining agreement to the extent indicated in Exhibit A, depending on the year that the new agreement is effective. Note that all contribution rate increases are annually compounded on the total contribution rate (including any reallocations of employee benefit contributions or agreed mid-contract contribution increases) immediately prior to the increase.

The required annual rate increase may be provided through annual allocations to pension contributions of general and aggregate employee benefit contribution increases that were negotiated at the outset of an agreement, but were not specifically allocated to pension contributions until subsequent contract years. The Primary Schedule requires 8% per year contribution rate increases for the first 5 years, 6% per year contribution rate increases for the next 3 years and 4% per year contribution rate increases each year thereafter for 2008 agreements under the Primary Schedule and comparable rate increases over time for all other agreements under the Primary Schedule *(see* Exhibit A).

Provided, however, that absent further amendment to this rehabilitation plan, as of June 1, 2011, any Collective Bargaining Agreement requiring contributions of (1) $348 per week for each full-time employee with respect to Participants covered by the National Master Automobile Transporter Agreement, and (2) $342 per week for each full-time employee with respect

to all other Participants, will be deemed to be in compliance with the Primary Schedule *without* the need for additional annual rate increases.

Provided further that any Employer that qualifies as a New Employer under § 2.2(b) of Appendix E of the Pension Plan will be deemed, as of the date it qualifies as a New Employer, to be in compliance with the Primary Schedule *without* the need for additional contribution rate increases.

B. DEFAULT SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers agree to comply with this Default Schedule [or who become subject to the Default Schedule due to a failure to achieve an agreement to accept one of the Rehabilitation Plan Schedules within the time frame specified under ERISA § 305(e)(3)(C)], the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Default Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee groups participating in the Fund):

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by 1/2% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57.

2. Contributions

Compliance with the Default Schedule consists of annually compounded contribution rate increases of 4% effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each anniversary thereof during the term of the agreement.

3. Effect of agreement to or imposition of Default Schedule.

(i) If a Contributing Employer agrees to the Default Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

(ii) If a Contributing Employer becomes subject to the Default Schedule by operation of ERISA Section 305(e)(3)(C), because the bargaining

parties have failed to adopt either of the Schedules compliant with this Rehabilitation Plan within 180 days of the expiration of their prior Collective Bargaining Agreement, the Fund will then accept a Collective Bargaining Agreement that is compliant with the Primary Schedule described in this Rehabilitation Plan, provided that such new Collective Bargaining Agreement provides for Primary Schedule contribution rates that are retroactive to the expiration date of the last Collective Bargaining Agreement that covered the affected Bargaining Unit.

C. DISTRESSED EMPLOYER SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers and contribution rates have been specifically accepted and approved by the Board of Trustees as satisfying the Qualifications for the Distressed Employer Schedule (as set forth in Section 2(C)(2) below), the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Distressed Employer Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee group participating in the Fund) that is accepted by the Board of Trustees as qualifying under the Distressed Employer Schedule:

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by ½% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) have not achieved a Retirement Date on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57, *and except that* any Participant who (i) has achieved a minimum age of 55 as of the date of the Distressed Employer's termination of participation in the Fund (see Section 2(C)(2) below) and (ii) has accrued a minimum of 25 years credit towards a Contributory Credit Pension or an And-Out Pension as of that date (see Pension Plan §§ 4.04, 4.05 and 4.06), shall be entitled to retain his eligibility for (but not gain further credit towards) any such Pension, *provided that* any such Participant has a minimum retirement age of 62.

2. Contributions and Qualifications for the Distressed Employer Schedule.

The Board of Trustees may deem a Collective Bargaining Agreement with contribution rates not in compliance with either the Primary Schedule or the Default Schedule to be in compliance with and subject to the

Distressed Employer Schedule, if in the Board of Trustees' sole discretion, the Board determines that the Contributing Employer meets each of the following qualifications:

(i) the common stock of the Employer or its parent corporation (or other affiliate under 80% or more common control with the Employer) is publicly traded and registered pursuant to the securities laws of the United States;

(ii) the Employer has previously incurred a termination of its participation in the Fund due to an inability to remain current in its Contribution obligations, and the Employer was in terminated status immediately prior to executing the Agreement sought to be qualified under the Distressed Employer Schedule;

(iii) during the last ten years in which the Employer participated in the Fund prior to its termination, it had paid contributions to the Fund on behalf of at least 1,000 full-time employees per month (or had, including part-time employees, paid contributions on behalf of the equivalent of at least 1,000 full-time employees per month for the specified ten year period);

(iv) the Employer submits to a review of its financial condition and operations by the Fund's Staff and outside expert and consultants, and agrees to reimburse the Fund for all fees and expenses incurred by the Fund in this review (including, but not limited to, reimbursement to the Fund for the time devoted by the Fund's Staff to any such review, with this reimbursement to be made at market rates for comparable services performed by Fund's Staff);

(v) on the basis of this financial and operational review, it appears that the Employer is not able to contribute to the Fund at a higher rate than is indicated in the Collective Bargaining Agreement proposed for acceptance under the Distressed Employer Schedule, *and* that acceptance of the proposed Agreement is in the best interest of the Fund under all the circumstances and advances the goals of this Rehabilitation Plan; and

(vi) the Employer provides the Fund with first lien collateral in any and all unencumbered assets to the fullest extent it is able in order to fully secure (i) any delinquent or deferred Contribution obligations owed to the Fund, (ii) the Employer's obligation to make current and future pension contributions to the Fund, and (iii) any future withdrawal liability potentially incurred by the Employer (with the amount of such potential withdrawal liability to be determined based on estimates to be provided by the Fund).

3. Effect of agreement to or imposition of the Distressed Employer Schedule.

If a Contributing Employer becomes subject to the Distressed Employer Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that

Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

D. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER INCURRING A REHABILITATION PLAN WITHDRAWAL.

Subject to the provisos indicated in the final clauses of this Subsection D, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] with the Fund is on or after April 8, 2008, and:

(1) whose last Hour of Service prior to January 1, 2008 was earned while employed by United Parcel Service, Inc. ("UPS"), or with any trades or businesses at any time under common control with UPS, within the meaning of ERISA § 4001(b)(1); *or*

(2) who *(i)* has earned or earns an Hour of Service while employed with a Contributing Employer (or any predecessor or successor entity) that at any time on or after March 26, 2008 incurs a Rehabilitation Plan Withdrawal *(see* Section 2(I) below), and *(ii)* whose *last* year of Contributory Service Credit *prior* to the Rehabilitation Plan Withdrawal was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) ultimately incurring such Withdrawal.

Proviso 1: *Provided, however,* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant Section 2(D)(2) above, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the earlier of: (i) the date of such Rehabilitation Plan Withdrawal or (ii) the date of the expiration of the last Collective Bargaining Agreement requiring Employer Contributions under the Primary Schedule prior to such Withdrawal, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: And provided further that in the event of a Rehabilitation Plan Withdrawal resulting from an administrative termination of a Contributing Employer as referenced in Section 2(I)(3)(ii) below, the Board of Trustees shall have full discretionary authority (A) to decline to apply the elimination of Adjustable Benefits to Participants otherwise affected by a Rehabilitation Plan Withdrawal of this type who have submitted a pension application naming a Retirement Date to the Fund on or before the date selected by the Trustees as the effective date of the administrative termination which ended the Employer's obligation to contribute to the Pension Fund, and (B) to decline to apply the requirement of Section 2(G) below that a Participant incurring a benefit adjustment due to Rehabilitation Plan Withdrawal must cease employment with and the performance of services for the withdrawn Employer within 60 days of the Rehabilitation Plan Withdrawal in order to eventually qualify for a restoration of benefits; in exercising their discretionary authority under this Proviso 2, the Board of Trustees shall consider, weigh and balance the following factors:

(i) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application

prior to the effective date of the administrative termination were aware of, participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the circumstances that led to the administrative termination of the Employer;

(ii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination benefited, directly or indirectly from the cessation of Employer Contributions or from the circumstances that led to the administrative termination of the Employer;

(iii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination resisted or attempted to alter, or acquiesced in, the circumstances that led to the administrative termination of the Employer;

(iv) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination have become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Employer that has undergone the administrative termination; and

(v) the extent of the hardship that might be incurred by any actively employed members of the affected Bargaining Unit or by any members who submitted a retirement application prior to the effective date of the administrative termination due to the elimination of Adjustable Benefits.

Proviso 3: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant to Subsection D(2) above, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date of the Rehabilitation Plan Withdrawal.

E. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DEFAULT SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection E, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Section B(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Default Schedule described herein; and

(2) whose *last* year of Contributory Service Credit prior to the Employer's becoming subject to the Default Schedule was earned while a member of a

Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Default Schedule.

Proviso 1: *Provided, however.* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant to this Subsection E, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Default Schedule, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant this Subsection E. shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Default Schedule.

F. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DISTRESSED EMPLOYER SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection F, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (with the exception indicated in Section 2(C)(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Distressed Employer Schedule described herein; and

(2) whose last year of Contributory Service Credit prior to the Employer's becoming subject to the Distressed Employer Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Distressed Employer Schedule.

Proviso 1: Provided, however, that any Pensioner otherwise subject to the reduction in Adjustable Benefits indicated in the Distressed Employer Schedule, due to his Contributing Employer becoming subject to that Schedule pursuant to this Subsection F, who has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Distressed Employer Schedule, shall not be subject to the reduction of Adjustable Benefits otherwise mandated by the Distressed Employer Schedule provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date, and provided further that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no Pensioners with Retirement Dates prior to September 24, 2010 shall be subject to such Distressed Employer Schedule benefit reduction.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the reduction of Adjustable Benefits. due to his Contributing Employer becoming subject to the Distressed Employer Schedule pursuant to this Subsection F, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such surviving spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Distressed Employer Schedule, *and provided* further in any event that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no spouse shall be subject to such Distressed Employer Schedule benefit reduction if the Participant's death occurred prior to September 24, 2010.

G. RESTORATION OF ADJUSTED BENEFITS.

Any Participant who incurs a benefit adjustment or elimination under the terms of Sections 2(A), 2(B), 2(C), 2(D), 2(E) or 2(F) above may have those affected benefits restored if, subsequent to the event causing the benefit adjustment, the Participant:

(1) in the case of benefit adjustment caused by a Rehabilitation Plan Withdrawal (see Section 2(I) below), permanently ceases all employment with, and performance of services in any capacity for, the Contributing Employer (and any successors or trades or businesses under common control with such Employer within the meaning of ERISA § 4001(b)(1)) within 60 days of the occurrence of such Rehabilitation Plan Withdrawal; and

(2) in any case, subsequently earns one year of Contributory Service Credit with a Contributing Employer while that Employer is in compliance with the Primary Schedule described herein.

H. ADJUSTABLE BENEFITS.

As used herein, Adjustable Benefits shall mean and include:

(1) Any right to receive a Retirement Pension Benefit (Pension Plan, Article IV) prior to age 65 [including without limitation any pre-age 65 benefits that would otherwise be payable as *(i)* a Twenty Year Service Pension (Pension Plan § 4.01); *(ii)* a Contributory Credit Pension (Pension Plan § 4.04); *(iii)* a Vested Pension (Pension Plan § 4.07); (iv) a Deferred Pension (Pension Plan § 4.08); or *(v)* a Twenty-Year Deferred Pension (Pension Plan § 4.09)].

(2) Early retirement benefit or retirement-type subsidies [including without limitation *(i)* an Early Retirement Pension (Pension Plan § 4.02); *(ii)* a 25-And-Out Pension (Pension Plan § 4.05); or a 30-And-Out Pension (Pension Plan § 4.06)].

(3) All Disability Benefits not yet in pay status (Pension Plan, Article V).

(4) Before Retirement Death Benefits (Pension Plan, Article VI) other than the 50% surviving spouse benefit.

(5) Post-retirement death benefits that are not part of the annuity form of payment.

(6) All Partial Pensions (Pension Plan, Appendix D), to the extent any such pension is tied to one or more of the Adjustable Benefits listed above.

(7) All Contribution-Based Pensions (Pension Plan § 4.03) except that, assuming the Participant meets all other requirements for receiving a Contribution-Based Pension, the Contribution-Based Pension is payable at age 65 reduced by 1/2% per month for each month prior to age 65 at the time of retirement with a minimum retirement age of 57. Such minimum retirement age shall not apply if the Participant retired prior to age 57 before the Participant's Adjustable Benefits were eliminated or reduced. In such circumstance, the Participant shall be entitled to receive the Contribution-Based Pension reduced by 1/2% per month for each month prior to age 65 at the time of retirement. *Provided, however,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the reductions in the Contribution-Based Pensions payable at age 65 referenced in this subparagraph (7) shall be based on actuarial equivalence in accordance with the Schedule attached as Exhibit B hereto.

(8) To the extent not already included in paragraphs (1) - (7) above, the following categories of benefits listed and defined as "adjustable benefits" under ERISA§ 305(e)(8)(iv):

(i) benefits, rights, and features under the plan, including post-retirement death benefits, 60-month guarantees, disability benefits not yet in pay status, and similar benefits,

(ii) any early retirement benefit or retirement-type subsidy (within the meaning of ERISA Section 204(g)(2)(A)) and any benefit payment option (other than the qualified joint and survivor annuity), and

(iii) benefit increases that would not be eligible for a guarantee under ERISA Section 4022A on the first day of the Fund's initial critical year under the PPA because the increases were adopted (or, if later, took effect) less than 60 months before such first day.

Provided, however, that except as provided in subparagraph (8)(iii) above, nothing in this paragraph shall be construed to reduce the level of a Participant's accrued benefit payable at normal retirement.

I. REHABILITATION PLAN WITHDRAWAL

Subject to the discretionary authority of the Board of Trustees indicated in the final clause of this Subsection I, a "Rehabilitation Plan Withdrawal" occurs on the date a Contributing Employer (a) is no longer required to make Employer Contributions to the Pension Fund under one or more of its Collective Bargaining Agreements, or (b) undergoes a significant reduction in its obligation to make Employer Contributions resulting from outsourcing or subcontracting work covered by the applicable Collective Bargaining Agreement(s), as a result of actions by members of a Bargaining Unit (or its representatives) or the Contributing Employer, which actions include, but are not limited to the following:

(1) decertification or other removal of the Union as a bargaining agent;

(2) ratification or other acceptance of a Collective Bargaining Agreement which permits withdrawal of the Bargaining Unit, in whole or in part, from the Pension Plan;

(3) administrative termination of the Contributing Employer with respect to any or all of its Collective Bargaining Agreements due to: (i) a violation of the Fund's rules with respect to the terms of a Collective Bargaining Agreement (including, without limitation, a provision providing for a split bargaining unit); or (ii) a violation of any other Fund rule or policy (including, without limitation, practices or arrangements that result in adverse selection);

(4) any transaction or other event (including, without limitation, a merger, consolidation, division, asset sale (other than an asset sale complying with ERISA § 4204), liquidation, dissolution, joint venture, outsourcing, subcontracting) whereby all or a portion of the operations for which the Contributing Employer has an obligation to contribute are continued (whether by the Contributing Employer or by another party) in whole or in part without maintaining the obligation to contribute to the Fund under the same or better terms (including, for example, as to number of participants and contribution rate) as existed before the transaction;

Provided, however, that with respect to the circumstances described in Subparagraphs. (3)(ii) or (4) above, the Board of Trustees shall have full discretionary authority to consider, weigh and balance the following factors in determining whether a Rehabilitation Plan Withdrawal has occurred:

(i) the extent to which the affected Bargaining Unit or its bargaining representative participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the cessation of Employer Contributions;

(ii) the extent to which the affected Bargaining Unit benefited, directly or indirectly, from the cessation of Employer Contributions;

(iii) the extent to which the affected Bargaining Unit, or its bargaining representative, resisted or attempted to resist, or acquiesced in, the cessation of Employer Contributions;

(iv) the extent to which the affected Bargaining Unit, or any of its members, become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Contributing Employer who incurred the cessation of Employer Contributions; and

(v) the extent of the hardship that might be incurred by members of the affected Bargaining Unit by the elimination of Adjustable Benefits.

J. BENEFIT ADJUSTMENTS APPLICABLE TO ALL PARTICIPANTS (INCLUDING INACTIVE VESTED PARTICIPANTS) WHO HAVE NOT SUBMITTED A RETIREMENT APPLICATION ON OR BEFORE JULY 1, 2011 AND DO NOT HAVE A BENEFIT COMMENCEMENT ON OR BEFORE THAT DATE.

Minimum Retirement Age 57.

Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

K. SPECIAL SCHEDULE: QUALIFYING NEW ("HYBRID METHOD") EMPLOYERS (EXCEPT AS NOTED, PRESERVES ALL BENEFITS).

1. Benefits.

Bargaining Units (and any non-Bargaining Unit groups participating in the Fund) whose Contributing Employers have been specifically accepted and approved by the Trustees as satisfying the requirements for this Qualifying New Employer Schedule will, as it relates to benefits or potential benefit adjustments, be treated in the same way as Bargaining Units (and non-Bargaining Unit groups) under the Primary Schedule (Section 2.A. above).

2. Contributions.

Contributing Employers who have qualified as New Employers within the meaning of Appendix E of the Plan Document, Section 2.2 (b) (and are thus eligible for treatment under the Pension Fund's alternative, or "hybrid," method of calculating Employer Withdrawal Liability), *and* who have fulfilled all requirements relating to the duration and/or level of continued participation in the Pension Fund contained in the agreement under which the Fund accepted the Employer as a New Employer, may contribute under this Schedule to the Fund at a rate to be specifically and separately approved by the Board of Trustees with respect to each such New Employer (the "New Rate"), subject to a specific determination by the Board of Trustees that the following conditions have been or will be met:

(i) The New Employer has in fact fulfilled its contribution or participation commitments under the agreement in which the Fund accepted the Employer's New Employer status, and the New Employer has fulfilled all other obligations under that agreement, is current in its ongoing contribution obligations to the Fund and is in compliance with the Fund's rules and polices applicable to Contributing Employers;

(ii) Unless a New Rate is determined and made available under this Schedule, the New Employer would likely withdraw from the Fund on about the expiration date of its most recent Collective Bargaining Agreement requiring contributions to the Fund;

(iii) the New Employer's continued participation in the Fund at the New Rate, under the specific circumstances presented, will result in net positive cash flow to the Fund, in comparison to the net cash flow that would result from a withdrawal by the New Employer from the Fund; and

(iv) the New Employer's obligation to contribute to the Fund at the New Rate is documented in a Collective Bargaining Agreement that is or will be acceptable to the Board of Trustees, and contains (or will contain) terms under which the bargaining representative of the affected Bargaining Unit specifically agrees or acknowledges that any reductions in labor costs resulting from the New Employer's contributions at the New Rate have been allocated to the Bargaining Unit in a manner that is satisfactory to the bargaining representative.

L. SPECIAL SCHEDULE: QUALIFYING BARGAINING UNITS THAT HAVE BEEN SUBJECT TO A WAGE FREEZE (EXCEPT AS NOTED PRESERVES ALL BENEFITS). (Effective on and after March 14, 2017)

1. Benefits.

With regard to any Bargaining Unit subject to a Collective Bargaining Agreement in effect as of March 1, 2017 (the "Current Agreement") that –

(i) was (or is) of 3 to 5 years in duration,

(ii) did not (or does not) provide for any wage increases for the entire duration of the Agreement, and

(iii) required (or requires) pension contribution rate increases in compliance with the Primary Schedule (Section 2.A of this Rehabilitation Plan) for the entire duration of the Agreement, but did not (or does not) at any time require contributions at rates equal to or in excess of any of the maximum rates specified under the provisos to the Primary Schedule

the benefits available to any such Bargaining Unit under any new Collective Bargaining Agreement that is the immediate successor or renewal Agreement of the Current Agreement, and is not in compliance with the Primary Schedule ("Successor Agreement"), will be nevertheless identical to the benefits available to Bargaining Units whose Collective Bargaining Agreements are in compliance with the Primary Schedule, provided that any such Successor Agreement has the characteristics specified in Section 2.L.2 below.

2. Contributions.

In order for a Bargaining Unit to qualify for the benefits specified under Section 2.L.1 above, the Successor Agreement must:

(i) Not be of less duration than the Current Agreement, but not exceeding 5 years in duration;

(ii) require pension contributions at a rate that is at least as high as the highest rate required under the Current Agreement, but need not provide for any increase in the contribution rates for the duration of the Successor Agreement (the "Special Rate"); and

(iii) contain terms under which the bargaining representative of the affected Bargaining Unit specifically agrees and acknowledges that any reduction in labor costs resulting from contributions at

the Special Rate (*i.e.,* contributions without the rate increases otherwise required under the Primary Schedule) have been allocated to the Bargaining Unit in a manner that is satisfactory to the bargaining representative.

Section 3. REHABILITATION PLAN STANDARDS AND OBJECTIVES.

The Schedules of Contributions and Benefits discussed above have been formulated by the Fund's Board of Trustees as reasonable measures which, under reasonable actuarial assumptions, are designed and projected to forestall the possible insolvency of the Fund prior to 2025. Projections of insolvency may vary from year to year as actual experience may differ from assumptions.

The Trustees recognize the possibility that actual experience could be less favorable than the reasonable assumptions used for the Rehabilitation Plan on an annual basis. Consequently, the annual standards for meeting the requirements of the Rehabilitation Plan are as follows:

- Actuarial projections updated for each year show, based on reasonable assumptions, that under the Rehabilitation Plan and its schedules (as amended and updated from time to time) the Fund will forestall its possible insolvency *prior* to 2023.

Section 4. ALTERNATIVES CONSIDERED BY THE TRUSTEES.

The Board of Trustees considered numerous alternatives [including combinations of contribution rate increases (and other updates to the schedules of contribution rates in light of the experience of the Fund) and benefit adjustments] that might enable the Fund to emerge from Critical Status either by the end of ten year PPA Rehabilitation Period (which began on January 1, 2011 and ended on December 31, 2020), or to forestall possible insolvency indefinitely (beyond the date referenced above under the "Standards and Objectives" heading). Some of the alternatives considered were determined to be unreasonable measures. The various default and alternative schedules considered included the following:

Schedules considered by the Board of Trustees in formulating an initial 2008 rehabilitation plan that might permit the Fund to emerge by the end of the Rehabilitation Period on December 31, 2020:

Schedule	Benefit Reductions	Contribution Rate Increases
Default	Immediate maximum Critical Status benefit cuts for all participants to the extent permitted by law	15% per year until emergence in 2021 (plus an additional 1.6% annual increase for Benefit Classes 14 and below)
Alternative 1	Maintain current benefits	17% per year until emergence in 2021
Alternative 2	On the second anniversary of the new bargaining agreement, reduce the future benefit accrual rate from 1% of contributions payable at age 62 to 1% of contributions at payable at age 65	16% per year until emergence in 2021

In formulating the Fund's initial rehabilitation plan in 2008, the Board of Trustees concluded that utilizing any and all *possible* measures to emerge from Critical Status by the end of the 10-year presumptive Rehabilitation Period described in ERISA Section 305(e)(4), would be unreasonable and would involve considerable risk to the Fund and Fund participants. In particular, the Board of Trustees concluded that the continued existence of the Fund and the Trustees' ability to maintain and improve the Fund's funded status in accordance with the terms of the IRS approved amortization extension would be jeopardized by any attempt to emerge from critical status by the end of the presumptive 10-year Rehabilitation Period.

As shown above, based on January 1, 2008 valuation data, the emergence by the end of the presumptive 10 year Rehabilitation Period would require double-digit annual contribution rate increases. For example, the daily contribution rate would generally have to grow from $52 to over $300. Therefore, the Trustees concluded in 2008 that annual contribution rate increases above the 8%/6%/4% level in the Primary Schedule were not reasonable and could trigger mass withdrawals and significant losses to the Fund and the participants.

During the process of updating the Rehabilitation Plan in each applicable year subsequent to 2008, the Trustees concluded that in light of current valuation data available in each of those years, the experience of the Fund and projections, the option available to the Fund under ERISA Section 305(e)(3)(ii) was to pursue reasonable measures to forestall a possible insolvency. The Trustees also concluded during the 2010 - 2021 update processes that requiring annual contribution increases above the level described in the Primary Schedule would not be reasonable and would likely accelerate a possible insolvency of the Fund rather than forestall it.

Prior to Plan/calendar year 2022, the Trustees have implemented (and, where applicable, have continued to implement) numerous measures to improve the Fund's funding. These have included:

- Reducing the benefit accrual rate from 2% of contributions to 1% of contributions;

- Protecting the "and-out" and early retirement benefits while freezing them at their year-end 2003 levels;

- Obtaining agreements from the major bargaining parties to reallocate significant amounts of annual benefit contributions to the Pension Fund;

- Obtaining an amortization extension from the Internal Revenue Service in 2005, and successfully seeking a waiver of the conditions of that extension in light of investment losses resulting from the weakness in financial markets in recent years (waiver or alteration of conditions granted in 2016);

- Requiring as a condition of continued participation in the Fund that new bargaining agreements in the last several years include significant annual contribution rate increases;

- Providing information to Congress and federal agencies with respect to legislative or regulatory proposals that appear to assist in addressing the funding challenges confronting the Fund;

- Approving a Distressed Employer Schedule as part of the Fund's Rehabilitation Plan under which YRC, Inc. and its affiliate USF Holland, Inc., two distressed (but historically significant) Contributing Employers, resumed Contributions in June 2011 at rates lower than would have been permitted under previous (pre-2011)

Rehabilitation Plan Schedules; this Distressed Employer Schedule significantly adjusted the benefits of the affected Bargaining Unit members, and helped assure that despite the lower Contribution rates, the continued participation of these Employers would tend to improve overall pension funding; and

- Adopting a new withdrawal liability method, and obtaining approval of that method by the Pension Benefit Guaranty Corporation, under which new Contributing Employers, and existing Contributing Employers who satisfy their withdrawal liability under the Fund's historic (pre-2011) withdrawal liability method *(i.e.,* the "modified presumptive method"), will have any future withdrawal liability determined under the "direct attribution" method; the Trustees believe that this "hybrid" method will be attractive to some Contributing Employers who wish to continue to participate in the Fund, but may be concerned about the potential for future growth of their estimated withdrawal liability as calculated under the Fund's prior (pre-2011) withdrawal liability method, and that this, in turn, will encourage continued participation in the Fund and tend to improve overall pension funding.

- Amending the Primary Schedule of the Rehabilitation Plan to permit Contributing Employers, who satisfy their existing withdrawal liability and qualify as New Employers eligible for the direct attribution method under the hybrid method, to comply with the Primary Schedule without the need (under their current collective bargaining agreements) for the contribution rate increases otherwise required under the Primary Schedule. The Trustees determined that this amendment to the Rehabilitation Plan will encourage existing Contributing Employers to satisfy their existing withdrawal liability and to continue their participation in the Fund as New Employers under the hybrid method; the Trustees determined that the New Employers' participation on these terms would tend to improve overall pension funding.

- Authorizing the filing, on September 25, 2015, of an application with the United States Department of the Treasury requesting approval of a plan of suspension of benefits under MPRA. (The Trustees determined that the filing of this application was a reasonable measure designed to forestall insolvency, and therefore one that they were required to take under the PPA. However, the Fund's MPRA application was denied by the Department of Treasury on May 6, 2016, and the Trustees have determined that it is not feasible for the Fund to submit a revised MPRA application.)

- Approval of the Special Schedule relating to Qualifying New ("Hybrid") Method Employers indicated in Section 2.K. of this Appendix.

- And the addition of Section 2.L. to this Appendix dealing with Qualifying Bargaining Units that have been subject to wage freezes.

However, the Trustees have also determined, as part of the 2022 Rehabilitation Plan update process, that mandating additional significant benefit cuts (beyond those provided in this updated Rehabilitation Plan), or (as noted) mandating significant contribution rate increases at levels beyond those required in recent years, would risk substantially accelerating the rate at which employers would withdraw from the Fund, in large part because the Union could conclude that it would be in its members' best interest to agree to withdrawals. The Board of Trustees also determined that this acceleration of employer withdrawals would, in turn, be counterproductive to the Trustees' effort to forestall possible insolvency.

Exhibit A
Primary Schedule: Contribution Rate Increases by Bargaining Agreement Year
(all rate increases are to be compounded annually)

Calendar Year of Contribution Rate Increases	Year of Initial Bargaining Agreement Conforming to Primary Schedule																
	2006 & Earlier	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
2006	7%																
2007	7%	8%															
2008	7%	8%	8%														
2009	7%	8%	8%	8%													
2010	7%	8%	8%	8%	8%												
2011	6%	8%	8%	8%	8%	8%											
2012	5%	6%	8%	8%	8%	8%	8%										
2013	4%	4%	6%	8%	8%	8%	8%	8%									
2014	4%	4%	6%	8%	8%	8%	8%	8%	8%								
2015	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%							
2016	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%						
2017	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%					
2018	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%				
2019	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%			
2020	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%		
2021	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%	
2022	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%
2023	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%
2024	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%
2025	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%
2026	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%
2027	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%
2028	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%

EXHIBIT B

Schedule for Actuarial Reduction of Age 65 Benefits

(Applicable to Default Schedule and Rehabilitation Plan Withdrawal benefit adjustments for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA§ 305(i)(10)] on or before July 1, 2011)

Age	Percent of Age 65 Benefit Based on Actuarial Equivalence
65	100%
64	90%
63	81%
62	74%
61	67%
60	61%
59	55%
58	50%
57	46%

APPENDIX M-15. REHABILITATION PLAN (INCLUDING 2023 UPDATE)

Section 1. PREAMBLE AND DEFINITIONS.

Appendix M comprising the Rehabilitation Plan was added to the Pension Plan effective on and after March 26, 2008, and has been amended from time to time since then.

This Appendix M-15 is added to the Pension Plan effective on and after April 3, 2023 (except where a different effective date for any provision is noted below) in order to update the Rehabilitation Plan in compliance with the requirements of the Pension Protection Act of 2006 ("PPA").

The Central States, Southeast and Southwest Areas Pension Fund (the "Fund") was initially certified on March 24, 2008 by its actuary to be in "critical status" (sometimes referred to as the "red zone") under the PPA: the Fund's actuary has also certified the Fund to be in critical status in March of each subsequent year through March 2014. For 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022, the actuary certified the Fund to be in "critical and declining status", pursuant to the Multiemployer Pension Reform Act of 2014 ("MPRA"). For 2023, the Fund's actuary certified the Fund to be in critical status. The Fund's Board of Trustees, as the plan sponsor of a "critical status" pension plan, is charged under the PPA and MPRA with developing a "rehabilitation plan" designed to improve the financial condition of the Fund in accordance with the standards set forth in the PPA, and with annually updating the rehabilitation plan. Although for plan year 2009 the Fund was exempt from the update requirement, pursuant to an election under the Worker Retiree and Employer Recovery Act of 2008, for subsequent plan years the PPA provisions concerning the rehabilitation plan update process are applicable to the Fund. The purpose of this updated Rehabilitation Plan is to comply with those PPA provisions, as amended to date, including any applicable amendments under MPRA.

Under the PPA, a rehabilitation plan, including annual updates to the plan, must include one or more schedules showing revised benefit structures, revised contributions, or both, which, if adopted by the parties obligated under agreements participating in the pension plan, may reasonably be expected to enable the Fund to emerge from critical status in accordance with the rehabilitation plan. The PPA also provides that one of the rehabilitation plan schedules of benefits and contributions shall be designated the "default" schedule. The default schedule must assume that there are no increases in contributions under the plan other than the increases necessary to emerge from critical status after future benefit accruals and other benefits have been reduced to the maximum extent permitted by law. The PPA also creates certain categories of "adjustable benefits" which may be reduced or eliminated dependent upon the outcome of bargaining over the rehabilitation plan schedules and dependent on the exercise of certain flexibility and discretion conferred upon the Board of Trustees by the PPA. Adjustable benefits that may be affected in this manner include post-retirement death benefits, early retirement benefits or retirement-type subsidies, and generally any benefit that would be payable prior to normal retirement age (age 65 benefits under the Fund's Plan Document - or, as discussed below, a Contribution Based Benefit actuarially reduced to be equivalent to an age 65 benefit). As noted, the PPA also requires annual updates of the rehabilitation plan.

Unless otherwise indicated, all capitalized terms herein shall have the definitions and meanings assigned to them in the Fund's Pension Plan Document.

Section 2. SCHEDULES OF CONTRIBUTIONS AND BENEFITS.

With the PPA requirements outlined above in mind, the Fund's Board of Trustees hereby provides the following PPA Schedules to the parties charged with bargaining over agreements requiring contributions to the Fund.

A. PRIMARY SCHEDULE (EXCEPT AS NOTED, PRESERVES ALL CURRENT BENEFITS).

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers are in compliance with this Primary Schedule, there will be no change in benefit formulas, levels or payment options in effect on January 1, 2008, *except that* as provided in Section 2(J) below, Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date (within the meaning of ERISA § 305(i)(10)) on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

Further, subject to the notice requirements of the PPA and other applicable law, any Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers incur a Rehabilitation Plan Withdrawal on or after March 26, 2008 shall have their Adjustable Benefits listed in Section 2(H) below eliminated or reduced to the extent indicated in Section 2(B)(1) below.

2. Contributions

Compliance with the Primary Schedule requires annually compounded contribution rate increases in accordance with Exhibit A effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each agreement anniversary date (or reallocation anniversary, where applicable) during the term of the new bargaining agreement to the extent indicated in Exhibit A, depending on the year that the new agreement is effective. Note that all contribution rate increases are annually compounded on the total contribution rate (including any reallocations of employee benefit contributions or agreed mid-contract contribution increases) immediately prior to the increase.

The required annual rate increase may be provided through annual allocations to pension contributions of general and aggregate employee benefit contribution increases that were negotiated at the outset of an agreement, but were not specifically allocated to pension contributions until subsequent contract years. The Primary Schedule requires 8% per year contribution rate increases for the first 5 years, 6% per year contribution rate increases for the next 3 years and 4% per year contribution rate increases each year thereafter for 2008 agreements under the Primary Schedule and comparable rate increases over time for all other agreements under the Primary Schedule *(see* Exhibit A).

Provided, however, that absent further amendment to this rehabilitation plan, as of June 1, 2011, any Collective Bargaining Agreement requiring

contributions of (1) $348 per week for each full-time employee with respect to Participants covered by the National Master Automobile Transporter Agreement, and (2) $342 per week for each full-time employee with respect to all other Participants, will be deemed to be in compliance with the Primary Schedule *without* the need for additional annual rate increases.

Provided, further, that absent further amendment to this rehabilitation plan, as of April 3, 2023, any Collective Bargaining Agreement or Participation Agreement requiring contributions of:
(1) $69.60 per day or $344.00 per week for employers whose participants are covered under Benefit Class 18+, and (2) $68.40 per day or $338.00 per week for employers whose participants are covered under all other Benefit Classes, will be deemed to be in compliance with the Primary Schedule *without* the need for additional annual rate increases.

Provided, further, that absent further amendment to this rehabilitation plan, that for Collective Bargaining Agreements that have a stated expiration date on or after April 3, 2023: Rate increases continue to be required on the regular annual schedule until the stated expiration date of the Collective Bargaining Agreement. This rule applies even if the prior Collective Bargaining Agreement had a stated expiration date on or after April 3, 2023, but a new Collective Bargaining Agreement was ratified in advance of the stated expiration date but prior to April 3, 2023. However, in the latter circumstance, the bargaining parties would be allowed to agree to amend the Collective Bargaining Agreement to not require contribution rate increases beyond the highest contribution rate required by the original Collective Bargaining Agreement. The annual contribution rate increases are required for the entire term of the Collective Bargaining Agreement even if those contribution rate increases are not specified in the Collective Bargaining Agreement, or if the Collective Bargaining Agreement purports to allow the employer to cease contribution rate increases mid- contract. Nor shall the bargaining parties be allowed to renegotiate or terminate the Collective Bargaining Agreement mid-contract (or amend the stated expiration date of the Collective Bargaining Agreement to an earlier date) to alter the required contribution rate increases. After the stated expiration date of the Collective Bargaining Agreement, annual contribution rate increases will not be required beyond the rate at the stated expiration date unless the bargaining parties agree to a higher rate.

Provided, further, that absent further amendment to this rehabilitation plan, for Collective Bargaining Agreements that expired prior to April 3, 2023: Rate increases continue to be required on the regular annual schedule until the latter of three years after expiration date of the Collective Bargaining Agreement or until the date a new Collective Bargaining Agreement is ratified, fully executed, and received by the Pension Fund. The rate shall include all rate increases required during the period between the stated expiration date of the Collective Bargaining Agreement and the date the new Collective Bargaining Agreement that is ratified and fully executed is received by the Pension Fund. The annual contribution rate increases are required for the entire term of the Collective Bargaining Agreement even if those contribution rate increases are not specified in the Collective Bargaining Agreement, or if the Collective Bargaining Agreement purports to allow the employer to cease contribution rate increases mid- contract. Nor shall the bargaining parties be allowed to renegotiate or terminate the Collective Bargaining Agreement mid-contract (or amend the stated expiration date of the Collective Bargaining Agreement to an earlier date) to alter the required contribution rate increases.

The new Collective Bargaining Agreement will not be required to include annual contribution rate increases beyond the rate required as of the date the new Collective Bargaining Agreement that is ratified and fully executed is received by the Pension Fund unless the bargaining parties agree to a higher rate.

Provided, further, that absent further amendment to this rehabilitation plan, for those groups covered only by a Participation Agreement, rate increases specified in the Participation Agreement will continue to be required on the regular annual schedule. A new Participation Agreement for that group will not be accepted unless it includes all rate increases specified in the Participation Agreement in effect on April 3, 2023 even if those increases are not scheduled to happen until after April 3, 2023. For new Participation Agreements entered into on or after April 3, 2023, subject to the requirements listed in the preceding sentences, rate increases will not be required beyond the rate in effect on April 3, 2023 (or such higher rate(s) specified in the current Participation Agreement) unless a new Participation Agreement containing a higher rate is executed and received by the Pension Fund.

Provided further that any Employer that qualifies as a New Employer under § 2.2(b) of Appendix E of the Pension Plan will be deemed, as of the date it qualifies as a New Employer, to be in compliance with the Primary Schedule *without* the need for additional contribution rate increases.

B. DEFAULT SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers agree to comply with this Default Schedule [or who become subject to the Default Schedule due to a failure to achieve an agreement to accept one of the Rehabilitation Plan Schedules within the time frame specified under ERISA § 305(e)(3)(C)], the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Default Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee groups participating in the Fund):

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension) remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by 1/2% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57.

2. Contributions

Compliance with the Default Schedule consists of annually compounded contribution rate increases of 4% effective immediately after the expiration of the Collective Bargaining Agreement (or other agreement requiring contributions to the Fund) and each anniversary thereof during the term of the agreement.

Provided, further, that absent further amendment to this rehabilitation plan, as of April 3, 2023, any Collective Bargaining Agreement or Participation Agreement requiring contributions of: (1) $69.60 per day or $344.00 per week for employers whose participants are covered under Benefit Class 18+, and (2) $68.40 per day or $338.00 per week for employers whose participants are covered under all other Benefit Classes, will be deemed to be in compliance with the Default Schedule *without* the need for additional annual rate increases.

3. Effect of agreement to or imposition of Default Schedule.

(i) If a Contributing Employer agrees to the Default Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

(ii) If a Contributing Employer becomes subject to the Default Schedule by operation of ERISA Section 305(e)(3)(C), because the bargaining parties have failed to adopt either of the Schedules compliant with this Rehabilitation Plan within 180 days of the expiration of their prior Collective Bargaining Agreement, the Fund will then accept a Collective Bargaining Agreement that is compliant with the Primary Schedule described in this Rehabilitation Plan, provided that such new Collective Bargaining Agreement provides for Primary Schedule contribution rates that are retroactive to the expiration date of the last Collective Bargaining Agreement that covered the affected Bargaining Unit.

C. DISTRESSED EMPLOYER SCHEDULE.

1. Benefits

With regard to Bargaining Units (and any non-Bargaining Unit employee groups participating in the Fund) whose Contributing Employers and contribution rates have been specifically accepted and approved by the Board of Trustees as satisfying the Qualifications for the Distressed Employer Schedule (as set forth in Section 2(C)(2) below), the benefit formulas, levels, and payment options in effect on January 1, 2008 will remain in effect except for the following, upon the effective date that the Distressed Employer Schedule applies to the Bargaining Unit (or to any non-Bargaining Unit employee group participating in the Fund) that is accepted by the Board of Trustees as qualifying under the Distressed Employer Schedule:

- Adjustable Benefits listed in Section 2(H) below are eliminated or reduced to the maximum extent permitted by law, but the future benefit accrual rate of 1% of contributions (the Contribution-Based Pension)

remains in effect, with the modification that the Contribution Based Pension monthly benefit payable at age 65 is reduced by ½% per month for each month prior to age 65 with a minimum retirement age of 57, *except that,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) have not achieved a Retirement Date on or before July 1, 2011, the Contribution Based Pension monthly benefit payable at age 65 shall be reduced to an actuarially equivalent benefit in accordance with the Schedule attached as Exhibit B with a minimum retirement age of 57, *and except that* any Participant who (i) has achieved a minimum age of 55 as of the date of the Distressed Employer's termination of participation in the Fund (see Section 2(C)(2) below) and (ii) has accrued a minimum of 25 years credit towards a Contributory Credit Pension or an And-Out Pension as of that date (see Pension Plan §§ 4.04, 4.05 and 4.06), shall be entitled to retain his eligibility for (but not gain further credit towards) any such Pension, *provided that* any such Participant has a minimum retirement age of 62.

2. Contributions and Qualifications for the Distressed Employer Schedule.

The Board of Trustees may deem a Collective Bargaining Agreement with contribution rates not in compliance with either the Primary Schedule or the Default Schedule to be in compliance with and subject to the Distressed Employer Schedule, if in the Board of Trustees' sole discretion, the Board determines that the Contributing Employer meets each of the following qualifications:

(i) the common stock of the Employer or its parent corporation (or other affiliate under 80% or more common control with the Employer) is publicly traded and registered pursuant to the securities laws of the United States;

(ii) the Employer has previously incurred a termination of its participation in the Fund due to an inability to remain current in its Contribution obligations, and the Employer was in terminated status immediately prior to executing the Agreement sought to be qualified under the Distressed Employer Schedule;

(iii) during the last ten years in which the Employer participated in the Fund prior to its termination, it had paid contributions to the Fund on behalf of at least 1,000 full- time employees per month (or had, including part-time employees, paid contributions on behalf of the equivalent of at least 1,000 full-time employees per month for the specified ten year period);

(iv) the Employer submits to a review of its financial condition and operations by the Fund's Staff and outside expert and consultants, and agrees to reimburse the Fund for all fees and expenses incurred by the Fund in this review (including, but not limited to, reimbursement to the Fund for the time devoted by the Fund's Staff to any such review, with this reimbursement to be made at market rates for comparable services performed by Fund's Staff);

(v) on the basis of this financial and operational review, it appears that the Employer is not able to contribute to the Fund at a higher rate than is

indicated in the Collective Bargaining Agreement proposed for acceptance under the Distressed Employer Schedule, *and* that acceptance of the proposed Agreement is in the best interest of the Fund under all the circumstances and advances the goals of this Rehabilitation Plan; and

(vi) the Employer provides the Fund with first lien collateral in any and all unencumbered assets to the fullest extent it is able in order to fully secure (i) any delinquent or deferred Contribution obligations owed to the Fund, (ii) the Employer's obligation to make current and future pension contributions to the Fund, and (iii) any future withdrawal liability potentially incurred by the Employer (with the amount of such potential withdrawal liability to be determined based on estimates to be provided by the Fund).

3. Effect of agreement to or imposition of the Distressed Employer Schedule.

If a Contributing Employer becomes subject to the Distressed Employer Schedule with respect to a particular Bargaining Unit, the Fund will not accept any subsequent Collective Bargaining Agreements covering that Bargaining Unit which are compliant with the Primary Schedule, except as determined by the Board of Trustees in their sole discretion.

D. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER INCURRING A REHABILITATION PLAN WITHDRAWAL.

Subject to the provisos indicated in the final clauses of this Subsection D, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Subsection B(1) above) with respect to Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] with the Fund is on or after April 8, 2008, and:

(1) whose last Hour of Service prior to January 1, 2008 was earned while employed by United Parcel Service, Inc. ("UPS"), or with any trades or businesses at any time under common control with UPS, within the meaning of ERISA § 4001(b)(1); *or*

(2) who *(i)* has earned or earns an Hour of Service while employed with a Contributing Employer (or any predecessor or successor entity) that at any time on or after March 26, 2008 incurs a Rehabilitation Plan Withdrawal *(see* Section 2(I) below), and *(ii)* whose *last* year of Contributory Service Credit *prior* to the Rehabilitation Plan Withdrawal was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) ultimately incurring such Withdrawal.

Proviso 1: *Provided, however,* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant Section 2(D)(2) above, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the earlier of: (i) the date of such Rehabilitation Plan Withdrawal or (ii) the date of the expiration of the last Collective Bargaining Agreement requiring Employer Contributions under the Primary Schedule prior to such Withdrawal, shall not be subject to the elimination of Adjustable Benefits provided that the

Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: And provided further that in the event of a Rehabilitation Plan Withdrawal resulting from an administrative termination of a Contributing Employer as referenced in Section 2(I)(3)(ii) below, the Board of Trustees shall have full discretionary authority (A) to decline to apply the elimination of Adjustable Benefits to Participants otherwise affected by a Rehabilitation Plan Withdrawal of this type who have submitted a pension application naming a Retirement Date to the Fund on or before the date selected by the Trustees as the effective date of the administrative termination which ended the Employer's obligation to contribute to the Pension Fund, and (B) to decline to apply the requirement of Section 2(G) below that a Participant incurring a benefit adjustment due to Rehabilitation Plan Withdrawal must cease employment with and the performance of services for the withdrawn Employer within 60 days of the Rehabilitation Plan Withdrawal in order to eventually qualify for a restoration of benefits; in exercising their discretionary authority under this

Proviso 2, the Board of Trustees shall consider, weigh and balance the following factors:

(i) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination were aware of, participated in or controlled, or could have controlled or prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the circumstances that led to the administrative termination of the Employer;

(ii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination benefited, directly or indirectly from the cessation of Employer Contributions or from the circumstances that led to the administrative termination of the Employer;

(iii) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination resisted or attempted to alter, or acquiesced in, the circumstances that led to the administrative termination of the Employer;

(iv) the extent to which any actively employed members of the affected Bargaining Unit or any members who submitted a retirement application prior to the effective date of the administrative termination have become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Employer that has undergone the administrative termination; and

(v) the extent of the hardship that might be incurred by any actively employed members of the affected Bargaining Unit or by any

members who submitted a retirement application prior to the effective date of the administrative termination due to the elimination of Adjustable Benefits.

Proviso 3: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to a Rehabilitation Plan Withdrawal pursuant to Subsection D(2) above, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date of the Rehabilitation Plan Withdrawal.

E. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DEFAULT SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection E, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be eliminated or reduced (to the same extent indicated in Section B(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Default Schedule described herein; and

(2) whose *last* year of Contributory Service Credit prior to the Employer's becoming subject to the Default Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Default Schedule.

Proviso 1: *Provided, however.* that any Pensioner otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant to this Subsection E, who has a benefit commencement date [within the meaning of ERISA § 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Default Schedule, shall not be subject to the elimination of Adjustable Benefits provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the elimination of Adjustable Benefits, due to his Contributing Employer becoming subject to the Default Schedule pursuant this Subsection E. shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Default Schedule.

F. ADJUSTMENT OF BENEFITS OF CERTAIN PARTICIPANTS WHO HAVE EARNED CONTRIBUTORY SERVICE WITH AN EMPLOYER WHO BECOMES SUBJECT TO THE DISTRESSED EMPLOYER SCHEDULE.

Subject to the provisos indicated in the final clauses of this Subsection F, effective March 26, 2008, all Adjustable Benefits (listed below in Section 2(H)) shall be

eliminated or reduced (with the exception indicated in Section 2(C)(1) above) with respect to any Participants whose benefit commencement date [within the meaning of ERISA § 305(i)(10)] is on or after April 8, 2008, and:

(1) who have earned any Contributory Service Credit with a Contributing Employer (or any predecessor or successor entity) that at any time becomes subject (by agreement or otherwise) to the Distressed Employer Schedule described herein; and

(2) whose last year of Contributory Service Credit prior to the Employer's becoming subject to the Distressed Employer Schedule was earned while a member of a Bargaining Unit (or any predecessor or successor Bargaining Unit) that ultimately became subject to the Distressed Employer Schedule.

Proviso 1: Provided, however, that any Pensioner otherwise subject to the reduction in Adjustable Benefits indicated in the Distressed Employer Schedule, due to his Contributing Employer becoming subject to that Schedule pursuant to this Subsection F, who has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] one year or more prior to the Contributing Employer becoming subject to the Distressed Employer Schedule, shall not be subject to the reduction of Adjustable Benefits otherwise mandated by the Distressed Employer Schedule provided that the Pensioner does not engage in Restricted Reemployment at any time subsequent to the benefit commencement date, and provided further that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no Pensioners with Retirement Dates prior to September 24, 2010 shall be subject to such Distressed Employer Schedule benefit reduction.

Proviso 2: *And provided further* that the spouse of any Participant otherwise subject to the reduction of Adjustable Benefits. due to his Contributing Employer becoming subject to the Distressed Employer Schedule pursuant to this Subsection F, shall not incur a loss of Adjustable Benefits with respect to any Surviving Spouse Benefits for which such surviving spouse has a benefit commencement date [within the meaning of ERISA Section 305(i)(10)] prior to the date on which the Contributing Employer became subject to the Distressed Employer Schedule, *and provided* further in any event that with respect to Bargaining Units that become subject to the Distressed Employer Schedule on or prior to June 1, 2011, no spouse shall be subject to such Distressed Employer Schedule benefit reduction if the Participant's death occurred prior to September 24, 2010.

G. RESTORATION OF ADJUSTED BENEFITS.

Any Participant who incurs a benefit adjustment or elimination under the terms of Sections 2(A), 2(B), 2(C), 2(D), 2(E) or 2(F) above may have those affected benefits restored if, subsequent to the event causing the benefit adjustment, the Participant:

(1) in the case of benefit adjustment caused by a Rehabilitation Plan Withdrawal (see Section 2(I) below), permanently ceases all employment with, and performance of services in any capacity for, the Contributing Employer (and any successors or trades or businesses under common control with such Employer within the meaning of ERISA § 4001(b)(1)) within 60 days of the occurrence of such Rehabilitation Plan Withdrawal; and

(2) in any case, subsequently earns one year of Contributory Service Credit with a Contributing Employer while that Employer is in compliance with the Primary Schedule described herein.

H. ADJUSTABLE BENEFITS.

As used herein, Adjustable Benefits shall mean and include:

(1) Any right to receive a Retirement Pension Benefit (Pension Plan, Article IV) prior to age 65 [including without limitation any pre-age 65 benefits that would otherwise be payable as *(i)* a Twenty Year Service Pension (Pension Plan § 4.01); *(ii)* a Contributory Credit Pension (Pension Plan § 4.04); *(iii)* a Vested Pension (Pension Plan § 4.07); (iv) a Deferred Pension (Pension Plan § 4.08); or *(v)* a Twenty-Year Deferred Pension (Pension Plan § 4.09)].

(2) Early retirement benefit or retirement-type subsidies [including without limitation *(i)* an Early Retirement Pension (Pension Plan § 4.02); *(ii)* a 25-And-Out Pension (Pension Plan § 4.05); or a 30-And- Out Pension (Pension Plan § 4.06)].

(3) All Disability Benefits not yet in pay status (Pension Plan, Article V).

(4) Before Retirement Death Benefits (Pension Plan, Article VI) other than the 50% surviving spouse benefit.

(5) Post-retirement death benefits that are not part of the annuity form of payment.

(6) All Partial Pensions (Pension Plan, Appendix D), to the extent any such pension is tied to one or more of the Adjustable Benefits listed above.

(7) All Contribution-Based Pensions (Pension Plan § 4.03) except that, assuming the Participant meets all other requirements for receiving a Contribution-Based Pension, the Contribution-Based Pension is payable at age 65 reduced by 1/2% per month for each month prior to age 65 at the time of retirement with a minimum retirement age of 57. Such minimum retirement age shall not apply if the Participant retired prior to age 57 before the Participant's Adjustable Benefits were eliminated or reduced. In such circumstance, the Participant shall be entitled to receive the Contribution-Based Pension reduced by 1/2% per month for each month prior to age 65 at the time of retirement. *Provided, however,* for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, the reductions in the Contribution-Based Pensions payable at age 65 referenced in this subparagraph (7) shall be based on actuarial equivalence in accordance with the Schedule attached as Exhibit B hereto.

(8) To the extent not already included in paragraphs (1) - (7) above, the following categories of benefits listed and defined as "adjustable benefits" under ERISA§ 305(e)(8)(iv):

(i) benefits, rights, and features under the plan, including post- retirement death benefits, 60-month guarantees, disability benefits not yet in pay status, and similar benefits,

(ii) any early retirement benefit or retirement-type subsidy (within the meaning of ERISA Section 204(g)(2)(A)) and any benefit payment option (other than the qualified joint and survivor annuity), and

(iii) benefit increases that would not be eligible for a guarantee under ERISA Section 4022A on the first day of the Fund's initial critical year under the PPA because the increases were adopted (or, if later, took effect) less than 60 months before such first day.

Provided, however, that except as provided in subparagraph (8)(iii) above, nothing in this paragraph shall be construed to reduce the level of a Participant's accrued benefit payable at normal retirement.

I. REHABILITATION PLAN WITHDRAWAL

Subject to the discretionary authority of the Board of Trustees indicated in the final clause of this Subsection I, a "Rehabilitation Plan Withdrawal" occurs on the date a Contributing Employer (a) is no longer required to make Employer Contributions to the Pension Fund under one or more of its Collective Bargaining Agreements, or (b) undergoes a significant reduction in its obligation to make Employer Contributions resulting from outsourcing or subcontracting work covered by the applicable Collective Bargaining Agreement(s), as a result of actions by members of a Bargaining Unit (or its representatives) or the Contributing Employer, which actions include, but are not limited to the following:

(1) decertification or other removal of the Union as a bargaining agent;

(2) ratification or other acceptance of a Collective Bargaining Agreement which permits withdrawal of the Bargaining Unit, in whole or in part, from the Pension Plan; administrative termination of the Contributing Employer with respect to any or all of its Collective Bargaining Agreements due to: (i) a violation of the Fund's rules with respect to the terms of a Collective Bargaining Agreement (including, without limitation, a provision providing for a split bargaining unit); or (ii) a violation of any other Fund rule or policy (including, without limitation, practices or arrangements that result in adverse selection);

(3) any transaction or other event (including, without limitation, a merger, consolidation, division, asset sale (other than an asset sale complying with ERISA § 4204), liquidation, dissolution, joint venture, outsourcing, subcontracting) whereby all or a portion of the operations for which the Contributing Employer has an obligation to contribute are continued (whether by the Contributing Employer or by another party) in whole or in part without maintaining the obligation to contribute to the Fund under the same or better terms (including, for example, as to number of participants and contribution rate) as existed before the transaction;

Provided, however, that with respect to the circumstances described in Subparagraphs. (3)(ii) or (4) above, the Board of Trustees shall have full discretionary authority to consider, weigh and balance the following factors in determining whether a Rehabilitation Plan Withdrawal has occurred:

(i) the extent to which the affected Bargaining Unit or its bargaining representative participated in or controlled, or could have controlled or

prevented, through bargaining, grievance procedures, NLRB proceedings, litigation or other means, the cessation of Employer Contributions;

(ii) the extent to which the affected Bargaining Unit benefited, directly or indirectly, from the cessation of Employer Contributions;

(iii) the extent to which the affected Bargaining Unit, or its bargaining representative, resisted or attempted to resist, or acquiesced in, the cessation of Employer Contributions;

(iv) the extent to which the affected Bargaining Unit, or any of its members, become engaged as employees or independent contractors in the service of operations that were or are in whole or in part a successor of the operations of the Contributing Employer who incurred the cessation of Employer Contributions; and

(v) the extent of the hardship that might be incurred by members of the affected Bargaining Unit by the elimination of Adjustable Benefits.

J. BENEFIT ADJUSTMENTS APPLICABLE TO ALL PARTICIPANTS (INCLUDING INACTIVE VESTED PARTICIPANTS) WHO HAVE NOT SUBMITTED A RETIREMENT APPLICATION ON OR BEFORE JULY 1, 2011 AND DO NOT HAVE A BENEFIT COMMENCEMENT ON OR BEFORE THAT DATE.

Minimum Retirement Age 57.

Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA § 305(i)(10)] on or before July 1, 2011, will not be granted a Retirement Date prior to their 57th birthday and will not be eligible to receive retirement benefit payments of any type until after achieving age 57.

K. SPECIAL SCHEDULE: QUALIFYING NEW ("HYBRID METHOD") EMPLOYERS (EXCEPT AS NOTED, PRESERVES ALL BENEFITS).

1. Benefits.

Bargaining Units (and any non-Bargaining Unit groups participating in the Fund) whose Contributing Employers have been specifically accepted and approved by the Trustees as satisfying the requirements for this Qualifying New Employer Schedule will, as it relates to benefits or potential benefit adjustments, be treated in the same way as Bargaining Units (and non-Bargaining Unit groups) under the Primary Schedule (Section 2.A. above).

2. Contributions.

Contributing Employers who have qualified as New Employers within the meaning of Appendix E of the Plan Document, Section 2.2 (b) (and are thus eligible for treatment under the Pension Fund's alternative, or "hybrid," method of calculating Employer Withdrawal Liability), *and* who have fulfilled all requirements relating to the duration and/or level of continued participation in the Pension Fund contained in the agreement under which the Fund accepted the Employer as a New Employer, may contribute under this

Schedule to the Fund at a rate to be specifically and separately approved by the Board of Trustees with respect to each such New Employer (the "New Rate"), subject to a specific determination by the Board of Trustees that the following conditions have been or will be met:

(i) The New Employer has in fact fulfilled its contribution or participation commitments under the agreement in which the Fund accepted the Employer's New Employer status, and the New Employer has fulfilled all other obligations under that agreement, is current in its ongoing contribution obligations to the Fund and is in compliance with the Fund's rules and polices applicable to Contributing Employers;

(ii) Unless a New Rate is determined and made available under this Schedule, the New Employer would likely withdraw from the Fund on about the expiration date of its most recent Collective Bargaining Agreement requiring contributions to the Fund;

(iii) the New Employer's continued participation in the Fund at the New Rate, under the specific circumstances presented, will result in net positive cash flow to the Fund, in comparison to the net cash flow that would result from a withdrawal by the New Employer from the Fund; and

(iv) the New Employer's obligation to contribute to the Fund at the New Rate is documented in a Collective Bargaining Agreement that is or will be acceptable to the Board of Trustees, and contains (or will contain) terms under which the bargaining representative of the affected Bargaining Unit specifically agrees or acknowledges that any reductions in labor costs resulting from the New Employer's contributions at the New Rate have been allocated to the Bargaining Unit in a manner that is satisfactory to the bargaining representative.

L. SPECIAL SCHEDULE: QUALIFYING BARGAINING UNITS THAT HAVE BEEN SUBJECT TO A WAGE FREEZE (EXCEPT AS NOTED PRESERVES ALL BENEFITS). (Effective on and after March 14, 2017)

1. Benefits.

With regard to any Bargaining Unit subject to a Collective Bargaining Agreement in effect as of March 1, 2017 (the "Current Agreement") that –

(i) was (or is) of 3 to 5 years in duration,

(ii) did not (or does not) provide for any wage increases for the entire duration of the Agreement, and

(iii) required (or requires) pension contribution rate increases in compliance with the Primary Schedule (Section 2.A of this Rehabilitation Plan) for the entire duration of the Agreement, but did not (or does not) at any time require contributions at rates equal to or in excess of any of the maximum rates specified under the provisos to the Primary Schedule

the benefits available to any such Bargaining Unit under any new Collective Bargaining Agreement that is the immediate successor or renewal Agreement of the Current Agreement, and is not in compliance with the

Primary Schedule ("Successor Agreement"), will be nevertheless identical to the benefits available to Bargaining Units whose Collective Bargaining Agreements are in compliance with the Primary Schedule, provided that any such Successor Agreement has the characteristics specified in Section 2.L.2 below.

2. Contributions.

In order for a Bargaining Unit to qualify for the benefits specified under Section 2.L.1 above, the Successor Agreement must:

(i) Not be of less duration than the Current Agreement, but not exceeding 5 years in duration;

(ii) require pension contributions at a rate that is at least as high as the highest rate required under the Current Agreement, but need not provide for any increase in the contribution rates for the duration of the Successor Agreement (the "Special Rate"); and

(iii) contain terms under which the bargaining representative of the affected Bargaining Unit specifically agrees and acknowledges that any reduction in labor costs resulting from contributions at the Special Rate (*i.e.,* contributions without the rate increases otherwise required under the Primary Schedule) have been allocated to the Bargaining Unit in a manner that is satisfactory to the bargaining representative.

Section 3. REHABILITATION PLAN STANDARDS AND OBJECTIVES.

The Schedules of Contributions and Benefits discussed above have been formulated by the Fund's Board of Trustees as reasonable measures which, under reasonable actuarial assumptions, are designed and projected to allow the Fund to emerge from critical status in 2052. Projections may vary from year to year as actual experience may differ from assumptions.

The Trustees recognize the possibility that actual experience could be less favorable than the reasonable assumptions used for the Rehabilitation Plan on an annual basis. Consequently, the annual standards for meeting the requirements of the Rehabilitation Plan are as follows:

- Actuarial projections updated for each year show, based on reasonable assumptions, that under the Rehabilitation Plan and its schedules (as amended and updated from time to time) the Fund will emerge from critical status in 2052.

Section 4. ALTERNATIVES CONSIDERED BY THE TRUSTEES.

The Board of Trustees considered numerous alternatives [including combinations of contribution rate increases (and other updates to the schedules of contribution rates in light of the experience of the Fund) and benefit adjustments] that might enable the Fund to emerge from Critical Status either by the end of ten year PPA Rehabilitation Period (which began on January 1, 2011 and ended on December 31, 2020), or to forestall possible insolvency indefinitely (beyond the date referenced above under the "Standards and Objectives" heading). Some of the alternatives considered were determined to be unreasonable measures. The various default and alternative schedules considered included the following:

Schedules considered by the Board of Trustees in formulating an initial 2008 rehabilitation plan that might permit the Fund to emerge by the end of the Rehabilitation Period on December 31, 2020:

Schedule	Benefit Reductions	Contribution Rate Increases
Default	Immediate maximum Critical Status benefit cuts for all participants to the extent permitted by law	15% per year until emergence in 2021 (plus an additional 1.6% annual increase for Benefit Classes 14 and below)
Alternative 1	Maintain current benefits	17% per year until emergence in 2021
Alternative 2	On the second anniversary of the new bargaining agreement, reduce the future benefit accrual rate from 1% of contributions payable at age 62 to 1% of contributions at payable at age 65	16% per year until emergence in 2021

In formulating the Fund's initial rehabilitation plan in 2008, the Board of Trustees concluded that utilizing any and all *possible* measures to emerge from Critical Status by the end of the 10-year presumptive Rehabilitation Period described in ERISA Section 305(e)(4), would be unreasonable and would involve considerable risk to the Fund and Fund participants. In particular, the Board of Trustees concluded that the continued existence of the Fund and the Trustees' ability to maintain and improve the Fund's funded status in accordance with the terms of the IRS approved amortization extension would be jeopardized by any attempt to emerge from critical status by the end of the presumptive 10-year Rehabilitation Period.

As shown above, based on January 1, 2008 valuation data, the emergence by the end of the presumptive 10 year Rehabilitation Period would require double-digit annual contribution rate increases. For example, the daily contribution rate would generally have to grow from $52 to over $300. Therefore, the Trustees concluded in 2008 that annual contribution rate increases above the 8%/6%/4% level in the Primary Schedule were not reasonable and could trigger mass withdrawals and significant losses to the Fund and the participants.

During the process of updating the Rehabilitation Plan in each applicable year subsequent to 2008, the Trustees concluded that in light of current valuation data available in each of those years, the experience of the Fund and projections, the option available to the Fund under ERISA Section 305(e)(3)(ii) was to pursue reasonable measures to forestall a possible insolvency. The Trustees also concluded during the 2010 - 2022 update processes that requiring annual contribution increases above the level described in the Primary Schedule would not be reasonable and would likely accelerate a possible insolvency of the Fund rather than forestall it.

Prior to Plan/calendar year 2023, the Trustees have implemented (and, where applicable, have continued to implement) numerous measures to improve the Fund's funding. These have included:

- Reducing the benefit accrual rate from 2% of contributions to 1% of contributions;
- Protecting the "and-out" and early retirement benefits while freezing them at their year-end 2003 levels;

- Obtaining agreements from the major bargaining parties to reallocate significant amounts of annual benefit contributions to the Pension Fund;

- Obtaining an amortization extension from the Internal Revenue Service in 2005, and successfully seeking a waiver of the conditions of that extension in light of investment losses resulting from the weakness in financial markets in recent years (waiver or alteration of conditions granted in 2016);

- Requiring as a condition of continued participation in the Fund that new bargaining agreements in the last several years include significant annual contribution rate increases;

- Providing information to Congress and federal agencies with respect to legislative or regulatory proposals that appear to assist in addressing the funding challenges confronting the Fund;

- Approving a Distressed Employer Schedule as part of the Fund's Rehabilitation Plan under which YRC, Inc. and its affiliate USF Holland, Inc., two distressed (but historically significant) Contributing Employers, resumed Contributions in June 2011 at rates lower than would have been permitted under previous (pre-2011) Rehabilitation Plan Schedules; this Distressed Employer Schedule significantly adjusted the benefits of the affected Bargaining Unit members, and helped assure that despite the lower Contribution rates, the continued participation of these Employers would tend to improve overall pension funding; and

- Adopting a new withdrawal liability method, and obtaining approval of that method by the Pension Benefit Guaranty Corporation, under which new Contributing Employers, and existing Contributing Employers who satisfy their withdrawal liability under the Fund's historic (pre-2011) withdrawal liability method *(i.e.,* the "modified presumptive method"), will have any future withdrawal liability determined under the "direct attribution" method; the Trustees believe that this "hybrid" method will be attractive to some Contributing Employers who wish to continue to participate in the Fund, but may be concerned about the potential for future growth of their estimated withdrawal liability as calculated under the Fund's prior (pre-2011) withdrawal liability method, and that this, in turn, will encourage continued participation in the Fund and tend to improve overall pension funding.

- Amending the Primary Schedule of the Rehabilitation Plan to permit Contributing Employers, who satisfy their existing withdrawal liability and qualify as New Employers eligible for the direct attribution method under the hybrid method, to comply with the Primary Schedule without the need (under their current Collective Bargaining Agreements) for the contribution rate increases otherwise required under the Primary Schedule. The Trustees determined that this amendment to the Rehabilitation Plan will encourage existing Contributing Employers to satisfy their existing withdrawal liability and to continue their participation in the Fund as New Employers under the hybrid method; the Trustees determined that the New Employers' participation on these terms would tend to improve overall pension funding.

- Authorizing the filing, on September 25, 2015, of an application with the United States Department of the Treasury requesting approval of a plan of suspension of benefits under MPRA. (The Trustees determined that the filing of this application was a reasonable measure designed to forestall insolvency, and therefore one that they were required to take under the PPA. However, the Fund's MPRA application was denied

by the Department of Treasury on May 6, 2016, and the Trustees have determined that it is not feasible for the Fund to submit a revised MPRA application.)

- Approval of the Special Schedule relating to Qualifying New (“Hybrid“) Method Employers indicated in Section 2.K. of this Appendix.

- And the addition of Section 2.L. to this Appendix dealing with Qualifying Bargaining Units that have been subject to wage freezes.

- Authorizing the filing in 2022 of an application with the Pension Benefit Guaranty Corporation (PBGC) requesting Special Financial Assistance (SFA) under the American Rescue Plan Act of 2021. The PBGC approved the application in December 2022, and the Fund received $35,764,910,109.99 in SFA on January 12, 2023.

However, the Trustees have also determined, as part of the 2023 Rehabilitation Plan update process, that mandating additional significant benefit cuts (beyond those provided in this updated Rehabilitation Plan), or (as noted) mandating significant contribution rate increases at levels beyond those required in recent years, would risk substantially accelerating the rate at which employers would withdraw from the Fund, in large part because the Union could conclude that it would be in its members’ best interest to agree to withdrawals. The Board of Trustees also determined that this acceleration of employer withdrawals would, in turn, be counterproductive to the Trustees’ effort to emerge from critical status in 2052.

Exhibit A
Primary Schedule: Contribution Rate Increases by Bargaining Agreement Year (all rate increases are to be compounded annually)

Calendar Year of Contribution Rate Increases	Year of Initial Bargaining Agreement Conforming to Primary Schedule																	
	2006 & Earlier	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2006	7%																	
2007	7%	8%																
2008	7%	8%	8%															
2009	7%	8%	8%	8%														
2010	7%	8%	8%	8%	8%													
2011	6%	8%	8%	8%	8%	8%												
2012	5%	6%	8%	8%	8%	8%	8%											
2013	4%	4%	6%	8%	8%	8%	8%	8%										
2014	4%	4%	6%	8%	8%	8%	8%	8%	8%									
2015	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%								
2016	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%							
2017	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%						
2018	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%					
2019	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%				
2020	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%			
2021	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%		
2022	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%	
2023	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%	8%
2024	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%	8%
2025	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%	8%
2026	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%	8%
2027	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%	8%
2028	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%	8%
2029	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	6%	8%

EXHIBIT B

Schedule for Actuarial Reduction of Age 65 Benefits

(Applicable to Default Schedule and Rehabilitation Plan Withdrawal benefit adjustments for Participants who (i) have not submitted a retirement application on or before July 1, 2011 and (ii) do not have a benefit commencement date [within the meaning of ERISA§ 305(i)(10)] on or before July 1, 2011)

Age	Percent of Age 65 Benefit Based on Actuarial Equivalence
65	100%
64	90%
63	81%
62	74%
61	67%
60	61%
59	55%
58	50%
57	46%

APPENDIX N. PUERTO RICO PROVISIONS

Section 1. PREAMBLE

This Appendix N is added to the Pension Plan (this "Pension Plan") by the Board of Trustees, effective on or after January 1, 2014. The provisions of this Appendix N shall apply solely with respect to Participants who are employed by a Contributing Employer that is engaged in business in the Commonwealth of Puerto Rico (a "Puerto Rico Employer") and who are bona fide residents of the Commonwealth of Puerto Rico or who perform labor or services primarily within the Commonwealth of Puerto Rico, regardless of residence for other purposes (the "Puerto Rico Participants"). With respect to the Puerto Rico Participants, the Board of Trustees intends the Plan to qualify, effective January 1, 2011, under Section 1081.01(a) of the Puerto Rico Internal Revenue Code of 2011, as amended from time to time (the "2011 PR Code"), such that benefits provided hereunder, prior to distribution, are not currently taxable to the Puerto Rico Participant, the Puerto Rico Employers are entitled to a deduction for Puerto Rico tax purposes, and the Puerto Rico Participants may enjoy any preferential tax treatment available under the 2011 PR Code for rollovers from and to, and distributions from a Puerto Rico tax qualified retirement plan. The provisions of this Appendix N are generally effective January 1, 2014 unless provided otherwise. Notwithstanding anything herein to the contrary, no Puerto Rico Participant's Accrued Benefit as of December 31, 2011, shall be reduced because of this Appendix N. Notwithstanding the foregoing, solely for Puerto Rico tax qualification purposes and solely with respect to the Puerto Rico Participants, this Appendix N is effective as of January 1, 2011, unless otherwise provided in this Appendix N.

Section 2. TYPE OF PLAN

Effective January 1, 2011, the Board of Trustees intends that the Plan (including the trust agreement forming a part thereof), as applied to Puerto Rico Participants, be a defined benefit plan for the exclusive benefit of its Employees or their Beneficiaries as provided for in Section 1081.01(a) of the 2011 PR Code, and is to be interpreted and administered in a manner consistent with that intent. With respect to the Puerto Rico Participants, the Plan will at all times be maintained and administered in accordance with any applicable laws and regulations of the Commonwealth of Puerto Rico in connection with contributions and accrual of benefits related to the Puerto Rico Participants, unless contrary to the applicable provisions of the Code or ERISA.

Section 3. AFFILIATE

Effective for Plan Years beginning on or after January 1, 2012, for purposes of the qualification requirements and the non-discrimination and coverage testing provisions of Sections 1081.01(a) of the 2011 PR Code, the term "Affiliate" means the employers that are corporations and business organizations which together with a Puerto Rico Employer are members of a controlled group of corporations, or organizations under common control, or of affiliated service groups, as such terms are defined in Sections 1081.01(a)(14)(B) and 1010.04 of the 2011 PR Code. For purposes of determining whether or not a person is an employee of the controlled group and the period of employment of such person, each entity (other than the Puerto Rico Employer) shall be considered an Affiliate only for such period or periods during which such entity is a member of a controlled group or under common control.

Section 4. PUERTO RICO COMPENSATION

Notwithstanding any provision of the Plan to the contrary, only with respect to a Puerto Rico Participant, a Puerto Rico Participant's Compensation shall include contributions made on behalf of the Puerto Rico Participant by his/her Puerto Rico Employer that are not currently includible in the Puerto Rico Participant's gross income by reason of the application of Sections 1081.01(b)(1) and (d)(5). Notwithstanding the foregoing, effective for Plan Years beginning on or after January 1, 2012, a Puerto Rico Participant's Compensation shall not exceed the applicable annual compensation limit for any Plan Year determined under Section 1081.01(a)(12) of the 2011 PR Code.

Section 5. MAXIMUM BENEFIT LIMITATION

Notwithstanding any provision of the Plan to the contrary, only with respect to a Puerto Rico Participant, effective for Plan Years beginning on or after January 1, 2012, the amount of a Puerto Rico Participant's Annual Benefit, including the right to any optional benefit provided under the Plan, credited to a Puerto Rico Participant for any Limitation Year shall not exceed the applicable annual limit provided in Section 1081.01(a)(11) of the 2011 PR Code (i.e., for 2012, the lesser of (i) $200,000 (expressed as a straight life annuity with no ancillary benefits) or (ii) one hundred percent of the Participant's average highest Compensation for a period not exceeding three years). For the purpose of this Section 5, all Puerto Rico tax qualified defined benefit plans maintained by the Puerto Rico Employer shall be treated as one defined benefit plan.

Section 6. DIRECT ROLLOVER PAYMENTS

Notwithstanding any provision of the Plan to the contrary, only with respect to a Puerto Rico Participant, a Puerto Rico Participant may elect, at the time and in the manner prescribed by the Board of Trustees, to have all or part of a lump-sum distribution received from the Plan on account of separation from service or the termination of the Plan paid directly in a direct rollover to a "Puerto Rico Eligible Retirement Plan" (as defined below) that accepts the Puerto Rico Participant's Eligible Rollover Distribution (as defined in Section 7.16(b)(2) of the Plan). For purposes of this Section 6, the term "Puerto Rico Eligible Retirement Plan" means a qualified trust described in Section 1081.01(a) of the 2011 PR Code and an individual retirement account or annuity described in Sections 1081.02(a) and (b) of the 2011 PR Code, respectively, that accepts the Puerto Rico Participant's Eligible Rollover Distribution. Notwithstanding the foregoing, in order for such Eligible Rollover Distribution not to be subject to both applicable US and Puerto Rico income tax withholdings and to defer taxation under both the Code and the 2011 PR Code, such Puerto Rico Participant's benefit must be distributed in the form of a direct rollover distribution to a trust that is tax qualified under both Code Section 401(a) and 2011 PR Code Section 1081.01(a), at the time of the rollover distribution.

Section 7. PUERTO RICO EMPLOYER CONTRIBUTIONS

Only with respect to a Puerto Rico Participant, each contribution made by a Puerto Rico Employer to the Plan with respect to a Puerto Rico Participant is expressly conditioned on the deductibility of such contribution under the 2011 PR Code, for the taxable year for which it is contributed. If the Puerto Rico Department of the Treasury disallows the deduction, or if the contribution was made by a mistake of fact, to the extent permissible under ERISA and the Code, such contributions shall be returned to the Puerto Rico Employer within one (1) year after the disallowance of the deduction (to the extent disallowed), or after the payment of the contribution, respectively.

Section 8. PAYMENT OF CONTRIBUTIONS

Contributions to the Plan by a Puerto Rico Employer with respect to the Puerto Rico Participants shall be paid to the Trustee not later than the due date for filing the Puerto Rico Employer's Puerto Rico income tax return for the taxable year in which such payroll period falls, including any extension thereof.

Section 9. HIGHLY COMPENSATED EMPLOYEES

Solely for qualification purposes under the 2011 PR Code, a Highly Compensated Employee means, with respect to a Plan Year:

(i) is an officer (as defined by applicable regulations) of a Puerto Rico Employer; or

(ii) at any time during the calendar year ending with or within the Plan Year or the preceding calendar year ending with or within the Plan Year was a 5% owner of a Puerto Rico Employer; or

(iii) for the preceding calendar year had Compensation in excess of the applicable dollar amount provided under Section 1081.01(d)(3)(E)(iii)(IV) of the 2011 PR Code.

The term "Puerto Rico Highly Compensated Employee" also includes any former Employee of a Puerto Rico Employer eligible to participate in the Plan who separated from service (or has a deemed separation from service) prior to the Plan Year, performs no service for the Employer during the Plan Year, and was a Puerto Rico Highly Compensated Employee for the separation year.

Section 10. PLAN MERGER, CONSOLIDATION OR TRANSFER

Any merger or consolidation of the Plan with, or transfer in whole or in part of the assets and liabilities of the Trust to, another trust as applied to a Puerto Rico Participant under the Plan will be limited to the extent such other plan and trust are qualified under Section 1081.01(a) of the 2011 PR Code.

Section 11. GOVERNING LAW

Only with respect to the Puerto Rico Participants and the Puerto Rico Employers, it is the intent that the Plan be administered, governed and construed according to the Code and ERISA unless this Appendix N applies.

Section 12. USE OF TERMS

Unless otherwise indicated and unless the context clearly indicates otherwise, terms defined in the Plan will also apply to terms used in this Appendix N. All terms and provisions of the Plan shall apply to this Appendix N, except that where the terms and provisions of the Plan and this Appendix N conflict, the terms and provisions of this Appendix N shall govern, unless contrary to the applicable provisions of the Code or ERISA.

APPENDIX O. SPECIAL FINANCIAL ASSISTANCE FROM THE PBGC

Beginning with the SFA measurement date selected by the plan in the plan's application for special financial assistance, notwithstanding anything to the contrary in this or any other governing document, the plan shall be administered in accordance with the restrictions and conditions specified in section 4262 of ERISA and 29 CFR part 4262. This amendment is contingent upon approval by PBGC of the plan's application for special financial assistance.

EXHIBIT G

TRUST AGREEMENT

CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS PENSION FUND

AS AMENDED THROUGH
DECEMBER 13, 2022

REVISED AND AMENDED TRUST AGREEMENT FOR CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS PENSION FUND

This **AGREEMENT** and **DECLARATION** of **TRUST**, made and entered into this sixteenth day of March, 1955 by and between **CENTRAL CONFERENCE OF TEAMSTERS, SOUTHERN CONFERENCE OF TEAMSTERS**, and their affiliated Local Unions, hereinafter referred to collectively as the **"UNION"**, and the **SOUTHERN MOTOR CARRIERS LABOR RELATIONS ASSOCIATION; MOTOR CARRIERS EMPLOYERS CONFERENCE - CENTRAL STATES; CARTAGE EMPLOYERS MANAGEMENT ASSOCIATION; CLEVELAND DRAYMEN ASSOCIATION, INC.;** and **NORTHERN OHIO MOTOR TRUCK ASSOCIATION, INC.;** for and on behalf of themselves, their constituent members, and such other Employers who are or may become parties hereto, hereinafter collectively referred to as the **"EMPLOYER"**, and the individual Trustees, hereinafter referred to as the **"TRUSTEES"**, selected as hereinafter described, accepting the Trust obligations herein declared:

W I T N E S S E T H:

WHEREAS, the Union and the Employer believe that it is in the best interest of the Employees of such Employer represented by the Union, and the families and dependents of such Employees, to provide for retirement benefits and for that purpose to establish a Trust Fund as hereinafter provided; and

WHEREAS, the Union and the Employer have heretofore entered into collective bargaining agreements under the terms of which it is provided that the Employer shall contribute certain agreed-upon sums of money therein set forth to a Pension Fund, which shall be known as the **CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS PENSION FUND**; and

WHEREAS, Employee Trustees and Employer Trustees have been designated as the Trustees of the Trust in accordance with the provisions of such Agreement.

NOW THEREFORE, for and in consideration of the premises and of the mutual covenants and agreements herein contained, the Union and the Employer hereby accept and adopt all of the provisions herein contained, and the Trustees declare that they will receive and hold the Employer Contributions and any other money or property which may come into their hands as Trustees (all such Employer Contributions, money and property being hereinafter referred to as "the Trust Fund"), with the powers and duties, uses, and purposes as hereinafter set forth, to-wit:

ARTICLE I
DEFINITION OF TERMS

Sec. 1. Employer - The term "Employer" as used herein shall mean any employer who is bound by this Agreement and a) a collective bargaining agreement with the Union and/or a participation agreement and/or any other agreement requiring Employer Contributions to the Fund, or b) any employer not presently a party to such collective bargaining agreement and/or participation agreement and/or other written agreement requiring Employer Contributions to the Fund who satisfies the requirements for participation as established by the Trustees and agrees to be bound by this Agreement. As indicated in section 3(b) below, the term "Employer" also includes a Union, but only with respect to those of its Employees that participate in the Fund.

Sec. 2. Union - The term "Union" as used herein shall mean those Local Unions, Joint Councils or other union organizations affiliated with the International Brotherhood of Teamsters and such other Local Unions, Joint Councils or other union organizations not affiliated with the International Brotherhood of Teamsters as the Trustees may agree upon, provided that all such determinations by the Board of Trustees shall be binding upon all participants and beneficiaries of the Fund and upon all other entities having or claiming any interest in the Fund.

Sec. 3. Employee - The term "Employee" as used herein shall include:

(a) A person who is employed under the terms and conditions of a collective bargaining agreement entered into between an Employer as herein defined and a Union as herein defined, and on whose behalf Employer Contributions are required by such collective bargaining agreement, this Agreement, a participation agreement or other written agreement or by applicable law to be made to the Fund by the Employer; or

(b) All persons employed by the Union, upon being proposed by the Union and after acceptance by the Trustees; and as to such Union personnel the Union shall be considered an Employer within the meaning of section 1 of this Article solely for the purposes of Employer Contributions and shall, on behalf of such personnel, make payments to the Trust at the times and at the rate of payment equal to that made by any other Employer who is a party to the Trust for the same benefits; or

(c) All persons employed by the Central States, Southeast and Southwest Areas Pension Fund or Central States, Southeast and Southwest Areas Health and Welfare Fund upon acceptance by the Trustees; and as to such Trust personnel the Trustees shall be deemed an Employer, solely for the purpose of contributions, within the meaning of this Agreement and Declaration of Trust and shall, on behalf of such personnel, make payments to the Trust at the times and at the rate of payment equal to that made by any other Employer who is a party to the Trust for the same benefits.

(d) All persons who are Trustees of Central States, Southeast and Southwest Areas Pension Fund or Central States, Southeast and Southwest Areas Health and Welfare Fund upon acceptance by the Trustees, as hereinafter defined; and on behalf of such persons who are Trustees, their Employers shall make or be presently required to make Employer Contributions to the Trust at the times and at the rate of payment equal to that required by any other Employer who is a party to the Trust for the same benefits.

(e) In all instances the common law test or the applicable statutory definition of master-servant relationship shall control employee status;

(f) The continuation of employee status once established shall be subject to such reasonable rules as the Trustees may adopt according to law.

Sec. 4. Trustees - The term "Trustees" or "Board" as used herein shall mean the Trustees designated in this Agreement and Declaration of Trust together with their successors designated and appointed in accordance with the terms of this Agreement.

Sec. 5. Trust Fund or Fund - The term "Trust Fund" or "Fund" as used herein shall refer to all property of whatever nature which shall be in said Trust created by this Agreement.

Sec. 6. Employer Contributions - The term "Employer Contributions" as used herein shall mean any payments of any type made by Employers to the Trust Fund herein created, including pension contribution payments, withdrawal liability payments and any damages owed to the Fund.

ARTICLE II
CREATION OF TRUST FUND AND BOARD OF TRUSTEES

Sec. 1. Designation - The Union and the Employer hereby create and establish, with the Trustees herein provided for, a Trust to be known as the Central States, Southeast and Southwest Areas Pension Fund which shall be comprised of assets derived from Employer Contributions made pursuant to the collective bargaining agreement and/or a participation agreement between the parties and/or this Agreement or any other written agreement (plus any additional sum or sums from Employer Contributions which may hereafter be agreed upon by the Employers and the Union set forth in written collective bargaining agreements, participation agreements and/or this Agreement or other written agreement)and such other amounts Employers are required to pay to the Fund by contract or statute, together with all insurance and annuity contracts (including dividends, refunds, or other sums payable to the Trustees on account of such insurance and annuity contracts) and all investments made and held by the Trustees on account of such insurance and annuity contracts, all investments made and held by the Trustees, all moneys received by the Trustees as Employer Contributions or as income from investments made and held by the Trustees or otherwise, and any other property received and held by the Trustees for the uses, purposes, and trusts set forth in this Agreement and Declaration of Trust, where any of the foregoing is derived from the Employer Contributions.

Sec. 2. Board of Trustees - There is hereby created a Board of Trustees consisting of four persons representative of the Employers and four persons representative of the Employees.

The appointment of each of the four Employer Trustees that was made prior to September 16, 2009, and that is still in effect on September 16, 2009, shall remain in effect until expiration of the term of office of such Trustee, except in the event of vacancy or removal during the term of office. In the event of a vacancy or removal occurring during a term of office in effect on September 16, 2009, the nominating authority (if applicable) and appointing authority for a Successor Trustee shall be vested in, and exercised by, the nominating authority (if applicable) and appointing authority that otherwise applies to such position upon the expiration of such term of office.

Upon expiration of the term of office of an Employer Trustee on March 31, 2010 (and on March 31 of every fifth year after each such year), the authority and responsibility to appoint such Employer Trustee to serve for a five-year term of office that will commence on April 1, 2010 (and on April 1 of every fifth year after such year) shall be vested in, and exercised by majority action by,

the other Employer Trustees then serving as Trustees, and the Successor Trustees of those Employer Trustees.

Upon expiration of the term of office of an Employer Trustee on March 31, 2011 (and on March 31 of every fifth year after each such year), The Association of Food and Dairy Retailers, Wholesalers and Manufacturers shall nominate an Employer Trustee to serve for a five-year term of office that will commence on April 1, 2011 (and on April 1 of every fifth year after such year). The power to approve said nominee for appointment shall be vested in, and exercised through majority action by, the other Employer Trustees then serving as Trustees, and the Successor Trustees of those Employer Trustees.

Upon expiration of the term of office of an Employer Trustee on March 31, 2012 (and on March 31 of every fifth year after each such year), ABF Freight System, Inc. shall nominate an Employer Trustee to serve for a five-year term of office that will commence on April 1, 2012 (and on April 1 of every fifth year after such year). The power to approve said nominee for appointment shall be vested in, and exercised through majority action by, the other Employer Trustees then serving as Trustees, and the Successor Trustees of those Employer Trustees.

Upon expiration of the term of office of an Employer Trustee on March 31, 2013 (and on March 31 of every fifth year after each such year), the authority and responsibility to appoint such Employer Trustee to serve for a five-year term of office that will commence on April 1, 2013 (and on April 1 of every fifth year after such year) shall be vested in, and exercised by majority action by, the other Employer Trustees then serving as Trustees, and the Successor Trustees of those Employer Trustees.

The Employee Trustee shall be appointed, on behalf and as representative of the Union, by the Central Trustee Appointment Board and the Southern Trustee Appointment Board, each as appointing authority, for terms of office hereinafter specified in this Section 2 of Article II of this Agreement.

In accordance with prior amendments of this Agreement, the term of office of each Trustee is a five-year period, subject to reappointment of the same Trustee or appointment of another Trustee by the appointing entity for that Trustee position at the end of such five-year period, and also subject to appointment of a Successor Trustee pursuant to this Agreement in the event of a vacancy during a five-year term of office.

Upon expiration of the term of office of an Employee Trustee on March 31 of each of 2009, 2010 and 2012 (and on March 31 of

every fifth year after each such year), the Central Trustee Appointment Board shall appoint an Employee Trustee to serve for a five-year term of office that will commence, respectively, on April 1 of 2009, 2010 and 2012 (and on April 1 of every fifth year after each such year), which appointment will be made in accordance with procedures established by the Board of Trustees. Upon expiration of the term of office of an Employee Trustee on March 31, 2011 (and on March 31 of every fifth year after 2011), the Southern Trustee Appointment Board shall appoint an Employee Trustee to serve for a five-year term of office that will commence on April 1, 2011 (and on April 1 of every fifth year after 2011), which appointment will be made in accordance with procedures established by the Board of Trustees. The authority and responsibility of the Central Trustee Appointment Board and the Southern Trustee Appointment Board, including procedures for appointment of the members of each such board and procedures for each such board's appointment of Employee Trustees, shall be established by the Board of Trustees (with appropriate abstentions), which shall be solely authorized and responsible to determine with finality whether or not any individual has been duly appointed as a member of the Central Trustee Appointment Board or the Southern Trustee Appointment Board in accordance with such procedures, to determine with finality whether or not any Employee Trustee has been duly designated and appointed in accordance with such procedures and to determine with finality the binding interpretation and/or resolution of all questions, objections, challenges and disputes that relate to application of such procedures.

Sec. 3. Term of Trustees - Each Trustee shall serve until expiration of his term of office established in accordance with Section 2 of Article II of this Agreement or until, on a date prior to expiration of his term of office, he shall die, become incapable of acting hereunder, resign, become disqualified for the position under applicable law or under Section 9 of Article XIV of this Agreement, or be removed as herein provided.

Sec. 4. Manner of Acting in Event of Deadlock - In the event a deadlock develops between the Employer and Employee Trustees, or between the Trustees, the Trustees shall appoint a neutral party empowered to break such deadlock within a reasonable length of time. Such neutral party may be appointed in advance of any such deadlock. In the event the Trustees are unable to agree upon a neutral party, or in the event such neutral party is unable to act, either the Employer or the Employee Trustees may petition the District Court of the United States for the Northern District of Illinois, Eastern Division, for appointment of a neutral person, as provided in Section 302(c) of the Labor Management Relations Act of 1947, as amended.

Sec. 5. Vacancy in Board of Trustees - In case of vacancies by death, legal incapacity, resignation or otherwise of the Employer Trustees or Employee Trustees, a successor thereto shall be appointed as provided in Article II, Section 2 hereof. Any Trustee or Trustees shall have the right to resign on written notice to the remaining Trustees, and to the Executive Director; said notice shall specify the effective date of such resignation, which shall be no later than fifteen (15) days after said notice is received by the Executive Director, except that said resignation shall in any event become effective no later than appointment of, and acceptance of appointment by, a Successor Trustee, in accordance with Article II, Section 7 of this Agreement.

Sec. 6. Removal of Trustees - Any Employer Trustee may be removed, with cause, at any time by the entity or group that has the authority under Article II, Section 2 hereof to appoint such Employer Trustee, and, in the event of such removal of any Employer Trustee, the entity or group removing such Trustee shall appoint a Successor Trustee. Any Employee Trustee may be removed, with cause, at any time by the board (either the Central Trustee Appointment Board or the Southern Trustee Appointment Board) which, in accordance with Section 2 of Article II of this Agreement, is the appointing authority upon any vacancy in, or term expiration of, the Employee Trustee position then held by the Employee Trustee being removed. The Trustees shall also have the authority and duty to act to remove a Trustee holding office in violation of law.

Sec. 7. Designation of Successor Trustee - In the event of a vacancy under either Section 5 or Section 6 above, the Successor Trustee shall be designated in writing by the appointing authority, and such Successor Trustee shall accept such appointment in writing in a form satisfactory to the Trustees. The term of office of any Successor Trustee appointed during an unexpired term of his predecessor Trustee shall be the remainder of that unexpired term. Both the designation and acceptance shall be filed with the Executive Director of the Fund.

Sec. 8. Limitation of Liability of Trustees - No Trustee shall be liable or responsible for any acts or defaults of any co-Trustee, any other fiduciary, any party-in-interest or any other person except in accordance with applicable law.

Sec. 9. Office of the Fund - The sole and principal office of the Fund shall be in Chicago, Illinois, for the transaction of business of the Fund, the exact location of which is to be made known to the parties interested in such Fund. At such office, and at such other places as may be required by law, there shall be maintained all, or any of, the books and records pertaining to the Fund and its administration.

Sec. 10. No One is Agent Without Written Authority - No individual or person may act as agent for the Fund unless specifically authorized in writing by the Trustees. No Employer or Union nor any representative of any Employer or Union, in such capacity, is authorized to interpret the Pension Plan, this Agreement, a participation agreement or any other written agreement relating to Employer Contributions to which the Fund is a party, nor can any such person act as agent of the Trustees. Only the Board of Trustees is authorized to interpret the Pension Plan, this Agreement, a participation agreement or other written agreement relating to Employer Contributions to which the Fund is a party within the scope of its authority.

ARTICLE III
EMPLOYER CONTRIBUTIONS AND COLLECTIONS

Sec. 1. Amount of Employer Contributions - Each Employer shall remit continuing and prompt Employer Contributions to the Trust Fund as required by the applicable collective bargaining agreement, participation agreement, this Agreement and/or other written agreement to which the Employer is a party, applicable law and all rules and requirements for participation by Employers in the Fund as established and interpreted by the Trustees in accordance with their authority. The Employer shall be liable for the entire contribution amount even if the collective bargaining agreement requires the Employees to pay a portion of the contribution amount.

In addition to Employer Contributions owed to the Fund under the terms of any agreement (including, without limitation, Employer Contributions owed under the terms of a collective bargaining agreement, participation agreement, this Agreement or any other written agreement), Employer Contributions shall be owed for any period for which the Fund must provide Contributory Service Credit or benefit accrual toward a Contribution Based Benefit to an Employee, (including Employer Contributions that would have otherwise been paid on an Employee who is a re-employed service member or former service member but for his/her absence during a period of uniformed service as defined at 32 C.F.R. §104.3). Such Employer Contributions shall be due and owing to the Fund at the same time and at the same rate as such Employer Contributions would be due under the applicable agreement as though the Employer Contributions were required under the terms of that agreement.

The Trustees are authorized to reject any collective bargaining agreement, participation agreement or other agreement and/or terminate the participation of an Employer (and all contributions from the Employer) whenever they determine that the agreement is unlawful and/or inconsistent with any rule or

requirement for participation by Employers in the Fund and/or that the Employer is engaged in one or more practices or arrangements that threaten to cause economic harm to, and/or impairment of the actuarial soundness of, the Fund (including but not limited to any arrangement in which the Employer is obligated to make Employer Contributions to the Trust Fund on behalf of some but not all of the Employer's bargaining unit employees, and any arrangement in which the Employer is obligated to make Employer Contributions to the Trust Fund at different contribution rates for different groups of the Employer's bargaining unit employees)and/or that continued participation by the Employer is not in the best interest of the Fund. Any such rejection and/or termination by the Trustees of a collective bargaining agreement, participation agreement or other agreement shall be effective as of the date determined by the Trustees (which effective date may be retroactive to the initial date of the term of the rejected agreement) and shall result in the termination of the affected group and all Employees of the Employer in the affected group from further participation in the Fund on and after such effective date. The rejection/termination of one or more of the Employer’s groups that participate in the Fund under this provision shall not affect the continued participation of any other group of the Employer that participates in the Fund.

Upon execution of each new or successive collective bargaining agreement, including but not limited to interim agreements and memoranda of understanding between the parties, each Employer shall promptly submit such contract by certified mail to the:

Contracts Department
Central States, Southeast and
Southwest Areas Pension Fund
8647 West Higgins Road
Chicago, IL 60631

Any agreement or understanding between the parties that in any way alters or affects the Employer's contribution obligation as set forth in the collective bargaining agreement, this Agreement, a participation agreement and/or any other written agreement shall be submitted promptly to the Fund in the same manner as the collective bargaining agreement; any such agreement or understanding between the parties that has not been disclosed to the Fund as required by this paragraph shall not be binding on the Trustees and shall not affect the terms of the disclosed collective bargaining agreement, the disclosed participation agreement, this Agreement or other disclosed written agreement which shall all be enforceable for their stated duration without regard to any undisclosed agreement. Except as provided in this Section, Section 7(b) of Article III and Section 20 of Article IV, the obligation to make such Employer Contributions shall

continue (and cannot be retroactively reduced or eliminated) after termination of the collective bargaining agreement until the date the Fund receives from the Employer (at the address specified above sent by certified mail with return receipt requested: a) a collective bargaining agreement signed by both the Employer and the Union that eliminates the duty to contribute to the Fund or b) written notification that accurately indicates that negotiations with the Union have reached impasse after collective bargaining agreement termination and the Employer has lawfully implemented a proposal to withdraw from the Fund. Such Employer Contributions shall not be required during a strike or lockout, unless the Union and Employer mutually agree otherwise in writing.

Sec. 2. Time of Payment - The Trustees shall, by regulation, fix the time for payment of contributions.

Sec. 3. Receipt of Payment and Other Property of Trust - The Trustees are hereby designated as the persons to receive the payments heretofore or hereafter made by the Employers to the Trust Fund, and the Trustees are hereby vested with all right, title and interest in and to such moneys and all interest accrued thereon, and are authorized to receive and be paid the same. The Trustees agree to receive all such payments, deposits, moneys, insurance and annuity contracts, and other assets and properties described or referred to in Article II and this Article, and to hold same in Trust hereunder for the uses and purposes of the Trust herein created.

Sec. 4. Collections and Enforcement of Payment - The Trustees, or such committee of the Trustees as the Board of Trustees shall appoint, or the Executive Director when directed by such committee or by the Trustees, shall have the power to demand and collect the Employer Contributions owed to the Trust Fund by the Employers to the Fund. Said Board of Trustees shall take such steps, including the institution and prosecution of, and intervention in, any legal proceedings as the Trustees in their discretion deem in the best interest of the Fund to effectuate the collection or preservation of Employer Contributions or other amounts which may be owed to the Trust Fund, without prejudice, however, to the rights of the Union to take whatever steps which may be deemed necessary for such purpose. The Fund shall not be required to arbitrate any disputes concerning Employer Contributions except for withdrawal liability disputes as required by 29 U.S.C. §1401. The Trustees are authorized to receive all Employer Contributions or other amounts which may be owed to the Trust Fund and apply and reapply such Employer Contributions in the best interest of the Fund. Nothing herein shall give any Employer the right to designate how any Employer Contributions shall be applied. The Employer waives any right to a

jury trial in any action it brings against the Fund and/or any of its Trustees or in any action brought by the Fund and/or any of its Trustees against the Employer.

Sec. 5. Production of Records - Each Employer shall promptly furnish to the Trustees, upon reasonable demand, with access to the documents that are necessary to determine whether the Employer is in compliance with all of its obligations under this Agreement and any rules of the Fund as well as any Participation Agreement, Collective Bargaining Agreement or other Agreement relating to participation in the Fund. The records the Employer shall provide include, without limitation, payroll records (including the names and last known addresses of its Employees, their Social Security numbers, the hours worked by each Employee and past industry employment history in its files), information relating to vendors (including vendor invoices and the Employer's cash disbursement journal) and such other information as the Trustees may reasonably require in connection with the administration of the Trust. The Trustees may, by their representatives, examine the pertinent records of each Employer at the Employer's place of business whenever such examination is deemed necessary or advisable by the Trustees in connection with the proper administration of the Trust. All Employers shall annually furnish to the Trustees, if requested by them, a statement showing whether:

(a) the organization is a corporation and the names of all of its officers;

(b) if not a corporation, a certificate stating that it is either a partnership or an individual proprietorship and the names of the partners or the name of the individual proprietor.

The Union will comply with any reasonable request of the Trustees to examine those records of the Union which may indicate the employment record of any Employee whose status is in dispute.

Sec. 6. Whenever there is litigation challenging the Trustees' exercise of their authority to reject a collective bargaining agreement, participation agreement or other agreement and/or terminate the participation of one or more of an Employer's groups and effect the termination of all Employees of the Employer in the affected group or groups from further participation in the Fund on and after an effective date determined by the Trustees, and there is related litigation to which the Trustees (or any of the Trustees) and/or the Fund and the Employer are parties (regardless of which entity or entities commenced the litigation), the Trustees and the Fund, at the conclusion of the litigation by judgment or settlement (except by a judgment that in effect invalidates the Trustees' rejection of the collective bargaining

agreement, participation agreement or other agreement and/or termination of participation), shall be entitled to recover from the Employer a payment in the amount of the attorneys' fees and litigation costs incurred by the Trustees and/or the Fund in the course of the litigation. In addition, the Employer shall be liable for any attorneys' fees and costs in any litigation or arbitration filed by the Fund or filed by or initiated by the Employer (including declaratory judgment actions) in which the Fund prevails, including but not limited to suits or arbitrations relating to withdrawal liability, delinquent contribution payments or contribution refunds, audit demands and any retaliation claims (including retaliation claims under §510 of ERISA). The duty imposed upon an Employer to pay fees and costs applies to a declaratory judgment action as well as a suit brought by an Employer that is dismissed for any reason with or without prejudice including cases dismissed for improper venue or lack of subject matter or personal jurisdiction. Each Employer waives any claim that the Fund or its Trustees are liable for the Employer's attorneys' fees or costs based upon 29 U.S.C. §1132(g)(2) in any litigation involving the Employer and the Fund or its Trustees.

Sec. 7.

(a) An Employer is obliged to contribute to the Fund for the entire term of any collective bargaining agreement or participation agreement or any other written agreement accepted by the Fund (including any extension of a collective bargaining agreement through an evergreen clause or through an extension agreement of eighteen months or less) on the terms stated in that collective bargaining agreement, except as provided in subpart (b) of this Section 7 and Section 20 of Article IV of this Agreement. The following provisions contained in any agreement shall not be enforceable against the Fund (regardless of when the agreement was entered into): a) a provision contained in either a collective bargaining agreement or participation agreement or any agreement entered into by an Employer and Union subsequent to the collective bargaining agreement that purports to authorize the elimination or reduction of the duty to contribute to the Fund before the termination of the collective bargaining agreement and/or participation agreement and/or other agreement under its duration provision (including any extension through an evergreen clause)and b) a provision of an agreement that purports to eliminate or reduce the duty to contribute to the Fund contained in an agreement that extends a collective bargaining agreement for a period of eighteen months or less from its termination.

(b) An Employer's obligation to contribute to the Fund will immediately cease in the event the Union loses its status as bargaining representative of the Employees through an election conducted by a government agency or a valid disclaimer of interest by the Union. In the event the Union loses its representative status through an election, the duty to contribute shall cease on the day the election results are certified by the governmental agency. This provision shall supersede any contrary provision in any agreement, including any collective bargaining agreement, participation agreement, this Agreement and the certification clause of the Fund's billing forms.

Sec. 8. The remedy of the termination of an Employer's participation set forth in Article III, Section 1 and Article IV, Section 20 is not the Fund's exclusive remedy in the event of a violation of the Fund's adverse selection rule. The Fund shall also be entitled to collect additional Employer Contributions from an Employer that violates the Fund's adverse selection rule in an amount equal to the Employer Contributions that would have been paid to the Fund but for the adverse selection rule violation. The Employer Contributions paid under this section shall be treated as contributions required to be made for the purposes of computing withdrawal liability under 29 U.S.C. §§ 1381-1451 and contribution base units on any contributions paid under this section shall be calculated by dividing the amount paid under this section by the applicable contribution rate.

Sec. 9. The provisions of any separate agreement between the Fund and an Employer that require an Employer to contribute to the Fund for a specified period of time and/or at a specified contribution level shall control over any contrary provision of this Article.

ARTICLE IV
POWERS AND DUTIES OF TRUSTEES

Sec. 1. The Trustees shall have authority to control and manage the operation and administration of the Trust in accordance with applicable law.

Sec. 2. The Trustees shall hold, manage, care for, and protect the Trust Fund and collect the income therefrom and Employer Contributions thereto, except to the extent that any of these functions or responsibilities are assigned to another entity or entities pursuant to any provision of this Article.

Sec. 3.

(a) The Trustees appoint BlackRock Financial Management, Inc. (hereinafter identified as "BlackRock") as a Named Fiduciary of the Fund as defined in Section 402 of the Employee Retirement Income Security Act of 1974, with such rights, powers, authority, duties and responsibilities as are stated in an agreement with such Named Fiduciary (hereinafter identified as a "Named Fiduciary Agreement"), an agreement which was entered by the Trustees with BlackRock effective as of October 11, 2022, and as are stated in an Amended and Restated Consent Decree entered September 12, 2022 (hereinafter identified as "the Consent Decree") as that agreement and the Consent Decree were heretofore and are hereafter amended. The appointment of BlackRock as a Named Fiduciary of the Fund shall remain effective until termination or resignation in accordance with the Named Fiduciary Agreement to which BlackRock is a party.

(b) Assets of the Fund shall be managed by one or more investment managers, as defined in Section 3(38) of the Employee Retirement Income Security Act of 1974, each such investment manager to be appointed by BlackRock.

(c) Each investment manager appointed by BlackRock in its capacity as a Named Fiduciary of the Fund, shall have the power and authority, in its sole discretion, to invest and reinvest the principal and income of the Trust Fund, delegated to it for management, in such securities, common and preferred stock, fixed income securities, mortgages, notes, real estate or other property as shall be permissible investments in accordance with applicable law and agreements, including the specific terms and conditions of its agreement as an investment manager of the Fund, and may sell or otherwise dispose of such securities or property at any time and from time to time as it determines to be in accordance with its fiduciary obligations.

(d) With respect to all assets of the Fund, except those assets which are then subject to the exercise by BlackRock of its rights, powers, authority, duties and responsibilities as a Named Fiduciary of the Fund, the Trustees shall have the power, in their sole discretion, to invest and reinvest all or any part of the Trust Fund in such securities and other property as shall be permissible investments by them in accordance with applicable law, and may sell or otherwise dispose of such securities or other property at any time and from time

to time as they determine to be in accordance with their fiduciary obligations.

(e) The overall investment policy objective of the Fund is to invest and manage the assets of the Trust Fund in a prudent and conservative yet productive manner, in order to enhance the ability of the Fund to meet its obligations to participants and beneficiaries. Subject to the overall investment policy objective of the Fund, BlackRock shall develop the short-term and long-term investment objectives and policies of the Fund for the assets of the Fund for which it is responsible, in accordance with the Consent Decree, after consultation with the Trustees and with appropriate regard for the actuarial requirements of the Fund.

Sec. 4. With respect to all assets of the Fund, except those assets which are then subject to the exercise by BlackRock of its rights, powers, authority, duties and responsibilities as a Named Fiduciary of the Fund, any part of the Trust Fund which is not invested shall be deposited by the Trustees in such depository or depositories as the Trustees shall from time to time select and any such deposit or deposits, or disbursements therefrom, shall be made in the name of the Trust in the manner designated by the Trustees and upon the signature(s) designated by the Trustees.

Sec. 5. The Trustees shall keep true and accurate books of account and a record of all their transactions.

Sec. 6. The Trustees shall engage one or more independent qualified public accountants and enrolled actuaries to perform all services required by and in accordance with applicable law and such other services as the Trustees deem necessary.

Sec. 7. The Trustees, to the extent permitted by applicable law, shall incur no liability in acting upon any instrument, application, notice, request, signed letter, telegram, or other paper or document believed by them to be genuine and to contain a true statement of facts, and to be signed by the proper person.

Sec. 8. Any Trustee, to the extent permitted by applicable law, may rely upon any instrument in writing purporting to have been signed by a majority of the Trustees as conclusive evidence of the fact that a majority of the Trustees have taken the action stated to have been taken in such instrument.

Sec. 9. The Trustees are hereby authorized to formulate and promulgate any and all necessary rules and regulations which they deem necessary or desirable to facilitate the proper administration of the Trust, provided the same are not inconsistent with the terms

of this Agreement, and the Articles in the Central States, Southeast and Southwest Areas Agreements creating the Pension Fund. All rules and regulations adopted by action of the Trustees for the administration of the Trust Fund shall be binding upon all parties hereto, all parties dealing with the Trust, and all persons claiming any benefits hereunder. The Trustees are vested with discretionary and final authority in adopting rules and regulations for the administration of the Trust Fund.

Sec. 10. Any Successor Trustee appointed in accordance with the provisions of this Agreement, upon accepting in writing the terms of this Trust, in a form satisfactory to the Trustees, shall be vested with all of the rights, powers and duties of his predecessor.

Sec. 11.

(a) The Trustees may assign, from time to time, various administrative matters to such committees and subcommittees of Trustees, or to such other individuals or organizations, as they may deem necessary or appropriate in their sole discretion. The Trustees may also assign and delegate, from time to time, specified trustee responsibilities to committees and subcommittees of Trustees, as they deem necessary or appropriate in their sole discretion. Committees and subcommittees of Trustees shall consist of an equal number of Employer and Employee Trustees.

(b) The Trustees may establish a Public Advisory Board consisting of four (4) persons, two (2) to be designated by a majority of the Employer Trustees and two (2) to be designated by a majority of the Employee Trustees. Such Public Advisory Board, if established, shall act solely in an advisory and consultant capacity and shall not have or exercise any fiduciary powers, responsibilities or duties. None of the members of said Board, individually or collectively, shall have or exercise any discretionary authority or discretionary control respecting management of the Fund, or have or exercise any authority or control respecting management or disposition of any assets of the Fund, or render any investment advice for any fee or other consideration, or have or exercise any discretionary authority or discretionary responsibility in the administration of the Fund. The Trustees shall establish procedures for submission of matters to the Public Advisory Board, if established, for advice and consultation by said Board. Any payment of compensation and expenses for members of said Board shall be determined by the Trustees.

(c) The Trustees shall appoint an Executive Director, who shall, subject to the directions of the Trustees with respect thereto, be responsible to the Trustees and/or any committee thereof for coordinating the administration of the Fund's assets, office and personnel, for the coordination and administration of accounting and actuarial services, for the preparation of all reports and other documents required to be filed or issued in accordance with law, for the performance of ministerial duties in conformance therewith, and for such other duties duly assigned to him by action of the Trustees. The Executive Director shall be the custodian of the documents and other records of the Fund. To the extent this subsection is contrary to or inconsistent with a Named Fiduciary Agreement, in its description of authority and responsibilities of the Executive Director, this subsection shall be inapplicable.

(d) There shall exist an internal audit division of the Fund, for review of administrative expenditures, benefit disbursements and the allocation of income between investments, administration and benefits, and for such other responsibilities as may be assigned by the Executive Director.

Sec. 12. No party dealing with the Trustees shall be obligated:

(a) to see the application to the trust purposes, herein stated, of any money or property belonging to the Trust Fund, or

(b) to see that the terms of this Agreement have been complied with, or

(c) to inquire into the necessity or expediency of any act of the Trustees.

Every instrument executed by the Trustees shall be conclusive evidence in favor of every person relying thereon:

(1) that at the time of the delivery of said instrument the Trust was in full force and effect,

(2) that the instrument was executed in accordance with the terms and conditions of this Agreement, and

(3) that the Trustees were duly authorized and empowered to execute the instrument.

Sec. 13. The Trustees shall, by regulation, establish rules relating to payments of Employer Contributions by Employers for Employees during periods of such Employees' illness or disability and related matters but not contrary to applicable collective bargaining agreements.

Sec. 14. The Trustees are hereby empowered, in addition to such other powers as are set forth herein or conferred by law:

(a) To enter into any and all contracts and agreements for carrying out the terms of this Agreement and Declaration of Trust and for the administration of the Trust Fund, and to do all acts as they, in their discretion, may deem necessary or advisable, and such contracts and agreements and acts shall be binding and conclusive on the parties hereto and on the Employees involved.

(b) To keep property and securities registered in the names of the Trustees or in the name of any other individual or entity duly designated by the Trustees.

(c) To establish and accumulate as part of the Trust Fund a reserve or reserves, adequate, in the opinion of the Trustees and in accordance with applicable law, to carry out the purposes of such Trust.

(d) To pay out of the funds of the Trust all real and personal property taxes, income taxes, and other taxes of any and all kinds levied or assessed under existing or future laws upon or in respect to the Trust Fund, or any money, property, or securities forming a part thereof.

(e) To do all acts, whether or not expressly authorized herein, which the Trustees may deem necessary or proper for the protection of the property held hereunder.

(f) To sell, exchange, lease, convey, mortgage or dispose of any property, whether real or personal, at any time forming a part of the Trust Fund upon such terms as they may deem proper, and to execute and deliver any and all instruments of conveyance, lease, mortgage and transfer in connection therewith, except that the powers enumerated in this subsection shall not be exercisable by the Trustees with respect to those assets of the Fund as are then subject to the exercise by BlackRock of its rights, powers, authority, duties and responsibilities as a Named Fiduciary of the Fund.

Sec. 15. The Trustees shall be entitled to receive reasonable compensation for services rendered, and the reimbursement of expenses properly and actually incurred, in the performance of their duties to the Fund; except that no Trustee who already receives full-time pay from an Employer or an association of Employers or from the Union shall receive compensation from the Fund, except for reimbursement of expenses properly and actually incurred.

Sec. 16. The Trustees shall use and apply the Trust Fund for the following purposes:

(a) To pay or provide for -

(1) the payment of all reasonable and necessary expenses of collecting the Employer Contributions and administering the affairs of this Trust, including the employment of such administrative, legal, actuarial, expert, and clerical assistance as may be reasonably necessary,

(2) the purchasing, owning or leasing of such premises as may be necessary for the operation of the affairs of the Trust, and

(3) the purchase or leasing of such materials, supplies and equipment as the Trustees, in their discretion, find necessary or appropriate to the performance of their duties.

(b) To pay or provide for the payment of retirement and related benefits to eligible Employees in accordance with the terms, provisions and conditions of the Pension Plan to be formulated and agreed upon hereunder by the Trustees.

Sec. 17. The Trustees, by majority action, shall have the power to construe the provisions of this Agreement, any participation agreement, the Pension Plan, any Agreement drafted by the Fund or to which the Fund is party and rules or regulations of the Pension Fund; and any construction adopted by the Trustees in good faith shall be binding upon the Union, Employees and Employers. The Trustees are vested with discretionary and final authority in construing plan documents of the Pension Fund and any other agreement, rule or regulation described in this section 17.

Sec. 18. The Trustees, by resolution, shall provide for fidelity bonds, in such amounts as they may determine, for their employees and for the Trustees, the cost of which shall be paid by the Fund. The Trustees may purchase insurance coverage to protect

the Fund from liability arising out of any error or omission of any Trustee or employee of the Trust, in accordance with applicable law, the cost of which policy shall be paid by the Fund.

Sec. 19. The Trustees shall provide participants and beneficiaries such information as is required by law.

Sec. 20. The Trustees are authorized to reject any collective bargaining agreement, participation agreement and/or terminate the participation of an Employer (and all Employer Contributions from the Employer) whenever they determine that the agreement is unlawful and/or inconsistent with any rule or requirement for participation by Employers in the Fund and/or that the Employer is engaged in one or more practices or arrangements that threaten to cause economic harm to, and/or impairment of the actuarial soundness of, the Fund (including but not limited to any arrangement in which the Employer is obligated to make Employer Contributions to the Trust Fund on behalf of some but not all of the Employer's bargaining unit employees, and any arrangement in which the Employer is obligated to make Employer Contributions to the Trust Fund at different contribution rates for different groups of the Employer's bargaining unit employees) and/or they determine that continued participation by the Employer is not in the best interest of the Fund. Any such rejection and/or termination by the Trustees of a collective bargaining agreement, participation agreement or other agreement shall be effective as of the date determined by the Trustees (which effective date may be retroactive to the initial date of the term of the rejected agreement) and shall result in the termination of the affected group and all Employees of the Employer in the affected group from further participation in the Fund on and after such effective date. The rejection/termination of one or more of the Employer’s groups that participate in the Fund under this provision shall not affect the continued participation of any other group of the Employer that participates in the Fund.

Sec. 21. The Trustees are granted the discretionary authority to waive enforcement/compliance of any right conferred for the benefit of the Fund by any agreement, including this Trust Agreement (and including any rule of the Fund) when they determine that the waiver is in the best interests of the Fund. Any such waiver shall not establish a course of performance or be evidence of the intent of any provision of any agreement or rule or evidence of inconsistent conduct by the Trustees or the Fund.

ARTICLE V
CONTROVERSIES AND DISPUTES

Sec. 1. In any controversy, claim, demand, suit at law, or other proceeding between any participant, beneficiary, or any other person and the Trustees, the Trustees shall be entitled to rely upon any facts appearing in the records of the Trustees, any instruments on file with the Trustees, with the Union or with the Employers, any facts certified to the Trustees by the Union or the Employers, any facts which are of public record, and any other evidence pertinent to the issue involved.

Sec. 2. All questions or controversies, of whatsoever character, arising in any manner or between any parties or persons in connection with the Fund or the operation thereof, whether as to any claim for any benefits preferred by any participant, beneficiary, or any other person, or whether as to the construction of the language or meaning of the rules and regulations adopted by the Trustees or of this instrument, or as to any writing (including a collective bargaining agreement or other Union-Employer agreement in cases where the interpretation is necessary in order to determine the application of the terms of this Agreement, a Participation Agreement, the Plan or any other Fund document or agreement to the provisions of the collective bargaining agreement or other Union-Employer agreement), decision, instrument or accounts in connection with the operation of the Trust Fund or otherwise, shall be submitted to the Trustees, or to a committee of Trustees, and the decision of the Trustees or of such committee thereof shall be binding upon all parties or persons dealing with the Fund or claiming any benefit thereunder. The Trustees are vested with discretionary and final authority in making all such decisions, including Trustee decisions upon claims for benefits by participants and beneficiaries of the Pension Fund and other claimants, and including Trustee decisions construing plan documents of the Pension Fund. To the extent this section is contrary to or inconsistent with a Named Fiduciary Agreement, this section shall be inapplicable.

Sec. 3. The Trustees may, in their sole discretion, compromise or settle any claim or controversy in such manner as they think best, and any decision made by the Trustees in compromise or settlement of a claim or controversy, or any compromise or settlement agreement entered into by the Trustees, shall be conclusive and binding on all parties interested in this Trust. To the extent this section is contrary to or inconsistent with a Named Fiduciary Agreement, this section shall be inapplicable.

ARTICLE VI
OPERATION OF BOARD OF TRUSTEES

Sec. 1. Officers - The Board of Trustees shall at each meeting designate a presiding Chairman. The Chairmanship shall be rotated between the Employee Trustees and the Employer Trustees.

Sec. 2. Quorum - A quorum of the Trustees for the transaction of business, except as otherwise specifically provided herein, shall consist of at least four Trustees, two of whom shall be representative of the Employers and two of whom shall be representative of the Employees. A quorum of a committee shall consist of a majority of the members thereof. Upon each matter voted upon at any meeting of the Trustees, the Employee Trustees and the Employer Trustees shall each have the same number of votes based upon the larger number of Employee or Employer Trustees in attendance, as the case may be; provided, however, that the vote or votes cast by each such Trustee shall be cast as an individual Trustee and not as a part of a block. All actions of the Trustees at meetings shall be by majority vote of those present and voting, a quorum being present. No Trustee may vote by proxy.

Sec. 3. Records of Trustee Action - The Trustees shall make and maintain a record of the actions of the Trustees taken at any meeting thereof. Any action, which may be taken at a meeting of the Trustees, may be taken without a meeting of the Trustees if a consent in writing, setting forth the action so taken, should be distributed to all of the Trustees and should be signed by five of the Trustees, said written consent evidencing the substance of the action of the Trustees so taken.

Sec. 4. Reports - All reports required by law to be signed by one or more Trustees shall be signed by all of the Trustees, provided that all of the Trustees may appoint in writing one or more of their number to sign such report on behalf of the Trustees.

Sec. 5. Power to Act in Case of Vacancy - No vacancy or vacancies in the Board of Trustees shall impair the power of the remaining Trustees, acting in the manner provided by this Agreement, to administer the affairs of the Trust notwithstanding the existence of such vacancy or vacancies.

Sec. 6. Expenses - All proper and necessary expenses incurred by any former or incumbent Trustee, including costs of defense in litigation arising out of the Trusteeship of this Fund, and also including costs incurred by any former or incumbent Trustee in providing testimony or information about administration of this Fund in any investigation, trial or other proceeding, shall be paid out of the Trust Fund, as a matter of right of any such former or

incumbent Trustee, to the extent permitted by applicable law. As used in the preceding sentence, the term "costs" includes, but is not limited to, reasonable attorneys' fees.

Sec. 7. Meetings - Regular meetings of the Board of Trustees shall be held in the months of January, March, May, July, September and November on such days as the Trustees determine. Any two (2) Trustees may request a meeting of the Trustees at any time by notifying the Executive Director, who shall arrange the time and place thereof. Written notices of meetings may be delivered in person, by mail, or by telegram. Meetings of the Trustees may also be held at any time without notice if all the Trustees consent thereto.

ARTICLE VII
ESTABLISHMENT OF PENSION PLAN

Sec. 1. Formulation of Plan - The Trustees shall formulate a Pension Plan for the payment of such retirement pension benefits, permanent disability pension benefits, death benefits, and related benefits, as are feasible. Such Pension Plan shall at all times comply with all applicable federal statutes and regulations and with the provisions of this Trust Agreement. The Trustees shall not be under any obligation to pay any pension if the payment of such pension will result in loss of the Fund's tax-exempt status under the then applicable Internal Revenue Code and any regulations or rulings issued pursuant thereto. The Trustees shall draft procedures, regulations, and conditions for the operation of the Pension Plan, including, by way of illustration and not limitation: conditions of eligibility for covered Employees, procedures for claiming benefits, schedules of type and amount of benefits to be paid, and procedures for the distribution of benefits. The Trustees may also provide for the payment of partial pensions, and may enter into agreements with trustees of other pension plans which conform to the applicable sections of the then applicable Internal Revenue Code for purposes of tax deductions, for the reciprocal recognition of service credits and payments of pension benefits based upon such service credits.

Sec. 2. Amendment of Plan - The Pension Plan may be amended by the Trustees from time to time, provided that such amendments comply with the applicable sections of the then applicable Internal Revenue Code, all applicable federal statutes and regulations, the contract articles creating the Pension Fund, and the purposes set forth in this Agreement. Additionally and not by way of limitation, the Trustees may amend the Pension Plan, in future, or retroactively, where they deem it necessary to maintain the continuation of the Fund's tax-exempt status or to preserve compliance with the then applicable Internal Revenue Code,

applicable federal statutes, and any regulations or rulings issued with respect thereto. A copy of each amendment of the Pension Plan shall be adopted and filed by the Trustees as part of the records and minutes of the Trustees, and one copy thereof shall be distributed to the Union and to each Employer or Employer group signatory to this Trust Agreement.

ARTICLE VIII
SPENDTHRIFT CLAUSE

All benefit payments to participants or beneficiaries, if and when such payments shall become due, shall, except as to persons under legal disability, or as provided in this section and in Article IX, be paid to such participants or beneficiaries in person and shall not be grantable, transferable, or otherwise assignable in anticipation of payment thereof, in whole or in part, by the voluntary or involuntary acts of any such participants or beneficiaries, or by operation of law, and shall not be liable or taken for any obligation of such participants or beneficiaries. Upon receipt of written direction from any eligible recipient of monthly benefit payments, the Pension Fund will participate in an arrangement to make deductions from each monthly benefit payment, as authorized and directed by the recipient, and to transfer the amount of each such deduction to the Central States, Southeast and Southwest Areas Health and Welfare Fund as the recipient's monthly contribution to retain eligibility for coverage pursuant to the retiree benefit plan established by that fund. This deduction / transfer arrangement is effective commencing October 1, 1988 and will continue, relative to each such recipient who authorizes and directs it, until the Pension Fund receives the recipient's written cancellation of such authority and direction (or the earlier termination of benefits). Any authority and direction to the Pension Fund by a recipient of monthly benefit payments, to make such deductions and transfers, is revocable at any time by the recipient.

ARTICLE IX
PAYMENTS TO PERSONS UNDER LEGAL DISABILITY

In case any benefit payments hereunder become payable to a person under legal disability, or to a person not adjudicated incompetent but, by reason of mental or physical disability, in the opinion of the Trustees, is unable to administer properly such payments, then such payments may be paid out by the Trustees for the benefit of such person in such of the following ways as they think best, and the Trustees shall have no duty or obligation to see that the payments are used or applied for the purpose or purposes for which paid:

(a) directly to any such person;

(b) to the legally appointed guardian or conservator of such person;

(c) to any spouse, parent, brother, or sister of such person for his welfare, support and maintenance;

(d) by the Trustees using such payments directly for the support, maintenance and welfare of any such person.

ARTICLE X
AMENDMENT OF AGREEMENT

It is anticipated that in the administration of this Trust conditions may arise that are not foreseen at the time of the execution of this Agreement, and it is the intention of the parties that the power of amendment, which is hereinafter given, be exercised in order to carry out the provisions of this Trust, among which is to pay the largest benefits possible, which are consistent with the number of participants becoming and likely to become eligible for such payments, the amounts of funds which are available and which will probably become available, and the following of sound actuarial practice. Therefore, the power is given to the Trustees to amend this Agreement by majority vote, at any time and from time to time, and all parties to the Trust, and all persons claiming an interest thereunder, shall be bound thereby, and no participant, Employee member, beneficiary, or any other person shall have any vested interest or right in the Trust Fund or in any payment from the Trust Fund, except as provided by law. The Trustees have full authority to amend, repeal, add to, or take away any right of payment, retroactively or otherwise, that they deem proper for the preservation of this Trust; provided, however, in no event shall the Trust Fund be used for any purpose other than the purposes set forth in this Trust Agreement, and for the purposes of paying the necessary expenses incurred in the administration of this Trust. All amendments to this Agreement shall comply with applicable sections of the Internal Revenue Code, other applicable federal statutes and the Contract Articles creating the Pension Fund.

ARTICLE XI
TERMINATION OF TRUST

Sec. 1. This Trust shall cease and terminate upon the happening of any one or more of the following events:

(a) In the event the Trust Fund shall be, in the opinion of the Trustees, inadequate to carry out the intent and purposes of this Agreement, or to meet the payments due

or to become due under this Agreement to persons already drawing benefits.

(b) In the event there are no individuals living who can qualify as Employees hereunder.

Sec. 2. In the event this Trust shall terminate for any of the reasons set forth in Section 1 of this Article XI, the Trustees shall allocate the Trust Fund among participants and beneficiaries of the Pension Plan in the following order:

(a) First, to that portion of each individual's accrued benefit this is derived from the participant's contributions to the Pension Plan.

(b) Second, in the case of benefits payable as an annuity –

(1) In the case of the benefit of a participant or beneficiary which was in pay status as of the beginning of the 3-year period ending on the determination date of the Pension Plan, to each such benefit based on the provisions of the Pension Plan (as in effect during the 5-year period ending on such date) under which such benefit would be the least.

(2) In the case of a participant's or beneficiary's benefit which would have been in pay status as of the beginning of the 3-year period ending on the termination date of the Pension Plan if the participant had retired prior to the beginning of the 3-year period and if his benefits had commenced (in the normal form of an annuity under the Pension Plan) as of the beginning of such period, to each such benefit based on the provisions of the Pension Plan (as in effect during the 5-year period ending on such date) under which such benefit would be the least.

For the purpose of subparagraph (1) the lowest benefit in pay status during a 3-year period shall be considered the benefit in pay status for such period.

(c) Third, to all other nonforfeitable benefits (other than benefits becoming nonforfeitable solely on account of termination of the Pension Plan) subject to the limitation that such nonforfeitable benefits shall not have an actuarial value which exceeds the actuarial value

of a monthly benefit in the form of a life annuity commencing at age 65 equal to the lesser of -

(1) his average monthly gross income from his Employer during the 5 consecutive calendar year period during which his gross income from that Employer was greater than during any other such period with that Employer, or

(2) $750 multiplied by a fraction, the numerator of which is the contribution and benefit base (determined under Section 230 of the Social Security Act) in effect at the time the Pension Plan terminates and the denominator of which is such contribution and benefit base in effect in calendar year 1974.

(d) Fourth, to all other nonforfeitable benefits under the Pension Plan.

(e) Fifth, to all other benefits under the Pension Plan.

(f) If the assets available for allocation under any priority category (other than 2 (d) and 2 (e) above) are insufficient to satisfy in full the benefits of all individuals, the assets shall be allocated pro rata among such individuals on the basis of the present value as of the termination date of their respective benefits. To the extent funded, the rights of all participants to benefits accrued as of the date of termination are nonforfeitable.

ARTICLE XII
EXTENSION OF PLAN

Sec. 1. Extension of Trust - The Trustees are authorized to extend the coverage of this Agreement and Trust to such other Employers and Employees as the Trustees shall agree upon, provided such Employers and Employees are required to conform to the terms and conditions of this Trust and to make the same rate of payments required of the Employers herein, for the same benefits.

Sec. 2. Reciprocity Agreements - The Trustees shall be authorized to enter into reciprocity agreements with other labor organizations and other pension funds in which such labor organizations participate.

Sec. 3. Merger - The Trustees shall have the power to merge with any other fund established for similar purposes as this Fund, under terms and conditions mutually agreeable to the respective Boards of Trustees. No participant's or beneficiary's accrued

benefit will be lower immediately after the effective date of any such merger than the benefit immediately before that date.

ARTICLE XIII
VESTING OF RIGHTS

The Trustees shall establish standards for the vesting of benefits which conform to no less than the minimum standards required by law. No Employee or other person shall have any vested interest or right in the Trust Fund except as provided by the Trustees in conformance with applicable law.

ARTICLE XIV
MISCELLANEOUS

Sec. 1. The Trustees may issue a credit for contributions that have been billed to an Employer if (1) the related work history was reported by mistake of fact or law (other than a mistake about plan qualification or tax-exempt status pursuant to the Internal Revenue Code) as determined by the Trustees and (2) the request for credit is received within ten years after the related work history was billed. If an Employer no longer has an obligation to contribute to the Fund and has satisfied his withdrawal liability assessment, the Trustees may refund contributions paid by an Employer to the Trust if (1) such contributions were made by a mistake of fact or law (other than a mistake about plan qualification or tax-exempt status pursuant to the Internal Revenue Code) as determined by the Trustees and (2) application therefor is received within ten years after payment of the contributions. An Employer shall not have a right to a refund of contributions made more than ten years prior to his application therefor. The amount to be returned to the Employer, by credit or refund, is the excess of the amount contributed or paid over the amount that would have been contributed or paid had no mistake been made (this amount is the excess contribution or overpayment). Interest or earnings attributable to an excess contribution shall not be returned to the Employer, and the amount credited to or returned to the Employer must be reduced by a) any losses sustained by the Fund attributable to an excess contribution and b) the amount of any benefit payments made by the Fund that would not have been made but for the excess payment. For purposes of the previous sentence, plan-wide investment experience may be applied to the excess contribution in calculating losses. In no event shall Employers, directly or indirectly, participate in the disposition of the Trust Fund or receive any benefits from the Trust Fund.

Sec. 2. The Union or the Employer may, at any time, demand of the Trustees an accounting with respect to any and all accounts upon agreement to pay necessary expenses thereof. The Trustees

shall be entitled, at any time, to have a judicial settlement of their accounts and judicial determination of any questions in connection with the administration or distribution thereof. Any Trustee who has resigned, been removed from office, or not been reappointed shall execute all instruments necessary to transfer the Trust Fund.

Sec. 3. In the event any question or dispute shall arise as to the proper person or persons to whom any payments shall be made hereunder, the Trustees may withhold such payment until an adjudication of such question or dispute, satisfactory to the Trustees, in their sole discretion, shall have been made, or the Trustees shall have been adequately indemnified against loss to their satisfaction.

Sec. 4. Non-payment by an Employer of any moneys due shall not relieve any other Employer from its obligation to make payment. In addition to any other remedies to which the parties may be entitled, an Employer shall be obligated to pay interest on any Employer Contributions due to the Trustees from the date when the payment was due to the date when the payment is made, together with all expenses of collection incurred by the Trustees, including, but not limited to, attorneys' fees and such fees for late payment as the Trustees determine and as permitted by law. The interest payable by an Employer with respect to past due Employer Contributions (other than withdrawal liability) prior to the entry of a judgment, shall be computed and charged to the Employer (a) at an annualized interest rate equal to two percent (2%) plus the prime interest rate established by JPMorgan Chase Bank, NA for the fifteenth (15th) day of the month for which the interest is charged, *or* (b) at an annualized interest rate of 7.5% (whichever is greater). The prejudgment interest payable by an employer with respect to past due withdrawal liability shall be computed and charged to the Employer at an annualized interest rate equal to two percent (2%) plus the prime interest rate established by JPMorgan Chase Bank, NA for the fifteenth (15th) day of the month for which the interest is charged. Any judgment against an Employer for Employer Contributions owed to this Fund shall include the greater of (a) a doubling of the interest computed and charged in accordance with this section or (b) single interest computed and charged in accordance with this section plus liquidated damages in the amount of 20% of the unpaid Employer Contributions. The interest rate after entry of a judgment against an Employer for Employer Contributions (other than withdrawal liability) shall be due from the date the judgment is entered until the date of payment, shall be computed and charged to the Employer on the entire judgment balance (a) at an annualized interest rate equal to two percent (2%) plus the prime interest rate established by JPMorgan Chase Bank, NA for the fifteenth (15th) day of the month for which the interest is charged, *or* (b)

at an annualized interest rate of 7.5% (whichever is greater), and such interest shall be compounded annually. The interest rate after entry of a judgment against an employer for withdrawal liability shall be due from the date the judgment is entered until the date of payment, shall be computed and charged to the Employer on the entire judgment balance at an annualized interest rate equal to two percent (2%) plus the prime interest rate established by JPMorgan Chase Bank, NA for the fifteenth (15th) day of the month for which the interest is charged, and such interest shall be compounded annually.

Sec. 5. Where used in this Agreement, words in the masculine shall be read and construed as in the feminine, and words in the singular shall be read and construed as though used in the plural, in all cases where such construction would so apply.

Sec. 6. The Article titles are included solely for convenience and shall, in no event, be construed to affect or modify any part of the provisions of this Agreement or be construed as part thereof.

Sec. 7. This Agreement shall in all respects be construed according to and governed by the laws of the State of Illinois, including but not limited to the laws applicable to the rate of interest in the State of Illinois, except as such laws may be preempted by the laws and regulations of the United States. In all actions taken by the Trustees to enforce the terms of this Trust Agreement, including but not limited to actions to collect delinquent Employer Contributions from employers or to conduct audits of contributing employers' records as authorized by Article III of this Agreement, the ten-year Statute of Limitations applicable to actions on written contracts in the State of Illinois shall apply, provided that the limitations period for any such action shall not begin to accrue until the date upon which the Trustees and the Fund receive explicit written notice of the cause of action, claim and liability to which the limitations period is applicable. Each Employer shall accurately and completely report the work history of its eligible Employees and shall not report anyone who is not an Employee and shall not report any Employee for any period Employer Contributions are not due under the terms of the agreements that have been disclosed to the Fund. In the event an Employer’s reporting error (including errors of commission and omission) causes the Fund to pay benefits that are not owed under the Plan, the Employer agrees to reimburse the Fund the amount of the benefit payment plus interest at the rate set forth in Section 4 of this Article, less the amount of the erroneous contribution paid by the Employer.

Sec. 8. The method of computation of any employer withdrawal liability imposed by the Multiemployer Pension Plan Amendments Act

of 1980 and payable to the Trust Fund shall be as set forth in Appendix E to the Pension Plan as may be amended from time to time.

Sec. 9. No person shall serve, or be permitted to serve, as an administrator, fiduciary, officer, trustee, custodian, counsel, agent, employee, adviser, provider of goods or services or consultant of the Fund, or as its representative in any capacity, or to serve in any capacity that involves decision making authority or custody or control of the moneys, funds or assets of the Fund, if such person has been convicted of: robbery, bribery, extortion, embezzlement, fraud, grand larceny, burglary, arson, a felony violation of Federal or State law involving substances defined in section 802(6) of title 21 of the United States Code (hereinafter referred to as the "Code"), murder, rape, kidnapping, perjury, assault with intent to kill, any crime described in section 80a-9(a)(1) of title 15 of the Code, a violation of any provision of the Employee Retirement Income Security Act of 1974, a violation of section 186 of title 29 of the Code, a violation of chapter 63 of title 18 of the Code, a violation of sections 874, 1027, 1503, 1505, 1506, 1510, 1951 or 1954 of title 18 of the Code, a violation of the Labor-Management Reporting and Disclosure Act of 1959, or any felony involving abuse or misuse of such person's labor organization or employee benefit plan position or employment; or conspiracy to commit any such crimes; or attempt to commit any such crimes, or a crime in which any of the foregoing crimes is an element; or a misdemeanor involving a breach of fiduciary responsibility. Upon conviction of any of the crimes described in the preceding sentence, such person shall immediately be disqualified from serving the Fund in any capacity described in the preceding sentence, and any such service shall immediately be terminated; provided that, upon final reversal of such conviction, such person, unless otherwise ineligible, shall thereafter be eligible to serve the Fund; and provided further that this disqualification shall continue in effect until ten (10) years after such conviction or after the end of imprisonment on such conviction, whichever is the later, unless, prior to the end of such ten-year period, in the case of a person so convicted or imprisoned, (a) his citizenship rights, having been revoked as a result of such conviction, have been fully restored, or (b) the United States Parole Commission, pursuant to applicable law, determines that such person's service would not be contrary to the best interests of the Fund.

Sec. 10. Each Employer and Union (including former participating Employers and Unions) consents to personal jurisdiction and venue in the United States District Court for the Northern District of Illinois, Eastern Division, with respect to any suit filed by the Fund in that forum of any nature (including suits involving Employer Contributions, or a demand for any audit)

and agrees that said forum is the most convenient forum for such suit. Any lawsuit brought by an Employer or Union or a former participating Employer or Union challenging any action or decision of the Trustees or the Fund of any nature, including but not limited to suits challenging the assessment or collection of withdrawal liability, a contribution billing, a decision to terminate the participation of an Employer (or refusal to accept an Employer or a labor agreement) or a decision with respect to a contribution refund request, must be filed only in the United States District Court for the Northern District of Illinois, Eastern Division, and it is agreed that said forum is the most convenient forum for the lawsuit. Any lawsuit brought by a participant or beneficiary of the Fund or a former participant or beneficiary of the Fund which involves in whole or in part a challenge to a decision of the Trustees to terminate the participation of an Employer or Union (or refusal to accept an Employer, Union or a labor agreement) must be filed in the United States District Court for the Northern District of Illinois, Eastern Division, and it is agreed that said forum is the most convenient forum for the lawsuit.

Sec. 11. A participating Employer and Union that contributes to the Fund shall be bound by the provisions of this Agreement and the obligations imposed by this Agreement shall survive the termination of the participation in the Fund. To the extent there is a conflict between this Agreement and any provisions of a collective bargaining agreement and/or a participation agreement and/or any other union-employer agreement, this Agreement shall control.

Sec. 12. An Employer shall be required to pay audit fees and audit costs if litigation is required to obtain access to any records that are requested in connection with an audit and/or if litigation is required to collect additional billings that result from the audit. Audit fees will be calculated at the market rate for the metropolitan Chicago area.

ARTICLE XV
BENEFICIAL RIGHTS

No Employer or Union, or Employees, shall have any right, title or interest in or to the Trust Fund or any part thereof other than vesting under the Pension Plan except in accordance with applicable law. There shall be no pro rata or other distribution of any of the assets of the Fund as a result of any Union, Employer or group of Employees of Employers ceasing their participation in this Fund for any purpose or reason, except as required by law.

ARTICLE XVI
SAVINGS CLAUSE

Should any provision of this Declaration of Trust be held to be unlawful, or unlawful as to any person or instance, such fact shall not adversely affect the other provisions herein contained or the application of such provision to any other person or instance, unless such illegality shall make impossible the functioning of the Pension Plan. No Trustee shall be held liable for any act done or performed in pursuance of any provision hereof prior to the time such act or provision shall be held unlawful by a court of competent jurisdiction.

APPENDIX

INDEX OF ALL AMENDMENTS TO THE TRUST AGREEMENT OF CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS PENSION FUND ADOPTED AFTER DECEMBER 12, 1974

Article	Section	Date of Trustees' Meeting (Minute Item No.)
Preamble, 3rd "Whereas" clause		October 11, 1976 (Item No. 5).
Preamble, Now Therefore clause		March 15, 2016 (Item No. 14).
I	1	March 15, 2016 (Item No. 14).
I	2	October 11, 1976 (Item No. 5); and October 19, 1994 (Item No. 40); and September 14, 2021 (Item No. 34).
I	3	July 18, 1979 (Item No. 51); and March 15, 2016 (Item No. 14).
I	6	March 15, 2016 (Item No. 14).
II	1	March 15, 2016 (Item No. 14).
II	2	October 11, 1976 (Item No. 5); August 15, 1979 (Item No. 70); October 18-19, 1982 (Item No. 8); March 17-18, 1983 (Item No. 31); April 19-20, 1983 (Item No. 28); August 19-20, 1986 (Item No. 32); December 19, 1988 (Item No. 24); February 16, 1993 (Item No. 23); October 19, 1994 (Item No. 40); March 30, 1998 (Item No. 12); February 22, 2005 (Item No. 34); December 13, 2007 (Item No. 8); and September 16, 2009 (Item No. 21).

Article	Section	Date of Trustees' Meeting (Minute Item No.)
II	3	October 18-19, 1982 (Item No. 8); and April 19-20, 1983 (Item No. 31).
II	5	October 11, 1976 (Item No. 5).
II	6	March 17-18, 1983 (Item No. 31); October 19, 1994 (Item No. 40); February 22, 2005 (Item No. 34); and September 16, 2009 (Item No. 21).
II	7	March 17-18, 1983 (Item No. 31).
II	10	March 15, 2016 (Item No. 14).
III	1	May 26-27, 1987 (Item No. 34); December 19, 1997 (Item No. 36); September 21, 2006 (Item No. 8); and March 15, 2016 (Item No. 14); and September 14, 2021 (Item No. 34).
III	2	March 15, 2016 (Item No. 14).
III	4	April 20-21, 1982 (Item No. 18); and March 15, 2016 (Item No. 14).
III	5	January 19, 2000 (Item No. 10); September 14, 2021 (Item No. 34).
III	6	November 13, 1997 (Item No. 12); September 21, 2006 (Item No. 8); and March 15, 2016 (Item No. 14); September 14, 2021 (Item No. 34).
III	7	January 18, 2005 (Item No. 8); and March 15, 2016 (Item No. 14).
III	8	May 17, 2011 (Item No. 10); and March 15, 2016 (Item No. 14).
III	9	March 15, 2016 (Item No. 14).
IV	2	September 15, 1977 (Item No. 31); and March 15, 2016 (Item No. 14).

Article	Section	Date of Trustees' Meeting (Minute Item No.)
IV	3	September 15, 1977 (Item No. 31); November 16, 1977 (Item No. 27); November 16-17, 1983 (Item No. 18); December 15, 1986 (Item No. 17); February 16-17, 1987 (Item No. 16); April 21-22, 1987 (Item No. 16); September 26-27, 1988 (Item No. 14); October 26-27, 1989 (Item No. 25; July 16-17, 1990 (Item No. 11); July 21, 1992 (Item No. 8); November 30, 1993 (Item No. 12); November 19, 1998 (Item No. 14); May 19, 1999 (Item No. 16); October 20, 1999 (Item No. 17); May 21, 2003 (Item No. 36); September 16, 2003 (Item No. 13); May 17, 2005 (Item No. 13); November 13, 2007 (Item No. 14); December 13, 2007 (Item No. 11); November 8, 2011 (Item No. 18); and December 13, 2022.(Item No. 2A)
IV	4	September 15, 1977 (Item No. 31); November 17, 1983 (Item No. 18); November 19, 1998 (Item No. 14); May 19, 1999 (Item No. 16); October 20, 1999 (Item No. 17); May 21, 2003 (Item No. 36); May 17, 2005 (Item No. 13); November 13, 2007(Item No. 14); December 13, 2007 (Item No. 11); November 8, 2011(Item No. 18); and December 13, 2022 (Item No. 2A).
IV	9	March 23, 1989 (Item No. 22); and March 15, 2016 (Item No. 14).
IV	11	October 11, 1976 (Item No. 5); September 15, 1977 (Item No. 31); March 16, 1978 (Item No. 20); November 16-17, 1983 (Item No. 18); and November 19, 1998 (Item No. 14).
IV	13	March 15, 2016 (Item No. 14).

Article	Section	Date of Trustees' Meeting (Minute Item No.)
IV	14	September 15, 1977 (Item No. 31); November 16-17, 1983 (Item No. 18); November 19, 1998 (Item No. 14); May 19, 1999 (Item No. 16); October 20, 1999 (Item No. 17); May 21, 2003 (Item No. 36); November 13, 2007 (Item No. 14); December 13, 2007 (Item No. 11); November 8, 2011 (Item No. 18); and December 13, 2022 (Item No. 2A).
IV	15	March 18-19, 1980 (Item 41).
IV	16	March 15, 2016 (Item No. 14).
IV	17	March 23, 1989 (Item No. 22); and March 15, 2016 (Item No. 14).
IV	20	December 19, 1997 (Item No. 36); September 21, 2006 (Item No. 8); and March 15, 2016 (Item No. 14); and September 14, 2021 (Item No. 34).
IV	21	March 15, 2016 (Item No. 14).
V	2	October 11, 1976 (Item No. 5); September 17, 1977 (Item No. 31); November 16-17, 1983 (Item No. 18); March 23, 1989 (Item No. 22); November 19, 1998 (Item No. 14); September 21, 2006 (Item No. 8); and March 15, 2016 (Item No. 14).
V	3	September 15, 1977 (Item No. 31; November 16-17, 1983 (Item No. 18); and November 19, 1998 (Item No. 14).
VI	2	September 19, 1979 (Item No. 60); July 14, 1998 (Item No. 8); and December 13, 2007 (Item No. 8).
VI	3	June 19-21, 1980 (Item No. 23); July 14, 1998 (Item No. 8); and December 13, 2007 Item No. 8).

Article	**Section**	**Date of Trustees' Meeting (Minute Item No.)**
VI	6	October 11, 1976 (Item No. 5).
VI	7	October 11, 1976 (Item No. 5); November 16, 1976 (Item Nos. 28 and 32); and January 18, 2006 (Item No. 10).
VII		October 11, 1976 (Item No. 5); and July 21, 1988 (Item No. 23).
XII	1	February 18-20, 1981 (Item No. 36); and March 15, 2016 (Item No. 14).
XII	2	February 18-20, 1981 (Item No. 36).
XII	3	February 18-20, 1981 (Item No. 36); and May 30, 1986 (Item No. 29).
XIV	1	December 16-17, 1980 (Item No. 81); April, 23-24, 1986 (Item No. 42); and November 20, 2002 (Item No. 11).
XIV	4	January 17-19, 1980 (Item No. 26); October 21-22, 1980 (Item No. 47); March 16-17, 1982 (Item No. 39); July 20-21, 1982 (Item No. 27); January 17-18, 1989 (Item No. 32) July 23, 1997 (Item No. 15); February 9, 2010 (Item No. 9); and March 15, 2016 (Item No. 14).
XIV	7	March 24, 1985 (Item No. 30); November 20, 2002 (Item No. 11); September 21, 2006 (Item No. 8); and March 15, 2016 (Item No. 14).
XIV	8	June 21, 1978 (Item No. 33); January 20-21, 1981 (Item No. 23); and November 8, 2011 (Item No. 18).
XIV	9	October 18-19, 1982 (Item No. 8).
XIV	10	December 10, 2003 (Item No. 8); and March 15, 2016 (Item No. 14).

Article	**Section**	**Date of Trustees' Meeting (Minute Item No.)**
XIV	11	September 21, 2006 (Item No. 8); and March 15, 2016 (Item No. 14).
XIV	12	September 21, 2006 (Item No. 8).
XVI		March 15, 2016 (Item No. 14).

EXHIBIT H

YRCW
NATIONAL MASTER
FREIGHT AGREEMENT

For the Period of April 1, 2019
through March 31, 2024

TABLE OF CONTENTS

YRCW NATIONAL MASTER FREIGHT AGREEMENT

For the Period of April 1, 2019 through March 31, 2024

covering:

Operations in, between and over all of the states, territories and possessions of the United States, and operations into and out of all contiguous territory.

YRC Inc. (d/b/a YRC Freight), USF Holland LLC, and New Penn Motor Express LLC, each hereinafter individually referred to as the EMPLOYER and the TEAMSTERS NATIONAL FREIGHT INDUSTRY NEGOTIATING COMMITTEE representing Local Unions affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, and Local Union No. _____ which Local Union is an affiliate of the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, agree to be bound by the terms and conditions of this Agreement.

ARTICLE 1. PARTIES TO THE AGREEMENT

Section 1. Employers Covered

The Employers covered are YRC Inc. (d/b/a YRC Freight), USF Holland LLC, and New Penn Motor Express LLC, each herein individually referred to as the Employer. The Employers represent that they are duly authorized to enter into this Agreement and Supplemental Agreements.

Section 2. Unions Covered

The Union consists of any Local Union which may become a party to this Agreement and any Supplemental Agreement as hereinafter set forth. Such Local Unions are hereinafter designated as "Local Union." In addition to such Local Unions, the Teamsters National Freight Industry Negotiating Committee representing Local Unions

affiliated with the International Brotherhood of Teamsters, hereinafter referred to as the "National Union Committee," is also a party to this Agreement and the agreements supplemental hereto.

Section 3. Transfer of Company Title or Interest

The Employer's obligations under this Agreement including Supplements shall be binding upon its successors, administrators, executors and assigns. The Employer agrees that the obligations of this Agreement shall be included in the agreement of sale, transfer or assignment of the business or any covered operation or portion thereof. In the event an entire active or inactive operation, or a portion thereof, or rights only, are sold, leased, transferred or taken over by sale, transfer, lease, assignment, receivership or bankruptcy proceedings, such operation or use of rights shall continue to be subject to the terms and conditions of this Agreement for the life thereof. Transactions covered by this provision include stock sales or exchanges, mergers, consolidations, spin-offs or any other method by which a business is transferred.

It is understood by this Section that the signator Employer shall not sell, lease or transfer such run or runs or rights to a third party to evade this Agreement. In the event the Employer fails to require the purchaser, transferee, or lessee to assume the obligations of this Agreement, as set forth above, the Employer (including partners thereof) shall be liable to the Local Union(s) and to the employees covered for all damages sustained as a result of such failure to require the assumption of the terms of this Agreement until its expiration date, but shall not be liable after the purchaser, the transferee or lessee has agreed to assume the obligations of this Agreement. Corporate reorganizations by a signatory Employer, occurring during the term of this Agreement, shall not relieve the signatory Employer or the re-organized Employer of the obligations of this Agreement during its term.

The Employer shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, assignee, or other entity involved in the sale, merger, consolidation, acquisition, transfer, spin-off, lease or other transaction by which any operation covered by this Agreement or any part thereof, including rights only, may be

transferred. Such notice shall be in writing, with a copy to the Local Union, at the time the seller, transferor or lessor makes the purchase and sale negotiation known to the public or executes a contract or transaction as herein described, whichever first occurs. The Local Union shall also be advised of the exact nature of the transaction, not including financial details.

The term rights shall include routes and runs. For the avoidance of doubt, this Section shall not apply to the lease, sale, transfer, or other disposition of real estate or other assets of an Employer in the ordinary course of business.

ARTICLE 2. SCOPE OF AGREEMENT

Section 1. Master Agreement

The execution of this National Master Freight Agreement on the part of the Employer shall apply to all operations of the Employer which are covered by this Agreement and shall have application to the work performed within the classifications defined and set forth in the Agreements supplemental hereto.

Section 2. Supplements to Master Agreement

(a) There are several segments of the trucking industry covered by this Agreement and for this reason Supplemental Agreements are provided for each of the specific types of work performed by the various classifications of employees controlled by this Master Agreement.

All such Supplemental Agreements are subject to and controlled by the terms of this Master Agreement and are sometimes referred to herein as "Supplemental Agreements."

All such Supplemental Agreements are to be clearly limited to the specific classifications of work as enumerated or described in each individual Supplement.

In all cases involving the transfer of work and/or the merger of operations subject to the provisions of Article 8, Section 6 or Arti-

cle 5, Section 2, where more than one Supplemental Agreement is involved and one or more of them contains provisions contrary to those set forth in Article 8, Section 6 or Article 5, Sections 2, the applicable terms and conditions of the NMFA shall supersede those of the contrary Supplemental Agreements, including the resolution of any seniority related grievances that may arise following approval of the involved transfer of work and/or merger of operations.

(b) The parties shall establish four (4) Regional Area Iron and Steel and/or Truckload Supplements to the National Master Freight Agreement.

The Employer and the Local Union, parties to this Agreement, may enter into an agreement whereby road drivers working under an Over-The-Road Supplemental Agreement have the opportunity to perform work covered by and subject to the above Regional Area Supplements, under conditions agreed upon. Such Supplement shall be submitted to the appropriate Regional Joint Area Committee.

(c) The jurisdiction covered by the National Master Freight Agreement and its various Supplements thereto includes, without limitation, stuffing, stripping, loading and discharging of cargo or containers. This does not include loading or discharging of cargo or containers to or from vessels except in those instances where such work is presently being performed. Existing practices, rules and understandings, between the Employer and the Union, with respect to this work shall continue except to the extent modified by mutual agreement.

Section 3. Non-covered Units

This Agreement shall not be applicable to those operations of the Employer where the employees are covered by a collective bargaining agreement with a Union not signatory to this Agreement, or to those employees who have not designated a signatory Union as their collective bargaining agent.

Card Check

(a) When a majority of the eligible employees performing work covered by an Agreement designated by the National Negotiating Com-

mittee to be Supplemental to the National Master Freight Agreement execute a card authorizing a signatory Local Union to represent them as their collective bargaining agent at the terminal location, then, such employees shall automatically be covered by this Agreement and the applicable Supplemental Agreements. All benefits of this Agreement and applicable Supplements shall be retroactive to the date of demand for recognition if demanded by the Union. In such cases the parties may also by mutual agreement negotiate wages and conditions, subject to Regional Joint Area Committee approval.

If a majority of employees at any appropriate bargaining unit at a separate company acquired or controlled by a signatory Employer sign authorization cards to be represented by the IBT or any of its affiliates, the Employer shall immediately recognize and bargain with TNFINC (and/or a TNFINC designated Local Union) for an agreement covering those employees.

The parties agree that a constructive bargaining relationship is essential to efficient operations and sound employee relations. The parties recognize that the right whether to organize is the right of employees. Therefore, the Employer agrees that it will remain strictly neutral in any organizational campaigns and shall not make any statements or take any positions in opposition to employee organizing. In addition, the parties will not engage in any personal attacks against Union or Company representatives or attacks against the Union or Company as an institution during the course of any such campaign.

Additions to Operations: Over-The-Road and Local Cartage Supplemental Agreements

(b) Notwithstanding the foregoing paragraph, the provisions of the National Master Freight Agreement and the applicable Over-the-Road and Local Cartage Supplemental Agreements shall be applied without evidence of union representation of the employees involved, to all subsequent additions to, and extensions of, current operations which adjoin and are controlled and utilized as a part of such current operation, and newly established terminals and consolidations of terminals which are controlled and utilized as a part of such current operation.

If an Employer refuses to recognize the Union as above set forth and the matter is submitted to the National Labor Relations Board or any mutually agreed-upon process for determination, and such determination results in certification or recognition of the Union, all benefits of this Agreement and applicable Supplements shall be retroactive to the date of demand for recognition.

The provisions of Article 32—Subcontracting, shall apply to this paragraph. Extensions or additions to current operations, etc., which adjoin and are controlled and utilized as part of such current operation shall be subject to the jurisdiction of the appropriate Change of Operations Committee for the purpose of determining whether the provisions of Article 8, Section 6—Change of Operations, apply and, if so, to what extent.

Section 4. Single Bargaining Unit

The employees, Unions, and Employers covered under this Master Agreement and the various Supplements thereto shall constitute one (1) bargaining unit and contract. It is understood that the printing of this Master Agreement and the aforesaid Supplements in separate Agreements is for convenience only and is not intended to create separate bargaining units.

This National Master Freight Agreement applies to city and road operations, and other classifications of employment authorized by the signatory Employers to be represented. The common problems and interest, with respect to basic terms and conditions of employment, have resulted in the creation of the National Master Freight Agreement and the respective Supplemental Agreements. Accordingly, the Employers, parties to this Agreement, acknowledge that they constitute a single national multi-employer collective bargaining unit, composed of the Employers .

Section 5. Riders

Upon the effective date of this Agreement, all existing or previously adopted Riders which provide less than the wages, hours, and working conditions specifically established by this Agreement and Supplemental Agreements shall become null and void. Thereafter,

the specific provisions of this Agreement and applicable Supplemental Agreements shall apply without being subject to variance by Riders. This Section shall not be applied or interpreted to eliminate operational, dispatch, or working rules not specifically set forth in this Agreement and Supplemental Agreements.

ARTICLE 3. RECOGNITION, UNION SHOP AND CHECKOFF

Section 1. Recognition

(a) The Employer recognizes and acknowledges that the Teamsters National Freight Industry Negotiating Committee and Local Unions affiliated with the International Brotherhood of Teamsters are the exclusive representatives of all employees in the classifications of work covered by this National Master Freight Agreement, and those Supplements thereto approved by the Joint National Negotiating Committees for the purpose of collective bargaining as provided by the National Labor Relations Act.

Subject to Article 2, Section 3—Non-covered Units, this provision shall apply to all present and subsequently acquired over-the-road and local cartage operations and terminals of the Employer.

This provision shall not apply to wholly-owned and wholly independently operated subsidiaries which are not under contract with local IBT unions. "Wholly independently operated" means, among other things, that there shall be no interchange of freight, equipment or personnel, or common use, in whole or in part, of equipment, terminals, property, personnel or rights.

Union Shop

(b) All present employees who are members of the Local Union on the effective date of this subsection or on the date of execution of this Agreement, whichever is the later, shall remain members of the Local Union as a condition of employment. Union membership for purposes of this Agreement, is required only to the extent that employees must pay either (i) the Union's initiation fees and periodic dues or (ii) service fees which in the case of a regular service fee

payer shall be equal to the Union's initiation fees and periodic dues, and in the case of an objecting service fee payer shall be the proportion of the initiation fees and dues corresponding to the portion of the Union's total expenditures that support representational activities. All present employees who are not members of the Local Union and all employees who are hired hereafter shall become and remain members of the Local Union as a condition of employment on and after the thirty-first (31st) calendar day following the beginning of their employment or on and after the thirty-first (31st) calendar day following the effective date of this subsection or the date of this Agreement, whichever is the later. An employee who has failed to acquire, or thereafter maintain, membership in the Union as herein provided, shall be terminated seventy-two (72) hours after his/her Employer has received written notice from an authorized representative of the Local Union, certifying that membership has been, and is continuing to be, offered to such employee on the same basis as all other members and, further, that the employee has had notice and opportunity to make all dues or initiation fee payments. This provision shall be made and become effective as of such time as it may be made and become effective under the provisions of the National Labor Relations Act, but not retroactively.

For purposes of this Article, "present employees" and "employees who are hired hereafter" shall include "casual employees" as defined in Article 3, Section 2 of this Agreement. Such "casual employees" will be required to join the Union prior to their employment on or after the thirty-first (31st) calendar day following their first (1st) day of employment for any Employer signatory to this Agreement.

Hiring

(c) When the Employer needs additional employees covered by this Agreement, it shall give the Local Union equal opportunity with all other sources to provide suitable applicants, but the Employer shall not be required to hire those referred by the Local Union. Upon a written request from the referring Local Union, the Employer shall inform the Local Union of whether an applicant is being hired or not hired, or whether no decision has been made. Violations of this subsection shall be subject to the Grievance Committee. It is recognized that the Employer legally is not permitted to share with the

Local Union information regarding the reasons for a refusal to hire an applicant.

Any employment examination for applicants must test skills or physical abilities necessary for performance of the work in the job classification in which the applicant will be employed. Violations of this subsection shall be subject to the Grievance Committee.

State Law

(d) No provision of this Article shall apply in any state to the extent that it may be prohibited by state law. If under applicable state law additional requirements must be met before any such provisions may become effective, such additional requirements shall be first met.

Agency Shop

(e) If any agency shop clause is permissible in any state where the provisions of this Article relating to the Union Shop cannot apply, the following Agency Clause shall prevail:

(1) Membership in the Local Union is not compulsory. Employees have the right to join, not join, maintain, or drop their membership in the Local Union, as they see fit. Neither party shall exert any pressure on, or discriminate against, an employee as regards such matters.

(2) Membership in the Local Union is separate, apart and distinct from the assumption by one of his/her equal obligation to the extent that he/she receives equal benefits. The Local Union is required under this Agreement to represent all of the employees in the bargaining unit fairly and equally without regard to whether or not an employee is a member of the Local Union. The terms of this Agreement have been made for all employees in the bargaining unit and not only for members in the Local Union, and this Agreement has been executed by the Employer after it has satisfied itself that the Local Union is the choice of a majority of the employees in the bargaining unit. Accordingly, it is fair that each employee in the bargaining unit pays his/her own way and assume his/her fair share of the obligations along with the grant of equal benefits contained in this Agreement.

(3) In accordance with the policy set forth under subparagraphs (1) and (2) of this Section, all employees shall, as a condition of continued employment, pay to the Local Union, the employee's exclusive collective bargaining representative, an amount of money equal to that paid by other employees in the bargaining unit who are members of the Local Union, which shall be limited to an amount of money equal to the Local Union's regular and usual initiation fees, and its regular and usual dues. For present employees, such payments shall commence thirty-one (31) days following the effective date or on the date of execution of this Agreement, whichever is the later, and for new employees, the payment shall start thirty-one (31) days following the date of employment.

Savings Clause

(f) If any provision of this Article is invalid under applicable law, such provision shall be modified to comply with the requirements of applicable law or shall be renegotiated for the purpose of adequate replacement. If such negotiations shall not result in mutually satisfactory agreement, either party shall be permitted all legal or economic recourse.

Employer Recommendation

(g) In those instances where subsection (b) hereof may not be validly applied, the Employer agrees to recommend to all employees that they become members of the Local Union and maintain such membership during the life of this Agreement, to refer new employees to the Local Union representative, and to recommend to delinquent members that they pay their dues since they are receiving the benefits of this Agreement.

Business agents shall be permitted to attend new employee orientations in right-to-work states. The sole purpose of the business agent's attendance is to encourage employees to join the Union.

Future Law

(h) To the extent such amendment may become permissible under applicable federal and state law during the life of this Agreement as a result of legislative, administrative or judicial determination, all

of the provisions of this Article shall be automatically amended to embody the greater Union security provisions contained in the 1947-1949 Central States Area Over-The-Road Motor Freight Agreement, or to apply or become effective in situations not now permitted by law.

No Violation of Law

(i) Nothing contained in this Section shall be construed so as to require the Employer to violate any applicable law.

Section 2. Probationary and Casual Employees

(a) Probationary Employees

(1) A probationary employee shall work under the provisions of this Agreement, but shall be employed on a trial basis as provided for in each Supplement.

(2) During the probationary period, the employee may be terminated without further recourse; provided, however, that the Employer may not terminate the employee for the purpose of evading this Agreement or discriminating against Union members. A probationary employee who is terminated by the Employer during the probationary period and is then worked again at any time during the next full twelve (12) months at any of that Employer's locations within the jurisdiction of the Local Union covering the terminal where he/she first worked, except in those jurisdictions where the Local Union maintains a hiring hall or referral system, shall be added to the regular seniority list with a seniority date as of the date that person is subsequently worked. The rules contained in subsection (a) (2) are subject to provisions in the Supplements to the contrary.

(3) Probationary employees shall be paid at the new hire rate of pay during the probationary period; however, if the employee is terminated by the Employer during such period, he/she shall be compensated at the full contract rate of pay for all hours worked retroactive to the first (1st) day worked in such period.

Effective April 1, 2019, CDL-qualified employees hired into driving positions who are not currently on the seniority list at a carrier

covered by this Agreement, but who for two (2) or more years regularly performed CDL-required driving work for a carrier covered by this Agreement, shall be compensated at one hundred percent (100%) of the full contract rate of pay provided they have not had a break in service in excess of three (3) years.

(4) The Union and the Employer may agree to extend the probationary period for no more than thirty (30) days, but the probationary employee must agree to such extension in writing.

(b) Casual Employees

(1) A casual employee is an individual who is not on the regular seniority list and who is not serving a probationary period. A casual may be either a replacement casual or a supplemental casual as hereinafter provided. Casuals shall not have seniority status. Casuals shall not be discriminated against for future employment.

(2) a. Replacement casuals may be utilized by an Employer to replace regular employees when such regular employees are off due to illness, vacation or other absence, except when an absence of a regular employee continues beyond three (3) consecutive months, a replacement casual shall not thereafter be used to fill such absence, unless the Employer and the Local Union mutually agree to the continued use of a replacement casual. If a CDL-qualified casual filling a position has been regularly employed for a period of six (6) months or more, he will not be required to go through a probationary period if hired into a full-time position.

b. Where the Company is using casuals as vacation replacements for regular employees, and the Area Supplemental Agreement does not provide a method to add regular employees based on the use of casuals to replace vacation absence, the vacation schedules shall be broken into yearly quarters beginning January 1st, and subsequent vacation quarters shall begin on April 1st, July 1st, and October 1st thereafter.

Starting with the quarter beginning April, 1991, and continuing each quarter thereafter, the Employer shall add one (1) additional employee to the regular seniority list for each sixty-five (65) vaca-

tion replacement days worked by a casual during each vacation quarter.

The application of this formula shall not result in pyramiding.

New employees shall be placed on the respective seniority lists on the first (1st) day of the following quarter unless there are employees in layoff status, in which case such new employees shall be placed on the respective seniority list at the time the laid-off employees are recalled from layoff status.

Employees shall first be added to the regular seniority list from the preferential list, if applicable. Thereafter, employees to be added to the regular seniority list shall be determined by the respective Supplement and shall be subject to the probationary provisions of that Supplement.

In the application of this formula, employees specifically designated under an appropriate reporting procedure to replace absence other than vacations shall not be included as vacation replacements. It is the intent of the parties, in the application of this formula, to add regular employees to the seniority list to replace employees on vacation where there is regular work opportunity for such additional employees.

The implementation of this provision may raise issues particular to a respective Supplemental Agreement. Failure to resolve the issues, such Supplemental Negotiating Committee may agree to waive this provision, or submit the disputed issues to the National Grievance Committee.

(3) Supplemental casuals may be used to supplement the regular work force as provided for in each respective Supplement. Once the number of new employees to be added as required in the Supplement is determined, the Employer must initiate the processing of the new probationary employees immediately, and complete such processing as provided for in the Supplements.

(4) Unless waived in writing by any Joint Supplemental Negotiating Committee, all Supplements shall provide for a preferential casual hiring list and shall provide the qualifications for placement on such list. Casuals on the preferential hiring list shall be offered available extra work and future regular employment in seniority order by classification as among themselves. A preferential casual employee's seniority date shall be the date he/she becomes a regular employee; and such employee shall not be subject to any probationary period.

Casual employees on the preferential hiring list shall have full access to the grievance procedure.

The provisions of Article 3, Section 3, shall apply to casual employees on the preferential hiring list who are paid on the regular payroll.

Local Unions employing an exclusive hiring hall under the terms of the Supplemental Agreement may petition the respective Joint Area Supplemental Negotiating Committee for approval to waive this subparagraph (4).

(5) Casual road employees, where permitted by Supplemental Agreement, may only be used within the jurisdiction of their respective Regional Area and shall gain preferential status and/or regular seniority status as provided in the respective Supplement, except on approved two-man operations when the extra boards are exhausted.

(6) Any casual employee who declines regular employment shall be terminated without recourse and will not be used by the Employer for any further work.

(7) a. Casual Employment

The Employer agrees to give first opportunity for work as a casual employee to those CDL-qualified employees on layoff at a commonly-owned NMFA carrier. This obligation shall apply only at terminals located within the jurisdiction of the employee's Local Union. The Local Union will furnish Employer with the names, addresses, and telephone numbers of those laid off employees inter-

ested in casual work opportunity and the job each employee is qualified to perform. Where applicable, casual employment may not be offered to laid off employees under this provision ahead of preferential casuals, nor shall this provision supersede an established order of call in a supplemental agreement.

(7) b. Regular Employment

The Employer agrees to offer regular employment to those employees on letter of layoff from a commonly-owned NMFA carrier at other terminals located within the jurisdiction of the employee's Local Union who have made application for regular employment at the terminal offering regular employment. Employment shall be offered in accordance with the following order, unless the Supplemental Agreement or an agreed to practice provides a different order of call, in which case such other order of call shall prevail:

1. Preferential casuals, where applicable.

2. Employees of the Employer, on a seniority basis.

3. Employees of a commonly-owned NMFA carrier based on the date such employees made application.

Effective April 1, 2019, CDL-qualified employees hired into driving positions who are not currently on the seniority list at a carrier covered by this Agreement, but who for two (2) or more years regularly performed CDL-required driving work for a carrier covered by this Agreement, shall be compensated one hundred percent (100%) of the full contract rate, provided they have not had a break in service in excess of three (3) years.

Other employees hired into regular employment shall be paid in accordance with the new hire rate set forth in Article 36, herein and shall establish seniority in accordance with the applicable Supplemental Agreement. Employees who accrue seniority under this provision who are on layoff from another Employer shall retain seniority rights at the terminal they are laid off from until such time as they are recalled to that terminal. Employees who accrue senior-

ity under this provision who are on layoff from another terminal of the same Employer shall retain their seniority at the terminal they are laid off from until such time as recalled to that terminal. At that time, the employee must either accept recall and forfeit seniority at the new terminal or refuse recall and forfeit seniority at the terminal he/she is being recalled to.

In order to be eligible for either casual or regular employment opportunity under this provision, the laid off employee must meet the minimum hiring standards established by the Employer and be otherwise qualified to perform the work available and must be able to report for work in compliance with the Employer's established call-time procedures. The Employer's hiring standards and examinations shall be applied uniformly to all applicants for employment. The Employer shall provide the hiring standards and examinations upon written request of the Local Union. Employees who are offered work opportunity under this provision must be able to furnish proof of their qualification to perform the work available.

Any employment examination for applicants must test skills or physical abilities necessary for performance of the work in the job classification in which the applicant will be employed. Violation of this subsection shall be subject to the grievance procedure.

(8) Fringe benefits will be paid on casuals in accordance with the terms of the Supplemental Agreement. Minimum daily guarantees will be governed by the respective Supplemental Agreement.

(9) A monthly list of all casual and/or probationary employees used during that month shall be submitted to the Local Unions by the tenth (10th) day of the following month. Such list shall show:

a. the employee's name, address, and social security number;

b. the date worked;

c. the classification of work performed each date, and the hours worked; and,

d. the name, if applicable, of the employee replaced.

This list shall be compiled on a daily basis and shall be available for inspection by a Union representative and/or job shop steward.

(10) Unless otherwise agreed to in any Supplemental Agreement, the following will apply:

Supplemental casuals may be used to supplement the regular work force (dock only) and shall be subject to a four (4) hour guarantee when called to work. Four (4) hour casuals shall be started on an established starting time; or when called to work at a time other than an established starting time, must end his/her shift at the conclusion of that established starting time shift. Four (4) hour casuals shall be eligible for pension and/or health and welfare contributions in accordance with the applicable Supplemental Agreement.

For the purpose of adding regular employees in accordance with the Supplemental Agreement casuals who work six (6) hours or more or back to back on a shift shall be considered as having worked a supplemental day towards seniority. Once regular employees are required to be added in accordance with the applicable Supplement the employer must initiate the processing of the new probationary employees immediately and complete such processing as provided for in the applicable Supplement.

(c) Employment Agency Fees

If employees are hired through an employment agency, the Employer is to pay the employment agency fee. However, if the Local Union was given equal opportunity to furnish employees under Article 3, Section (1) (c), and if the employee is retained through the probationary period, the fee need not be paid until the thirty-first (31st) day of employment.

Section 3. Checkoff

The Employer agrees to deduct from the pay of all employees covered by this Agreement the dues, initiation fees and/or uniform assessments of the Local Union having jurisdiction over such em-

ployees and agrees to remit to said Local Union all such deductions. Where laws require written authorization by the employee, the same is to be furnished in the form required. The Local Union shall certify to the Employer in writing each month a list of its members working for the Employer who have furnished to the Employer the required authorization, together with an itemized statement of dues, initiation fees (full or installment), or uniform assessments owed and to be deducted for such month from the pay of such member. The Employer shall deduct such amount within two (2) weeks following receipt of the statement of certification of the member and remit to the Local Union in one (1) lump sum within three (3) weeks following receipt of the statement of certification. The Employer shall add to the list submitted by the Local Union the names and Social Security numbers of all regular new employees hired since the last list was submitted and delete the names of employees who are no longer employed. Checkoff shall be on a monthly or quarterly basis at the option of the Union. The Local Union and Employer may agree to an alternative option to deduct Union dues bi-monthly.

When an Employer actually makes a deduction for dues, initiation fees and assessments, in accordance with the statement of certification received from an appropriate Local Union, the Employer shall remit same no later than three (3) weeks following receipt of the statement of certification and in the event the Employer fails to do so, the Employer shall be assessed ten percent (10%) liquidated damages. All monies required to be checked off shall become the property of the entities for which it was intended at the time that such checkoff is required to be made. All monies required to be checked off and paid over to other entities under this Agreement shall become the property of those entities for which it was intended at the time that such payment or checkoff is required to be made.

Where an employee who is on checkoff is not on the payroll during the week in which the deduction is to be made, or has no earnings or insufficient earnings during that week, or is on leave of absence, the employee must make arrangements with the Local Union and/or the Employer to pay such dues in advance.

The Employer agrees to deduct from the paycheck of all employees covered by this Agreement voluntary contributions to DRIVE. DRIVE shall notify the Employer of the amounts designated by each contributing employee that are to be deducted from his/her paycheck on a weekly basis for all week worked. The phrase "weeks worked" excludes any week other than a week in which the employee earned a wage. The Employer shall transmit to DRIVE National Headquarters on a monthly basis, in one (1) check, the total amount deducted along with the name of each employee on whose behalf a deduction is made, the employee's social security number and the amount deducted from that employee's paycheck. The International Brotherhood of Teamsters shall reimburse the Employer annually for the Employer's actual cost for the expenses incurred in administering the weekly payroll deduction plan.

The Employer will recognize authorization for deductions from wages, if in compliance with state law, to be transmitted to Local Union or to such other organizations as the Union may request if mutually agreed to. No such authorization shall be recognized if in violation of state or federal law. No deduction shall be made which is prohibited by applicable law.

In the event that an Employer has been determined to be in violation of this Article by the decision of an appropriate grievance committee, and if such Employer subsequently is in violation thereof after receipt of seventy-two (72) hours' written notice of specific delinquencies, the Local Union may strike to enforce this Article. However, such strike shall be terminated upon the delivery thereof. Errors or inadvertent omissions relating to individual employees shall not constitute a violation.

Upon written request of an employee, the Employer shall make payroll deductions for the purchasing of U. S. Savings Bonds.

The Employer hereby agrees to participate in the Teamsters National 401(k) Savings Plan (the "Plan") on behalf of all employees represented for purposes of collective bargaining under this agreement, and shall authorize the Plan to allow for participating employee, upon his request, to take loans on his contributions to the

Plan. The Employer is not required to participate in the Teamsters National 401(k) if Teamsters employees were eligible to participate in an Employer sponsored 401(k) as of January 1, 1998.

The Employer will make or cause to be made payroll deductions from participating employee's wages, in accordance with each employee's salary deferral election subject to compliance with ERISA and the relevant tax code provisions. The Employer will forward withheld sum to State Street Bank or its successor at such time, in such form and manner as required pursuant to the Plan and Declaration of Trust (the "Trust").

The Employer will execute a Participation Agreement with TNFINC and the Trustees of the Plan evidencing Employer participation in the Plan effective prior to any employee deferral being received by the Plan.

Section 4. Work Assignment

The Employers agree to respect the jurisdictional rules of the Union and shall not direct or require their employees or persons other than the employees in the bargaining units here involved, to perform work which is recognized as the work of the employees in said units. This is not to interfere with bona fide contracts with bona fide unions.

Section 5.

The term "Local Union" as used herein refers to the IBT Local Union which represents the employees of the particular Employer for the purpose of collective bargaining at the particular place or places of business to which this Agreement and the Supplements thereto are applicable, unless by agreement of the Local Union involved, or a Change of Operations Committee, or a jurisdictional award under Article 30 herein, jurisdiction over such employees, or any number of them, has been transferred to some other Local Union, in which case the term Local Union as used herein shall refer to such other Local Unions. Nothing herein contained shall be construed to alter the multi-employer, multi-union unit or single contract status of this Agreement.

Section 6. Electronic Funds Transfer

Where not prohibited by State Law, all employees are required to use electronic deposit of their paychecks. If the employee is enrolled on Direct Deposit and the employee's pay is not deposited to their bank accounts on payday due to Employer error, the employee's pay will be deposited to the employee's account by means of Electronic Funds Transfer or the employee will be paid by station draft that same day. If an employee is unable to obtain a bank account, he/she will be paid electronically using a pay card/debit card. If for reasons beyond the Employer's control, such as weather delays, express mail failure, etc. an employee's "paycheck" or debit card does not arrive at the employee's facility by payday, a replacement check will be issued and mailed to the employee's facility by the end of the business day.

Section 7. Utility Employee

The parties recognize the need for the Employers to compete effectively in a changing environment. To this end, there shall be established a new position on the local cartage seniority list called a Utility Employee. The intent of the parties' creation of the Utility Employee position is to generate additional job opportunities and enhance employee earnings, by enhancing the Employer's ability to compete and grow.

Subject to the approval of the National Utility Employee Review Committee, the Employer may establish Utility Employee positions at any facility at its discretion as-needed, and CDL-qualified road or local cartage employees may bid for Utility Employee positions in accordance with established terminal bidding procedures. All CDL-qualified drivers with the required endorsements shall have the opportunity to transfer to the local cartage operation, if necessary, and bid for open Utility Employee positions with full seniority rights. There shall be no retreat rights for employees who transfer to the local cartage operation to bid an open Utility Employee position. For example, if a road driver bids into the Utility Employee position, he relinquishes his road seniority for bidding purposes and cannot return to the road driver classification, unless through a change of operations, or bid back rights consistent with

the applicable Supplement. The Employer shall be permitted to assign a qualified local cartage employee to a Utility Employee position on a temporary basis when necessary to pursue business opportunities that become available, as long as the temporary assignment is made in seniority order and if senior employees do not accept the temporary positions, less senior employees are forced from the bottom of the seniority list. Temporary vacancies in the Utility Employee position, for things such as sickness, vacations, leaves of absences, will be filled consistent with practices under the applicable Supplemental Agreement.

The Utility Employee shall work across all classifications as assigned and as necessary to meet business needs, and there shall be no restrictions on the type of freight or work handled. A Utility Employee's duties during a tour of duty may, at his/her home terminal, include performing Utility-related dock work, P&D (local cartage) work, hostling/yard work (drop & hooks), and any driving work. At larger facilities where the Employer utilizes Utility Employees and there is more than Utility work performed, the Employer will designate a specific area on the dock where freight to be handled by Utility Employees will be staged. Non-utility freight will be staged at a designated area and the employees at the destination terminal will handle the non-utility freight.

A Utility Employee shall perform all local cartage functions at his home terminal. Notwithstanding anything in this Agreement or any Supplemental Agreement to the contrary, Utility Employees also may be required to work across Local Union jurisdictional lines. It is not the intent to use Utility Employees to perform local peddle runs or P&D work outside their Local Union's jurisdiction. At away terminals, a Utility Employee may perform Utility-related dock work, hostling and drop and hooks on his/her own equipment. A Utility Employee shall fuel his/her own equipment at away terminals, if there are no fuelers available. All Utility Employees shall be returned to his home domicile at the end of his shift, absent bona fide extenuating circumstances, in which case they shall be paid on all hours.

The Employer shall pay each Utility Employee an hourly premium of $ 1.00 per hour over the highest rate the Employer pays to local cart-

age drivers under the Supplemental Agreement covering the Utility Employee's home domicile. Employees in progression who bid into Utility Employee positions or individuals the Employer hires into Utility Employee positions shall complete the progression for local cartage drivers outlined in the applicable Supplemental Agreement. A Utility Employee in progression shall receive the hourly premium in addition to the Utility Employee's progression rate.

A Utility Employee's work week shall consist of any four (4) ten (10) hour or five (5) eight (8) hour consecutive days starting Sunday, Monday, or Tuesday, subject to a forty (40) hour guarantee during that period. With four (4) ten (10) hour days, the Utility Employee shall have three (3) consecutive days off and with five (5) eight (8) hour days the Utility Employee shall have two (2) consecutive days off. The Employer may establish multiple start times bid by Utility Employees and may slide such start times on a daily basis by either thirty (30) minutes before or thirty (30) minutes after the bid start times.

The parties recognize that most, if not all locations will have Utility Employees regardless of facility size, geographic and/or service area. Subject to the approval of the National Utility Employee Review Committee or the Committee Chairman or their designees, the Employer may establish and modify Utility Employee positions and bids without the approval of a change of operations or other Union approval. All bids shall be offered in seniority order, and, if senior employees do not bid open positions, less senior employees shall be forced from the bottom of the seniority list.

In the event the Employer's proposed use of a Utility Employee position causes a transfer, change or modification of any driver's present terminal, breaking point or domicile, the proposed change shall be submitted to a National Utility Employee Review Committee comprised of three representatives designated by the President of TMI and three representatives designated by the Chairman of TNFINC. The President of TMI or his designee and the Chairman of TNFINC or his designee shall be the TMI and the TNFINC Chairmen of the National Utility Employee Review Committee. The National Utility Employee Review Com-

mittee shall establish rules of procedure to govern the manner in which proposed Utility Employee operational changes are to be heard.

The National Utility Employee Review Committee shall have the authority to determine the seniority application of employees affected by the operational change and such determination shall be final and binding. No proposed operational change will be approved which violates this Agreement. In the event the National Utility Employee Review Committee is unable to resolve a matter, the case shall be submitted to the National Review Committee on an expedited basis. Neither the Union nor the Employer shall unreasonably delay the scheduling or completion of any requested meeting, or the submission of any dispute to the National Review Committee. In no event shall a Utility Employee operational change hearing be held more than fifteen (15) business days after the Employer meets with the affected Local Unions to discuss the written operational change proposal.

Any grievance concerning the application or interpretation of Article 3, Section 7 shall be first referred to the National Utility Employee Review Committee for resolution. If the National Utility Employee Review Committee is unable to reach a decision on an interpretation or grievance, the issue will be referred to the National Grievance Committee. The National Utility Employee Review Committee shall have jurisdiction over alleged violations of seniority rights in the bidding of the Utility Employee positions, issues regarding the utilization of the Utility Employee position consistent with this Section, and issues regarding the seniority rights of employees bidding into the Utility Employee position.

Subject to the approval of the National Utility Employee Review Committee, the Employer may establish the number of Utility Employee positions at any location.

The parties agree that nothing in this Article 3, Section 7 shall alter the Employer's ability to engage in layoffs in accordance with the layoff provisions of the applicable Supplemental Agreement. In the event a Utility Employee is laid off, the Employer may re-bid that

position in accordance with seniority provisions of the applicable Supplemental Agreement.

Section 8. Non-CDL Driving Positions

The parties recognize that the recruitment and retention of CDL-qualified drivers continues to be challenging, even with recent pay rate increases and ongoing recruitment efforts. As a result, the Employers in connection with their local pick-up-and-delivery operations frequently must rely on local cartage companies and other third parties to pick up and deliver freight. This is the case even though the use of Employer employees to perform this work is strongly preferred.

Moreover, the non-union local cartage companies and other non-union third party carriers do not even use CDL-A drivers to perform portions of this work. The Employers and TNFINC realize that this is core bargaining unit work that if possible should be performed by bargaining unit personnel.

In recognition of these challenges and in an effort to recapture local pick-up-and-delivery work that currently is being performed by non-union third parties, the parties agree as follows:

1. The Employers may establish Non-CDL Driver bids. Non-CDL Drivers may be assigned to operate box trucks (or straight trucks, vans, etc.) in the city operation that do not require the possession of a CDL license, as well as to work the dock and perform other duties as assigned.

2. Non-CDL Drivers shall be paid a straight time hourly rate of $2.00 per hour less than the highest applicable CDL rate at the employee's domicile.

3. To the extent any non-CDL qualified employee bidding into a Non-CDL Driver position is at a rate that is higher than the current Non-CDL Driver rate, he or she shall maintain that higher rate. Existing CDL-qualified employees shall not be eligible to bid on Non CDL Driver positions, except as otherwise provided in this Section or as otherwise mutually agreed.

4. Employees in or seeking to obtain a Non-CDL Driver position shall be subject to the same motor vehicle record requirements as CDL-qualified drivers.

5. Non-CDL Drivers may not be used to substitute for or otherwise replace available CDL qualified City or P&D Drivers in the following manner:

a. The Employers may not utilize Non-CDL Drivers at any location where there are CDL-qualified City or P&D Drivers on layoff, including daily layoff.

b. The Employers may not deny an available CDL-qualified City or P&D Driver work on a given day without first offering him or her the opportunity to perform work normally handled by Non-CDL Drivers, including through the operation of equipment that does not require a CDL license. In the event this occurs, the CDL qualified City or P&D driver shall receive his or her normal rate of pay for the shift.

c. The Employers may not use Non-CDL Drivers to avoid filling vacant CDLqualified positions or to avoid utilizing CDL-qualified drivers in the city or P&D operations.

6. Employees in Non-CDL driving positions shall not be subject to random drug/alcohol testing unless required by applicable law.

ARTICLE 4. STEWARDS

The Employer shall give one (1) job steward, during his regular working hours or if outside his regular working hours his/her designated alternate, an opportunity to participate in the Employer's orientation of new employees, or the right to meet with new employees during their workday to inform them of the benefits of Union representation without loss of time or pay.

The Employer shall have the sole right to schedule the time and place for such participation so as not to interfere with the Employer's operation.

The Employer recognizes the right of the Local Union to designate job stewards and alternates from the Employer's seniority list. The authority of job stewards and alternates so designated by the Local Union shall be limited to, and shall not exceed, the following duties and activities:

(a) The investigation and presentation of grievances with his/her Employer or the designated company representative in accordance with the provisions of the collective bargaining agreement;

(b) The collection of dues when authorized by appropriate Local Union action;

(c) The transmission of such messages and information, which shall originate with and are authorized by the Local Union or its officers, provided such message and information;

(1) have been reduced to writing; or,

(2) if not reduced to writing, are of a routine nature and do not involve work stoppages, slowdowns, refusal to handle goods, or any other interference with the Employer's business.

Unless waived in writing, there shall be a steward or available bargaining unit member of the employee's choice present whenever the Employer meets with the employee about grievances or discipline or to conduct investigatory interviews. If a steward is unavailable, the employee may designate a bargaining unit member who is available at the terminal at the time of the meeting to represent him/her. Meetings or interviews shall not begin until the steward or designated bargaining unit member is present. An employee who does not want a Union steward or available bargaining unit member present at any meeting or interview where the employee has a right to Union representation must waive Union representation in writing. If the Union requests a copy of the waiver, the Employer shall promptly furnish it.

Job stewards and alternates have no authority to take strike action, or any other action interrupting the Employer's business, except as authorized by official action of the Local Union. The Employer rec-

ognizes these limitations upon the authority of job stewards and their alternates, and shall not hold the Local Union liable for any unauthorized acts. The Employer in so recognizing such limitations shall have the authority to impose proper discipline, including discharge, in the event the job steward or his/her designated alternate has taken unauthorized strike action, slowdown or work stoppage in violation of this Agreement.

The job steward, or his/her designated alternate, shall be permitted reasonable time to investigate, present and process grievances on the company property without loss of time or pay during his/her regular working hours without interruption of the Employer's operation by calling group meetings; and where mutually agreed to by the Local Union and the Employer, off the property or other than during his/her regular schedule without loss of time or pay. Such time spent in handling grievances during the job steward's or his/her designated alternate's regular working hours shall be considered working hours in computing daily and/or weekly overtime if within the regular schedule of the "job steward." The applicable road steward shall be paid his/her hourly rate for time spent in grievance hearings/meetings attended by the Employer and the Union before or after his/her run.

The job steward, or his/her designated alternate, shall be permitted reasonable time off without pay to attend Union meetings called by the Local Union. The Employer shall be given twenty-four (24) hours' prior notice by the Local Union.

ARTICLE 5.

Section 1. Seniority Rights

(a) The application of seniority which has been accrued herein shall be established in the Supplemental Agreements.

(b) Seniority shall be broken only by discharge, voluntary quit, retirement, or more than a five (5) - year layoff.

(c) This Section shall apply to all Supplemental Agreements.

Section 2. Mergers of Companies-General

(a) In the event the Employer is a party to a merger of lines, seniority of the employees who are affected thereby shall be determined by mutual agreement between the Employer and the Local Unions involved.

In the application of this Section, it is immaterial whether the transaction is called a merger, purchase, acquisition, sale, etc. Further, it is also immaterial whether the transaction involves merely the purchase of stock of one (1) corporation by another, with two (2) separate corporations continuing in existence.

(b) If such merger of companies results in the combination of terminals or over-the-road operations, a change of operations shall be submitted to the Co-Chairmen of the National Grievance Committee for assignment to an appropriate Change of Operations Committee established pursuant to Article 8, Section 6. The Change of Operations Committee shall retain jurisdiction for one (1) year after the effective date of the Committee decision and shall have the authority to amend its decision in the event of a substantial change in the amount of work to be performed at the terminals or over-the-road operations which were combined.

Combining of Terminals or Operations as a Result of Merger of Companies

(c) In the application of this Section, when terminals or operations of two (2) or more companies are combined, as referred to above, the following general rules shall be applied by the Employer and the Local Unions, which general rules are subject to modification pursuant to the provisions of Section 4 of this Article:

Active Seniority List

(1) The active employee seniority rosters (excluding those employees on letter of layoff) shall be "dovetailed" by appropriate classification (i.e., road or city) in the order of each employee's full continuous classification (road or city) seniority date that the employee is currently exercising. (The term "continuous classification seniority" as used herein is defined as that seniority which the employee

is currently exercising and has not been broken in the manner provided in Section 1 of this Article or by voluntary changes in domicile not directed, approved or ordered by a Change of Operations Committee.) The active "dovetailed" seniority roster shall be utilized first and until exhausted to provide employment at such combined terminal or operational location.

Layoff Seniority list

(2) In addition, the inactive seniority rosters (employees who are on letter of layoff) shall be similarly "dovetailed" by appropriate classification. If additional employees are required after the active list is exhausted, they shall be recalled from such inactive seniority roster and after recall such employees shall be "dovetailed" into the active seniority roster with their continuous classification (road or city) seniority dates they are currently exercising which shall then be exercised for all purposes. Seniority rosters previously combining job classifications shall be continued unless otherwise agreed.

Temporary Authority

(d) Where only temporary authority is granted in connection with any of the transactions described above, then separate seniority lists shall continue only when terminals or operations are not merged, unless otherwise agreed. The Employer which is to survive will assume the obligations of both collective bargaining agreements during the period of the temporary authority.

In the event of temporary merger of operations which are contingent upon approval by regulatory agencies or on other stated conditions, the seniority of the involved employees shall continue to accrue with their original Employer during the period of temporary merger, so that if there is no final consummation of the merger, the seniority of such employees shall be continued with their respective employers. However, if, on the failure of final consummation and dissolution of the merger, one of the parties to the proposed merger discontinues the operations which were subject to such merger, the employees of such Employer shall be granted seniority rights for all purposes with the other Employer only for the period of time they were employed in such temporary merged operations.

Purchase of Rights

(e) If a merger, purchase, acquisition, sale, etc., constitutes merely the acquisition of permits or rights, without the purchase or acquisition of equipment or terminals, and/or without the consolidation of terminals or operations, or in the event of the purchase of rights during bankruptcy proceedings, the following shall apply:

Where the purchasing company has a terminal operation at the domicile of the employees of the seller, the employees of the selling company shall be placed on a master seniority list, and the purchasing company or companies shall hire, after recall of the purchasing company's employees from layoff, such employees as needed for regular employment within the first twelve (12) calendar months after purchase or acquisition of permits and/or rights, and they shall be dovetailed with full seniority. If an employee refuses a bona fide offer of regular work opportunity with any of the purchasing companies, his/her name shall be removed from the list. No employee hired under this provision shall be required to serve a probationary period. After the expiration of the aforementioned twelve (12) calendar month period, the purchaser shall have no further obligation to the employees of the seller.

However, if the purchasing or acquiring company does not have and/or continue a terminal or operation at the domicile of the employees of the seller, resulting in their layoff, such Employer shall place the laid-off employees on a master seniority list and such Employer shall, if and when additional regular employees are required, within a twelve (12) - calendar month period after purchase or acquisition, and providing its employees on layoff have been recalled, offer employment to such laid-off employees at the terminal locations or operations to which the work has been transferred. Any such laid-off employees accepting transfer shall be dovetailed in accordance with their terminal seniority for work purposes, including layoff, and holding company seniority for all fringes. If an employee refuses a bona fide offer of regular work opportunity with any of the purchasing companies, his/her name shall be removed from the list. No employee hired under this provision shall be required to serve a probationary period. After the expiration date of the aforementioned twelve (12) - calendar month period, the pur-

chaser shall have no further obligation to the employees of the seller. The transferring employee shall be responsible for lodging and moving expenses.

Exclusive Cartage Operations

(f) If in connection with the transactions described in these rules the successor Employer determines to discontinue the use of a local cartage company, the employees of that local cartage company who have worked exclusively on the pickup and delivery service which is retained by the successor Employer shall be given the opportunity to continue to perform such service as an employee of such successor Employer, and shall have their seniority "dovetailed" as described in the above rules.

Committee Authority

(g) Area and/or State Committees created pursuant to Local Supplements which have previously established rules of seniority, not contrary to the provisions of such Supplements, and approved by the Joint Area Committee, may continue to apply such rules if such rules are reduced to writing.

Section 3. Intent of Parties

(a) The parties acknowledge that the above rules are intended solely as general standards and further that many factual situations will be presented which necessitate different application, modification or amendment. Accordingly, the parties acknowledge that questions of the application of seniority rights may arise which require different treatment and it is anticipated and understood that the Employers and Unions jointly involved and/or the respective grievance committees may mutually agree to such disposition of questions of seniority which in their judgment is appropriate under the circumstances.

(b) In all instances, the disposition of questions involving the application of seniority rights made by the parties pursuant to this Section may be presented to the appropriate grievance committees provided herein whose decisions shall be final and binding.

Section 4. Equipment Purchases

(a) The Employer shall not require as a condition of continued employment, that an employee purchase truck, tractor and/or tractor and trailer or other vehicular equipment, or that any employees purchase or assume any proprietary interest or other obligation in the business, except as referred to in Article 6, Section 2. The requirements of this provision shall be maintained during the renegotiation of this Agreement unless either party has terminated the Agreement in the manner provided.

Highest Rates Prevail

(b) If the minimum wage, hours and working conditions in the Company absorbed differ from those minimums set forth in this Agreement and Supplements thereto, the higher of the two shall remain in effect for the employees so absorbed.

Cutting Seniority Board

(c) The Union reserves the right to cut the road seniority board when the average weekly earnings fall to eight hundred twenty-five dollars ($825.00) or less. This is not to be construed as imposing a limitation on earnings. After the Union notifies the Employer to cut the board and in the event that Employer refuses, the Union shall immediately submit the matter to the grievance procedure. In determining whether average weekly earnings will fall to eight hundred twenty-five dollars ($825.00) or less, only the earnings of the lower twenty-five percent (25%) of the drivers on the seniority board, counting from the bottom up, shall be considered. The average shall be calculated for the thirty (30) day period preceding the Union's original request. After such calculation is made, the average earnings of the drivers for the top seventy-five percent (75%) of the seniority board must also average more than eight hundred twenty-five dollars ($825.00) per week, or layoff shall be made in accordance with seniority. The above provisions shall also apply to extra board for sleeper drivers exclusively.

Posting Seniority List

(d) The Employer shall give the Local Union a seniority list at least every six (6) months. The Employer shall also post a seniority list at least once every six (6) months and shall maintain a current seniority roster at the terminal. Protest of any employee's seniority date or position on such list must be made in writing to the Employer within thirty (30) days after such seniority date or position first appears, and if no protests are timely made, the dates and positions posted shall be deemed correct. Any such protest which is timely made may be submitted to the grievance procedure.

Section 5. Work Opportunities

Over-the-road and CDL-qualified local cartage employees who have been on letter of layoff, for more than thirty (30) days shall be given an opportunity to relocate to permanent employment (prior to the employment of new hires) occurring at other domiciles of the Employer provided they notify the Employer and Local Union in writing of their interest in a relocation opportunity. The offer of relocation will be made in the order of applicable seniority of the laid-off employees domiciled within the Regional area. The Employer shall be required to make additional offers of relocation to an employee who has previously rejected a relocation opportunity provided the employee again notifies the Employer in writing of his/her continued interest in additional relocation opportunities. However, the Employer will only be required to make one relocation offer in any six (6) calendar month period. Any employee accepting such offer shall be paid at the employee's applicable rate of pay and shall be placed at the bottom of the seniority board for bidding and layoff purposes, but shall retain company seniority for fringe benefits only. Moving expenses shall be paid in accordance with Article 8, Section 6. Additionally, rights under this section shall apply across the three Employers covered by this Agreement regardless of the Employer at which the employee previously worked. Upon reporting to such new domicile, a relocating employee shall be deemed to have relinquished his/her right to return with seniority to the domicile from which he/she relocated. The provisions of this Section shall not supersede an established order of call/hiring in the Supplemental Agreement.

Section 6. Overtime

On a weekly basis, the Employer shall be permitted to work the active seniority board 25% of the straight time hours in overtime. In the event the Employer exceeds the 25% overtime allowance, the number of overtime hours in excess of the allowance will be applied in the next following week for determining the number of employees to recall from lay-off.

For example, if the Employer has 120 employees on the seniority board with 100 actively working and 20 laid-off, the Employer shall be permitted 4000 hours straight time hours plus 1000 hours overtime (25% of 4000) for a total of 5000 hours to be worked that week by the active seniority board. If during that week, the Employer actually worked the 100 active employees a total of 5600 hours, there would be 600 hours in excess of the 25% overtime allowance. The 600 hours would be divided by 50 (40 straight time hours plus 25% of 40 or 10) which equals 12 employees to be recalled from lay-off in the week following the violation of the 25% overtime allowance.

ARTICLE 6.

Section 1. Maintenance of Standards

The Employer agrees, subject to the following provisions, that all conditions of employment in his/her individual operation relating to wages, hours of work, overtime differentials and general working conditions shall be maintained at not less than the highest standards in effect at the time of the signing of this Agreement, and the conditions of employment shall be improved whenever specific provisions for improvement are made elsewhere in this Agreement.

Local Standards

(a) The Local Unions and the Employer shall, within one hundred eighty (180) days following ratification of this Agreement, identify and reduce to writing, and submit to the appropriate Regional Joint Area Committee, those local standards and conditions practiced under this Article. Such standards and conditions when submitted

in accordance with this Section shall be currently dated. Those local standards and conditions previously practiced hereunder which are not so submitted shall be deemed to have expired.

The appropriate Regional Joint Area Committee shall, not later than ninety (90) days following ratification, adopt a procedure to consider the disposition of the local standards and conditions submitted including the right to appoint a subcommittee to make recommendations. The Regional Joint Area Committee shall provide to the parties the opportunity to present their views. The Regional Joint Area Committee shall have the sole discretion to determine the disposition of the submitted local standards and conditions which determination shall be final and binding.

Individual Employer Standards

(b) Individual Employers may during the life of this Agreement file with the appropriate Regional Joint Area Committee and request review of those individual standards and conditions claimed or practiced under this Article which exceed the provisions of this Agreement and Supplemental Agreements.

The Regional Joint Area Committee shall develop a procedure to review the filing including the right to appoint a subcommittee to make recommendations. The Committee shall make every effort to adjust the matter. If the Committee reaches agreement concerning the disposition of the individual standards or conditions, the decision of the Committee shall be final and binding. In the event of deadlock, the submitted standards and/or conditions shall continue as practiced.

General

(c) It is agreed that the provisions of this Article shall not apply to inadvertent or bona fide errors made by the Employer or the Union in applying the terms and conditions of this Agreement. Such bona fide errors may be corrected at any time.

In the event a Local Union and/or employee notifies the manager at the applicable Employer facility in writing by certified mail that an employee's wages are being overpaid and the Employer does not

correct the overpayment within thirty (30) calendar days following receipt of such notice, the Employer shall not be permitted to recoup such overpayment. The Employer shall, however, be permitted to correct the wage error by paying employees the appropriate contractual wage prospectively from the date of notice by the Local Union and/or employee, provided the correction is made prior to the expiration of this Agreement.

No other Employer shall be bound by the voluntary acts of another Employer when he/she may exceed the terms of this Agreement.

Any disagreement between the Local Union and the Employer with respect to this matter shall be subject to the grievance procedure.

This provision does not give the Employer the right to impose or continue wages, hours and working conditions less than those contained in this Agreement.

Section 2. Extra Contract Agreements

(a) The Employer agrees not to enter into any agreement or contract with its employees, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement. Any such agreement shall be null and void.

(b) Every profit-sharing plan, condition, or incentive plan of any type, whether or not it alters or amends the economic conditions contained in this Agreement, must be negotiated and agreed to by TNFINC prior to implementation. Nothing in this Section shall be construed to apply to existing safety programs or other prizes or bonus items the receipt of which do not alter the economic terms of this Agreement.

Section 3. Workweek Reduction

If either the Fair Labor Standards Act or the Hours of Service Regulations are subsequently amended so as to result in substantial penalties to either the employees or the Employer, a written notice shall be sent by either party requesting negotiations to amend those provisions which are affected.

Thereafter, the parties shall enter into immediate negotiations for the purpose of arriving at a mutually satisfactory solution. In the event the parties cannot agree on a solution within sixty (60) days, or mutually agreed extensions thereof, after receipt of the stated written notice, either party shall be allowed economic recourse.

Section 4. New Equipment

Where new types of equipment and/or operations for which rates of pay are not established by this Agreement are put into use after April 1, 2019, within operations covered by this Agreement, rates governing such operations shall be subject to negotiations between the parties.

In the event agreement cannot be reached within sixty (60) days after date such equipment is put into use, the matter may be submitted to the National Grievance Committee for final disposition. Rates agreed upon or awarded shall be effective as of the date equipment is put into use.

The above provisions shall also apply in the event the law (state or federal) is changed to permit longer combination vehicles or aggregate weight increases of 8,000 pounds or more in the weight limits that are currently provided in the Surface Transportation Assistance Act of 1982.

Employees expected to use computers or other new electronic technology will be trained to use them and will be paid for all training time. Employees expected to use computers or other electronic technology will be given sufficient time to learn to use them.

ARTICLE 7. LOCAL AND AREA GRIEVANCE MACHINERY

Section 1.

(a) Provisions relating to local, state and area grievance machinery are set forth in the applicable Supplements to this Agreement.

Each Supplemental Agreement shall provide for a Regional Joint Area Review Committee. The Committee shall review and consider any case deadlocked by the Regional Joint Area Committee. The Regional Joint Area Review Committee shall consist of the Freight Coordinator from the applicable Region or a designee of the TNFINC Chairman and a designee of the Executive Director of TMI. The Committee shall have the authority to resolve any such deadlocked case either by review of the evidence presented to the Regional Joint Area Committee or by rehearing the case. The decisions of the Committee shall be final and binding. In the event the Committee is unable to resolve the deadlock, the case shall be referred to the National Grievance Committee.

Unless otherwise indicated in writing to TMI and TNFINC by a Supplemental Negotiating Committee prior to ratification of this Agreement, there shall be no arbitration of discharge and suspensions.

(b) All grievances arising under the provisions of the Master Agreement (Articles 1-39) shall be filed directly with the appropriate Regional Joint Area Committee. The Regional Joint Area Committee shall have the authority to render a final and binding decision or direct the grievance to the appropriate lower level committee for hearing if the grievance is not properly claimed under the provisions of the Master Agreement. The Regional Joint Area Committee must hear and decide such cases within ninety (90) days of the filing of the grievance. Grievances arising under Article 9—Protection of Rights, Article 29, Sections 1 or 2(a) and (b)—Substitute Service and Article 32, Subcontracting shall be expeditiously processed and may be heard at either regularly scheduled or specially called hearings. A grievance may be filed by any Region whose members are adversely affected by an alleged violation of Article 32, Section 4(b) occurring within its jurisdiction.

(c) It is mutually agreed that the procedures for processing complaints concerning matters of highway and equipment safety shall be incorporated in the applicable Supplemental Agreement, in accordance with the guidelines established by the National Master Freight Safety, Health and Equipment Committee provided for in Article 16.

Special Joint Area Committees shall also be created in compliance with the provisions of Article 35, Sections 3 and 4.

The procedure set forth in the local, state and area grievance machinery and in the national grievance procedure may be invoked only by the authorized Union representative or the Employer representative. Authorized representatives of the Union and/or Employer may file grievances alleging violation of this Agreement, under local grievance procedure, or as provided herein, unless provided to the contrary or otherwise mutually agreed in the Supplemental Agreement and/or respective committee rules of procedure. Time limitations regarding the filing of grievances, if not set forth in the respective Supplemental Agreements, must appear in the Rules of Procedure of the various grievance committees and shall apply equally to Employers and employees.

The Rules of Procedure of the various committees established under the Agreement shall be subject to the review and approval of the National Grievance Committee.

Section 2. Grievant's Bill of Rights

All employees who file grievances under this Agreement and its Supplemental Agreements are entitled to have their cases decided fairly and promptly. In order to satisfy these objectives and promote confidence in the integrity of the grievance procedures, all employees who file grievances are entitled to the following Rights:

1. Grievants and stewards shall be informed by their Local Union of the time and place of the hearing.

2. Grievants and stewards are permitted to attend, at their own expense, the hearing in cases in which they are involved.

3. The Employer must provide any information relevant to a grievance containing specific factual allegations within fifteen (15) days of receipt of a written request by the Local Union, steward or grievant. The Local Union or grievant must provide information relevant to such a grievance within fifteen (15) days of receipt of a written request by the Employer. Information requested

must relate to the specific issues and general time periods involved in the grievance. In the event a party fails to provide available information that was specifically requested on a timely basis and the applicable grievance committee agrees that the information is relevant to the case, the claim of the party requesting the information shall be upheld.

4. All cases involving a discharge or suspension shall be recorded, except for executive sessions. Transcriptions of these proceedings shall be prepared in response to written requests by the Local Union at the reasonable cost of transcription. No recording devices shall be used in any grievance committee proceeding except as specifically authorized under the Rules of Procedure or by mutual consent of the co-chairpersons.

5. All Employer and Union panel members for each case shall be identified prior to the hearing. No Employer or Union representative who is directly involved in a case may serve as a panel member except at a local level committee where there is only one Local Union subject to the jurisdiction of the committee.

6. A grievant or steward may request permission to present evidence or argument in support of the case in addition to the evidence or argument presented by the Local Union.

7. All grievance committees shall, upon request, issue a copy of the grievance decision or transcript pages containing the hearing proceedings and the decision to the grievant and/or a Local Union.

8. The Local Union and the Employer may postpone a case once each, and any further postponements must be approved by the co-chairpersons of the grievance committee. In those areas where there are presently local grievance committees, each party shall be entitled to one additional postponement at the local grievance committee level only.

9. Unless mutually agreed by the Local Union and the Company, Local Unions shall file all approved grievances with the appropriate

grievance committee or association for decision no later than thirty (30) days after the date the Local Union receives the grievance.

10. A copy of the grievance committee Rules of Procedure, including the Grievant's Bill of Rights, must be provided, upon request, to the grievant prior to the commencement of the grievance hearing.

Section 3.

All Local, State and Area Grievance Committees established under Supplemental Agreements shall revise their Rules of Procedure to include the "Grievant's Bill of Rights" set forth in Section 2 above and shall submit their revised Rules of Procedure to the National Grievance Committee for approval no more than ninety (90) days after the effective date of this Agreement. The National Grievance Committee may revise, delete or add to the Rules of Procedure for a Supplemental Grievance Committee in any manner necessary to ensure conformity with the purposes and objectives of the Grievant's Bill of Rights. The decisions of the National Grievance Committee in this regard shall be final and binding.

Section 4.

Discharge cases shall be docketed and scheduled to be heard at the next regularly scheduled City/Joint State/Supplemental Committee meeting.

Section 5. Timely Payment of Grievances

All monetary grievances that have been resolved either by decision or through a signed, dated written settlement agreement shall be paid within fourteen (14) calendar days of formal notification of the decision or the date of the settlement agreement. If an Employer fails to pay a monetary grievance in accordance with this Section, the Employer shall pay as liquidated damages to each affected grievant eight (8) hours straight time pay for each day the Employer delays payment, commencing the date the grievant(s) notified the Employer of such non-payment.

Section 6.

In view of the new Federal Regulations (383.51) pertaining to a driver's overall record, when presenting a case involving discharge and/or suspension for an accident(s), the Employer may request on the record at the Regional Joint Area Committee that the driver's accident record for the past three (3) years be considered. The respective Chairmen of the Regional Joint Area Committee may consider the employee's accident record within the past three (3) years when assessing disciplinary action if the Employer can present evidence showing that:

The driver who is subject to discharge or suspension was convicted of any of the following within the past three (3) years:

A. being at fault in an accident involving a fatality or serious bodily injury;

B. being at fault in an accident resulting in property damage in excess of $50,000.00;

C. leaving the scene of any accident of which the driver is aware; or

D. using the Employer's commercial motor vehicle to commit a felony.

ARTICLE 8. NATIONAL GRIEVANCE PROCEDURE

Section 1.

All grievances or questions of interpretations arising under this National Master Freight Agreement or Supplemental Agreements thereto shall be processed as set forth below.

(a) All factual grievances or questions of interpretation arising under the provisions of the Supplemental Agreement (or factual grievances arising under the National Master Freight Agreement), shall be processed in accordance with the grievance procedure of the applicable Supplemental Agreement.

If upon the completion of the grievance procedure of the Supplemental Agreement the matter is deadlocked, the case shall be immediately forwarded to both the Employer and Union secretaries of the National Grievance Committee, together with all pertinent files, evidence, records and committee transcripts.

Any request for interpretation of the National Master Freight Agreement shall be submitted directly to the Regional Joint Area Committee for the making of a record on the matter, after which it shall be immediately referred to the National Grievance Committee. Such request shall be filed with both the Union and Employer secretaries of the National Grievance Committee with a complete statement of the matter.

(b) Any matter which has been referred pursuant to Section 1(a) above, or any question concerning the interpretation of the provisions contained in the National Master Freight Agreement, shall be submitted to a permanent National Grievance Committee which shall be composed of an equal number of employer and union representatives. The National Grievance Committee shall meet on a regular basis, for the disposition of grievances referred to it, or may meet at more frequent intervals, upon call of the chairman of either the Employer or Union representatives on the National Grievance Committee. The National Grievance Committee shall adopt rules of procedure which may include the reference of disputed matters to subcommittees for investigation and report, with the final decision or approval, however, to be made by the National Grievance Committee. If the National Grievance Committee resolves the dispute by a majority vote of those present and voting, such decisions shall be final and binding upon all parties.

Cases deadlocked by the National Grievance Committee shall be referred as provided in Section 2(b) below. Procedures relating to such referrals shall be included in the Rules of Procedure of the National Grievance Committee.

The Employer may request the co-chairmen of the National Grievance Committee to appoint and convene a joint Employer and Union Committee which shall have the authority to approve uni-

form dispatch procedures and rules which shall apply to the individual company's over-the-road operations.

No Employer signatory to this Agreement shall be permitted to have its own grievance procedure.

Section 2.

(a) The National Grievance Committee by majority vote may consider and review all questions of interpretation which may arise under the provisions contained in the National Master Freight Agreement which are submitted by either the Chairman of TNFINC or the Executive Director of TMI. The National Grievance Committee by majority vote shall have the authority to reverse and set aside all resolutions of grievances by any lower level grievance committee or review committee involving or affecting the interpretation(s) of Articles 1-39 of the National Master Freight Agreement, in which case the decision of the National Grievance Committee shall be final and binding. A failure by the National Grievance Committee to reach a majority decision on a question concerning interpretation or on a review of a decision by a lower level grievance committee or review committee shall not be considered a deadlock and will not be referred to the National Review Committee. In case of a failure to reach a majority decision in reviewing the decision of a lower level grievance committee or review committee, the decision of the lower level grievance committee or review committee shall stand as final and binding.

(b) All grievances deadlocked at the National Grievance Committee shall be processed as set forth below.

1. All such deadlocked grievances shall be automatically referred to the National Review Committee, which shall consist of the Chairman of TNFINC, or his/her designee and the Executive Director of TMI, or his/her designee. The National Review Committee shall have the authority to resolve any such deadlocked case by review of the record presented to the National Grievance Committee or by rehearing the case, or by referring the case to a subcommittee of either the Joint National Negotiating Committee or the appropriate Supplemental Negotiating Committee to negotiate a

recommended resolution of the case. The subcommittee of the Negotiating Committee to which the case was referred must report its recommendation or deadlock to the National Review Committee for resolution. Unless the National Review Committee in writing mutually agrees otherwise, said Committee shall have a period of 15 days (excluding Saturdays, Sundays and holidays) from the date of the National Grievance Committee deadlock to resolve the case. The decision of the National Review Committee shall be final and binding.

2. In the event the National Review Committee is unable to resolve the deadlock, the President of the Employer involved and the Chairman of TNFINC shall have 30 additional days (excluding Saturdays, Sundays and holidays), from the final day of consideration by the National Review Committee to attempt to resolve the case. The TMI and TNFINC representatives on the National Review Committee shall be responsible for notifying the President of the Employer involved and the Chairman of TNFINC of the final day of consideration by the Committee of the deadlocked grievance. In considering factual disputes that are deadlocked or deadlocked questions of interpretation arising out of Supplemental Agreements, the decision of either the National Grievance Committee or the National Review Committee shall be based on the provisions of the applicable Supplemental Agreement.

3. No lawyers will be permitted to present cases at any step of the grievance procedure.

4. The decision of any grievance committee or panel shall be specifically limited to the matters submitted to it and the grievance committee or panel shall have no authority in any manner to amend, alter or change any provision of the Agreement.

5. If the Employer or Union challenges in court a decision issued by any dispute resolution panel provided for under this Agreement, the cost of the challenge, including the court costs and attorney's fees, shall be paid by the losing party.

Section 3. Work Stoppages

(a) The parties agree that all grievances and questions of interpretation arising from the provisions of this Agreement shall be submitted to the grievance procedure for determination. Accordingly, except as authorized by law, as provided below or as specifically provided in other Articles of the National Master Freight Agreement, no work stoppage, slowdown, walkout or lockout shall be deemed to be permitted or authorized by this Agreement.

A "representation dispute" in circumstances under which the Employer is not required to recognize the Union under this Agreement is not subject to the grievance procedure herein and the provisions of this Article do not apply to such dispute.

(b) In the event an Employer is delinquent in its health & welfare or pension payments in the manner required by the applicable Supplemental Agreement, the Local Union shall have the right to take whatever action it deems necessary until such delinquent payments are made. The Local Union shall give the Employer a seventy-two (72) hour, (excluding Saturdays, Sundays, and holidays), prior written notice of the Local Union's authorization of strike action which notice shall specify the failure to make health & welfare or pension payments providing the basis for such strike authorization. In no event shall the Union have the right to strike over a dispute concerning the eligibility and/or payment of health & welfare or pension contributions by an Employer on behalf of specific individuals and such disputes shall be subject to the grievance procedure.

(c) In the event the Employer fails to comply with a decision rendered by a grievance committee or a grievance settlement, provided a settlement has been reduced to writing, dated and signed by both the Local Union and the Employer the Local Union shall give the Employer a seventy-two (72) hour (excluding Saturday, Sunday and holidays) prior written notice of the Local Union's authorization of strike action, which notice shall specify the basis for the compliance failure. If the Employer believes that it is in compliance or that there is a clarification needed in order to comply, the matter of compliance and/or clarification shall be submitted to the grievance committee that decided the case. The question of compli-

ance or clarification shall be determined by the grievance committee within forty-eight (48) hours after receipt of the Employer request. The forty-eight (48) hour period for the grievance committee to determine the question of compliance or clarification shall run concurrently with the seventy-two (72) hour notice prior to a strike. The grievance committee may meet telephonically to consider and decide questions of compliance or clarification.

Section 4.

(a) It is mutually agreed that the Local Union will, within two (2) weeks of the date of the signing of this Agreement, serve upon the Employer a written notice listing the Union's authorized representatives who will deal with the Employer, make commitments for the Local Union generally and, in particular, those individuals having the sole authority to act for the Local Union in calling or instituting strikes or any stoppages of work which are not in violation of this Agreement. The Local Union may from time to time amend its listing of authorized representatives by certified mail. The Local Union shall not authorize any work stoppages, slowdown, walkout, or cessation of work in violation of this Agreement. It is further agreed that in all cases of an unauthorized strike, slowdown, walkout, or any unauthorized cessation of work which is in violation of this Agreement the Union shall not be liable for damages resulting from such unauthorized acts of its members.

In the event of a work stoppage, slowdown, walkout or cessation of work, not permitted by the provisions of Article 8, Section 3(a), (b), or (c) alleged to be in violation of this Agreement, the Employer shall immediately send a wire or fax to the Freight Coordinator in the appropriate Regional Area and to the Chairman of TNFINC to determine if such strike, etc., is authorized.

No strike, slowdown, walkout or cessation of work alleged to be in violation of this Agreement shall be deemed to be authorized unless notification thereof by telegram has been received by the Employer and the Local Union from such Regional Area. If no response is received by the Employer within twenty-four (24) hours after request, excluding Saturdays, Sundays, and holidays, such strike, etc., shall be deemed to be unauthorized for the purpose of this Agreement.

In the event of such unauthorized work stoppage or picket line, etc., in violation of this Agreement, the Local Union shall immediately make every effort to persuade the employees to commence the full performance of their duties and shall immediately inform the employees that the work stoppage and/or picket line is unauthorized and in violation of this Agreement. The question of whether employees who refuse to work during such unauthorized work stoppages, in violation of this Agreement, or who fail to cross unauthorized picket lines at their Employer's premises, shall be considered as participating in an unauthorized work stoppage in violation of this Agreement may be submitted to the grievance procedure, but not the amount of suspension herein referred to.

It is specifically understood and agreed that the Employer during the first twenty-four (24) - hour period of such unauthorized work stoppage in violation of this Agreement, shall have the sole and complete right of reasonable discipline, including suspension from employment, up to and including thirty (30) days, but short of discharge, and such employees shall not be entitled to or have any recourse to the grievance procedure. In addition, it is agreed between the parties that if any employee repeats any such unauthorized strike, etc., in violation of this Agreement, during the term of this Agreement, the Employer shall have the right to further discipline or discharge such employee without recourse for such repetition. After the first twenty-four (24) - hour period of an unauthorized stoppage in violation of this Agreement, and if such stoppage continues, the Employer shall have the sole and complete right to immediately further discipline or discharge any employee participating in any unauthorized strike, slowdown, walkout, or any other cessation of work in violation of this Agreement, and such employees shall not be entitled to or have any recourse to the grievance procedure. The suspension or discharge herein referred to shall be uniformly applied to all employees participating in such unauthorized activity. The Employer shall have the sole right to schedule the employee's period of suspension.

The International Brotherhood of Teamsters, the Teamsters National Freight Industry Negotiating Committee, Joint Councils and Local Unions shall make immediate efforts to terminate any strike or stoppage of work as aforesaid which is not authorized by such organiza-

tions, without assuming liability therefore. For and in consideration of the agreement of the International Brotherhood of Teamsters, Teamsters National Freight Industry Negotiating Committee, Joint Councils and Local Unions affiliated with the International Brotherhood of Teamsters to make the aforesaid efforts to require Local Unions and their members to comply with the law or the provisions of this Agreement, including the provisions limiting strikes or work stoppages, as aforesaid, the Employers who are parties hereto agree that they will not hold the International Brotherhood of Teamsters, the Teamsters National Freight Industry Negotiating Committee, Joint Councils and Local Unions liable or sue them in any court or before any administrative tribunal for undertaking such efforts to terminate unauthorized strikes or stoppages of work as aforesaid or for undertaking such efforts to require Local Unions and their members to comply with the law or the provisions of this Agreement, or for taking no further steps to require them to do so. It is further agreed that the Employers will not hold the International Brotherhood of Teamsters, Teamsters National Freight Industry Negotiating Committee, Joint Councils or Local Unions liable or sue them in any court or before any administrative tribunal for such unauthorized work stoppages alleging condonation, ratification or assumption of liability for undertaking such efforts to terminate strikes or stoppages of work, or requiring Local Unions and their members to comply with the law or the provisions of this Agreement.

The provisions of this Article shall continue to apply during that period of time between the expiration of this Agreement and the conclusion of the negotiations or the effective date of the successor Agreement, whichever occurs later, except as provided in Article 39. It is understood and agreed that failure by the International Brotherhood of Teamsters, Teamsters National Freight Industry Negotiating Committee, and/or Joint Councils to authorize a strike by a Local Union shall not relieve such Local Union of liability for a strike authorized by it and which is in violation of this Agreement.

(b) The question of whether the International Union, Teamsters National Freight Industry Negotiating Committee, Joint Council or Local Union have met its obligation set forth in the immediately preceding paragraphs, or the question of whether the International

Union, Teamsters National Freight Industry Negotiating Committee, and Joint Council or the Local Union, separately or jointly, participated in an unauthorized work stoppage, slowdown, walkout or cessation of work in violation of this Agreement by calling, encouraging, assisting or aiding such work stoppage, etc., in violation of this Agreement, or the question of whether an authorized strike provided by Article 8, Section 3(a), (b) or (c) is in violation of this Agreement, or whether an Employer engaged in a lockout in violation of this Agreement, shall be submitted to the grievance procedure at the national level, prior to the institution of any damage suit action. When requested, the co-chairmen of the National Grievance Committee shall immediately appoint a subcommittee to develop a record by collecting evidence and hearing testimony, if any, on the questions of whether the International Union, Teamsters National Freight Industry Negotiating Committee, Joint Council or Local Union have met its obligations as aforesaid, or of Union Participation or Employer lockout in violation of this Agreement. The record shall be immediately forwarded to the National Grievance Committee for decision. If a decision is not rendered within thirty (30) days after the co-chairmen have convened the National Grievance Committee, the matter shall be considered deadlocked.

A majority decision of the National Grievance Committee on the questions presented as aforesaid shall be final and binding on all parties. If such majority decision is rendered in favor of one (1) or more of the Union entities, or the Employer, in the case of lockout, no damage suit proceedings on the issues set forth in this Article shall be instituted against such Union entity or such Employer. If, however, the National Grievance Committee is deadlocked on the issues referred to in this subsection 4(b), the issues must be referred to the National Review Committee for resolution prior to either party instituting damage suit proceedings. If the National Review Committee decides that a strike was unlawful, it shall not have the authority to assess damages. Except as provided in this subsection 4(b), agreement to utilize this procedure shall not thereafter in any way limit or constitute a waiver of the right of the Employer or Union to commence damage suit action. However, the use of evidence in this procedure shall not waive the right of the Employer or Union to use such evidence in any litigation relating to the strike or lockout, etc., in violation of this Agreement. There shall not be any

strike, slowdown, walkout, cessation of work or lockout as a result of a deadlock of the National Grievance Committee on the questions referred to under this subsection 4(b) and any such activity shall be considered a violation of this Agreement.

(c) In the event that an Employer, party to this Agreement, commences legal proceedings against the Union after the Union's compliance with the provisions of Article 8, Section 3(a), (b) or (c), the Employer will cooperate in the presentation to the court of the applicable majority grievance committee decision.

(d) Nothing herein shall prevent the Employer or Union from securing remedies granted by law except as specifically set forth in subsection 4(b).

Section 5.

(a) In the event of strikes, work stoppages, or other activities authorized by Article 8, Section 3(a), (b) or (c) of this Agreement, no interpretation of this Agreement or any Supplement thereto relating to the Employer's obligation to make health & welfare and /or pension contributions by any tribunal shall be binding upon the Union or affect the legality or lawfulness of the strikes unless the Union stipulates to be bound by such interpretation, it being the intention of the parties to resolve all questions of interpretation by mutual agreement.

(b) It is the intention of the parties to resolve all grievances and requests for interpretation arising under this Agreement through the grievance procedure. However, it is understood and agreed that nothing herein shall prevent the Employer or Union from securing remedies in those circumstances where the application of this Agreement is contrary to law.

Section 6. Change of Operations

Change of Operations Committee

(a) Present terminals, breaking points or domiciles shall not be transferred, changed or modified without the approval of an appropriate Change of Operations Committee. Such Committee shall be appointed in each of the Regional Areas, equally composed of Em-

ployer and Union representatives. The Change of Operations Committee shall have the authority to determine the seniority of the employees affected and such determination shall be final and binding.

In the event a proposed change of operations includes the establishment of either a new or satellite terminal as a "combination" facility with a common city driver and dock seniority roster, when such change of operations results in the relocation or movement of city drivers and dock employees from an existing terminal recognizing separate (split) seniority rosters for city drivers and dock employees, the Change of Operations Committee shall have the authority to determine the conditions under which such a combination facility may be established, including but not limited to, the number of city drivers and dock employees who qualify, be allowed to follow the work to the new or satellite combination terminal, the implementation of training programs to qualify dock employees as city drivers and the seniority right of affected employees to either return to the "mother" terminal and/or claim additional driving positions at the satellite terminal within reasonable time periods following the establishment of such combination terminal, as determined by the Committee. Existing terminals that recognize separate city driver and dock seniority rosters (split terminals) shall not be converted to "combination" terminals unless and until such time as a majority of those affected employees agree to such conversion, in which case the Change of Operations Committee shall have the authority to determine the conditions under which such conversion shall be implemented.

Such Committee, however, shall observe the Employer's right to designate domiciles and the operational requirements of the business. Where the Union raises the question as to whether or not certain proposed runs of excessive length can be made, the Employer must be prepared to submit objective evidence including DOT certification or logs and tapes that such runs have been tested and were made within the DOT hours of service regulations. Individual employees shall not be redomiciled more than once during the term of this Agreement as the result of an approved change of operations unless a merger, purchase, sale, acquisition or consolidation of employers is involved, or unless there is proven economic

need as determined by the Change of Operations Committee based on factual evidence presented.

Pension and health & welfare contributions paid on behalf of a re-domiciled employee shall be paid to the Funds to which the contributions were made prior to the employee's change of domicile, and the decisions of the Change of Operations Committee shall so specify. This Section does not apply to employees who voluntarily transfer to new domiciles, unless such transfer is a result of a Change of Operations Committee decision. Any dispute concerning the appropriate fund for an Employer's contribution on behalf of a redomiciled employee, pursuant to a Change of Operations Committee decision, shall be referred to the National Grievance Committee. The decision of the National Grievance Committee shall to the extent permitted by law, be final and binding on all affected parties, including the Trust Funds.

The Change of Operations Committee shall also have jurisdiction for a period of twelve (12) months following the opening of a new terminal to consider the redomicile of employees who are laid off as a direct result of such opening of a terminal. The Committee shall also have jurisdiction over the closing of a terminal in regard to seniority, as well as to determine the conditions under which freight may or may not be interlined into the area of a vacated operations when necessary to retain major customers, including mandating the use of union carriers where available. In no event will the Employer be granted the authority to vacate a facility and interline the freight on a non-union subsidiary of the parent company.

The above shall not apply within a twenty-five (25)-mile radius.

The Change of Operations Committee shall have the authority to require a definition of primary and shared lanes, where applicable.

The Change of Operations Committee shall not grant the Employer authority to relocate U.S. operations, work, or terminals to Mexico.

Change of Operations Committee Procedure

b) The National Grievance Committee shall adopt Rules of Procedure concerning the application and administration of this Article.

The Employer shall notify all affected Local Unions of the proposed change of operations at least thirty (30) calendar days prior to the hearing at the Regional Joint Area Committee, and the Employer and the Local Unions involved shall have a mutual responsibility to inform the employees subject to redomicile prior to such hearing in accordance with the practice and procedures agreed to in the respective Area Committee. Any exception or waiver of the aforesaid thirty (30) day period shall be mutually agreed to between the Employer and the Local Unions involved and approved by the Regional Area Change of Operations Committee.

Where there is no objection from the involved Local Unions to a proposed change of operations (as evidenced in a letter or e-mail from the involved Local Unions) and the matter is approved by both the Union's Regional Coordinator and the Union's National Freight Director, the Employer may implement the change prior to a formal hearing. The Change of Operations Committee would maintain jurisdiction for a period of twelve (12) months following the implementation to address any disputes concerning the implementation.

Moving Expenses

(c) The Employer shall pay reasonable expenses to demount and remount an employee's mobile home, if used as his/her residence and in such instance shall pay normal expenses to move such mobile home, including the use of other modes of transportation where required by law. However, it is mutually understood that the cost of such move shall not exceed twelve thousand, five hundred dollars ($12,500.00) per move. Commencing April 1, 2020 and every April 1st thereafter under this agreement, this amount will be increased by the prior year's average annual increase in the CPI-W, U.S. city average, Housing, Household Operations expenditure category titled "Moving, storage, freight expense". A decrease in the percent change in the Index will not result in a decrease of the mobile home moving allowance once established. In the event the index is no

longer published by BLS, the parties will agree to meet and find a substitute Index as an escalator.

Where an employee is required to transfer to another domicile in order to follow employment as a result of a change of operations, the Employer shall move the employee and assume the responsibility for proven loss or damage to household goods due to such move, including insurance against loss or damage. Should any employee possess household items of unusual or extraordinary value which will be included in the move, such items shall be declared and an appraised value determined prior to the move. The Employer shall provide packing materials for the employee's household goods when requested or at the employee's request pay all costs and expenses of moving such household goods, including packing.

An employee shall have a maximum of one (1) year to move in accordance with the provisions of an approved change of operations unless, prior to the expiration of such year, he/she requests, in writing, an extension for a reasonable period of time due to an unusual or special problem. The Employer shall provide lodging for the employee at the point of redomicile, not to exceed ninety (90) calendar days, and in addition, shall reimburse the employee sixty-one cents (61¢) per mile to transport two (2) personal automobiles to the new location.

The Employer shall not be responsible for moving expenses if the employee changes his/her residence as a result of voluntary transfer.

None of the Employer obligations set forth in this Subsection (c)—Moving Expenses shall apply to transfers of domiciles within a fifty (50) - mile radius.

Change of Operations Seniority

(d) The Change of Operations Committee established herein hall have the sole authority to determine questions of the application of seniority in those situations presented to it and in connection therewith the following general rules shall apply, subject, however, to modification as provided by Section 6(g) below:

**Closing, Partial Closing of Terminals—
Transfer of Work**

(1) a. When branches, terminals, divisions or operations (hereinafter "terminal(s)") are closed or partially closed and the work of such terminal(s) is transferred, in whole or in part, to another terminal(s), the active employees (excluding those employees on letter of layoff) at the closed or partially closed terminal(s) shall have the right to bid into a master seniority roster (road or city) comprised of bidders from the active seniority rosters of closed or partially closed terminal(s) in the order of their continuous classification (road or city) seniority. Continuous classification seniority shall be defined as that seniority which the employee is currently exercising and has not been broken in the manner provided by Article 5, Section 1, or by voluntary changes in domicile not directed, approved or ordered by a Change of Operations Committee. Employees shall bid from the combined master seniority roster into openings at the terminal(s) into which work is being transferred. Employees so transferring shall be "dovetailed" into the appropriate active seniority roster at the new terminal(s) in the order of their continuous classification seniority. Such transfers shall be permitted prior to the recall of laid-off employees at such gaining terminal(s). If and when additional employees are required in excess of those who formed the combined active roster at the point of redomicile, employees on letter of layoff at that location shall be recalled. If recalled, such employees shall be "dovetailed" with their continuous classification seniority.

In addition, the inactive seniority rosters (employees who are on letter of layoff) at the terminal(s) from which employees are being redomiciled shall be "dovetailed" into a master "laid off" seniority roster and such employees shall have the same opportunities to transfer to terminal(s) within the area of the Supplemental Agreement which are afforded to employees covered by the provisions of subparagraph 2(b) below. These inactive employees at the losing terminal(s) shall also be offered first work opportunity, in seniority order, at terminals into which work was transferred within the regional area where such employees were employed. Such inactive employees shall gain active seniority in accordance with the provisions of the applicable supplemental agreement. The use of such

employees shall be subject to the order of call of the supplement. The employee's seniority date for bidding and layoff purposes shall be the date which they gain active status. The employee shall retain company seniority for fringe benefits only as of that date.

The senior driver voluntarily laid off at a losing domicile will be restored to the active board each time foreign drivers or casuals (where applicable) make ten (10) trips (tours of duty) within any thirty (30) calendar day period on a primary run of such domicile, not affected by a Change of Operations.

b. The following seniority bidding procedures are to be applied in all change of operations cases that involve master pool bidding:

1. The Change of Operations Committee shall have the authority to establish a date for purposes of determining active and inactive (on letter of layoff or the equivalent thereof) employees at both gaining and losing locations.

2. Affected employees at losing locations shall be allowed to bid onto an active master pool seniority list on a dovetailed seniority basis.

3. At the time of the original bid, an employee on the active master pool seniority list shall be afforded the opportunity to bid any available position for which he/she is qualified at a gaining location in accordance with his/her seniority on the master pool seniority list. In the event the active employees at any given location elect not to bid the number of positions being lost at that particular location, inactive employees at that location, in accordance with their seniority, shall then be afforded the opportunity to bid as an active employee until the number of positions being lost at that particular location are filled. An employee who elects to "hold" as set forth in paragraph 4 below shall not be considered as filling a losing position. A successful bidder shall be dovetailed on the seniority list at the location he/she bids into. The number of successful bidders from any losing location shall not exceed, at the time of the original bid, the number of positions lost at that location as approved by the Change of Operations Committee.

4. An employee on the active master pool seniority list who does not have seniority to bid the location he/she desires in the initial bid may hold for such desired location and remain at his/her present domicile in such status as his/her bidding seniority will allow. Should an opening occur during the window period as set forth in the Change of Operations decision at the location to which he/she desired to transfer, he/she shall be afforded transfer opportunity in line with his/her bidding seniority. A successful bidder under this provision shall be dovetailed on the applicable seniority list at the location into which he/she bids and his/her moving expenses shall be paid in accordance with other transferring employees. The transfer provisions of this Section shall apply only during the window period as set forth in the Change of Operations decision.

5. An employee who elects to hold as set forth in Paragraph 4 above may hold for only one (1) location and must designate that location at the time of the original bid and may hold only for a position within the classification the employee has seniority to bid. If an employee refuses to accept an opportunity to claim a position he/she is holding for, the employee shall have no further claim to a position that may become available during the window period.

6. An employee who elects to hold, shall also be entitled to exercise seniority to claim a voluntary move under the provisions of Article 5, Section 5 herein, and in the event the employee accepts such a voluntary move, he/she shall retain his/her hold position at his/her home domicile during the remainder of the window period but shall forfeit any other seniority rights at his/her home domicile. Should a position become available at the location such employee is holding for and which the employee has seniority to successfully claim, moving expenses set forth in Article 8, Section 6(c) shall be computed from the employee's original home domicile.

7. There shall be a maximum one hundred twenty (120) calendar day window period from the date of implementation in all Changes of Operations only when the number of positions offered at gaining terminals do not equal the number of positions lost at the losing terminals.

Article 8, Section 6

(a) Any openings which may occur at a gaining terminal during the window period shall be offered to those employees on the Master Pool Seniority list who have not been offered transfer opportunity under the provisions of Article 8, Section 6 before they are offered to employees who may have elected to "hold" as set forth in paragraph 4 above.

(b) The window period established by the Change of Operations decision shall close if either of the following conditions is met: (a) the number of days and/or months of the window period as set forth in the Change of Operations decision has expired; or (b) all employees on the Master Pool Seniority list have been offered work opportunities pursuant to Article 8, Section 6.

(c) However, with respect to those who bid to "hold", it is understood that such bids must remain open and any job opportunities that are clearly identifiable as a direct result of the Change of Operations must be offered, by seniority, to those qualified employees who bid to hold for that specific location for the length of the window period(s) (road/cartage) set forth in the Change of Operations decision even if the window period is closed as set forth in paragraph (b) above.

(d) The Company shall determine whether an additional job opportunity is the direct result of the Change of Operations at the specific gaining domicile for which the employee is "holding". The Company shall so notify the employee's current Local Union and the gaining Local Union. The Company shall have the burden of proof in establishing whether or not an additional job opportunity is clearly the direct result of the Change of Operations at the specific gaining domicile for which the employee is "holding". Any grievance filed regarding the Company's decision to permit or deny a "hold" transfer shall be filed with the appropriate Regional Joint Area Committee to be heard by the Multi-Region Change of Operations Committee that held jurisdiction.

8. Employees who are qualified bidders on Long-Term Disability (LTD) at the time of bid shall be allowed to bid. If successful LTD bidders are unable to claim their bid on the date of implementation,

a hold-down bid will be allowed. This hold-down bid will be offered to those remaining active employees at the LTD's current location, by classification, who have not been offered transfer opportunity under the Change of Operations. The successful hold-down bidder shall be dovetailed. When the LTD employee returns to work and claims his/her bid, the hold-down employee may either remain at the hold-down location with a bidding seniority date consistent with the date of transfer under the Change of Operations or return to his/her original location with his/her original bidding seniority date. The hold-down employee may not return to a location where the classification from which he/she bid has been eliminated. The Company shall not be responsible for the moving expense of the employee filling the hold-down bid, unless and until such time as it is determined that the employee on LTD will never be able to claim his bid and the hold-down bidder becomes a regular permanent employee at the hold-down location.

Closing of Terminals-Elimination of Work

(2) a. When a terminal(s) is closed and the work of such terminal(s) is eliminated, an employee who was formerly employed at another terminal shall have the right to return to such former terminal and exercise his/her continuous classification (road or city) seniority, provided he/she has not been away from such former terminal for more than a five (5)-year period.

Layoff

b. When a terminal(s) is closed and the work of such terminal(s) is eliminated, employees who are laid-off thereby shall be given first (1st) opportunity for available regular employment in the classification in which they are employed at the time of such layoff (prior to the employment of new hires but subject to the order of call/hiring of the Supplemental Agreement) occurring at any other terminal(s) of the Employer within the area of the Supplemental Agreement where such employee was employed provided they notify the Employer in writing of their interest in a transfer opportunity. The offer of transfer will be made in the order of continuous classification seniority of the laid off employees within the area of the Supplemental Agreement. The Employer shall be required to make ad-

ditional offers of transfer to an employee who has previously rejected a transfer opportunity provided the employee again notifies the Employer in writing of his/her continued interest in additional transfer opportunities. However, the Employer will only be required to make one transfer offer in any six (6) calendar month period. The obligation to offer such employment shall continue for a period of five (5) years from the date of closing. Any employee accepting such offer shall be employed at his/her applicable rate of pay and shall be placed at the bottom of the seniority board for bidding and layoff purposes, but shall retain company seniority for fringe benefits only. A transferring employee shall pay his/her own moving expenses.

Merger of Terminals by Commonly-Owned Separate Employers Covered by this Agreement

Seniority shall be dovetailed when commonly owned separate employers covered by this agreement merge (in a shutdown or partial shutdown) two (2) or more terminals. If, after the dovetail, there is insufficient work at the remaining location(s), the remaining affected employees shall be entitled to all contractual rights including Article 5, Section 5 rights but shall have moving expenses paid as set forth in Article 8, Section 6. For purposes of this entire section, employees shall remain in their previous health and welfare and pension funds. The Employer at the remaining location(s) shall use all efforts to find work opportunity for all displaced employees. All items under this provision shall be contained in an approved Change of Operations Committee decision. All other issues shall be addressed by the Change of Operations Committee consistent with the language of the Agreement.

Opening of Terminals

(3) When a new terminal(s) is opened (except as a replacement for existing operations or a new division in a locality where there are existing operations), the Employer shall offer to those employees, if any, affected thereby the opportunity to transfer to regular positions in the new terminal(s) in the order of such employee's continuous classification (road or city) seniority date as defined herein. Upon arrival at such new location, such employees shall be "dove-

tailed" with their continuous classification (road or city) seniority date together with other employees so transferring.

This provision is not intended to cover situations where there is replacement of an existing operation or where a new division is opened in a locality where there is an existing terminal. In these latter situations, those employees laid off at the existing facilities shall have first (1st) opportunity for employment at the new operation in accordance with their continuous classification (road or city) seniority date, and upon arrival shall be similarly "dovetailed." If all regular full-time positions are not filled in this manner, then the provisions of the preceding paragraph shall apply.

(4) When a Company which has an established Local Cartage Operation, which has been cleared by system OTR drivers, seeks to establish a new OTR domicile there, the Company shall first file for a Change of Operations giving transfer opportunity, with regard to the initial complement, to OTR drivers from those system OTR domiciles that previously serviced such Local Cartage Operation with reasonable regularity. Such transfer opportunity shall remain in effect for any additions to the initial complement for a period of not less than 120 calendar days, after which further additions to such complement shall be hired at the locality where such new OTR domicile was established.

(5) Any employee redomiciled by an approved change of operations to another domicile shall upon reporting to such new domicile be deemed to have relinquished his/her right to return, with seniority, to the domicile from which he/she was transferred, except under another approved change of operations. Employees who avail themselves of the transfer privileges because they are on layoff at their original terminal may exercise their seniority rights if work becomes available at their original terminal during the five (5) year layoff period allowed them at their original terminal.

(6) When an Employer's proposed Change of Operations offers a specific number of road positions at a gaining domicile, the Employer shall be required to make every good faith effort and use all practical means to hire qualified applicants to fill such offered posi-

tions that are left vacant because other employees affected by the Change have elected not to bid into that gaining domicile. The Employer's duty to hire under this provision is to use every reasonable means to advertise for qualified applicants and to meet with the affected Local Union(s) to seek qualified applicants. Nothing in this provision shall be construed to create an obligation that the Employer maintain or otherwise guarantee a specific number of employees at a gaining domicile. Any grievance concerning any issue which may arise under this provision shall be filed directly with the Multi-Region Change of Operations Committee.

In the event it is determined by the Multi-Region Change of Operations Committee that the Employer has not made every good faith effort and used all practical means to hire qualified applicants for road positions as required under this provision, the Committee may require the Employer to hire qualified applicant(s) as outlined above.

Definition of Terms

(e) The term "continuous classification seniority" as used in this Agreement is defined as that seniority which the employee is currently exercising and has not been broken in the manner provided in Article 5, Section 1, or by voluntary changes in domicile not directed, approved or ordered by a Change of Operations Committee.

Qualifications and Training

(f) Employees, who are presently non-CDL qualified and elect to bid to transfer to a gaining terminal that requires CDL qualified employees, shall be provided a sixty (60) day training period in order to become CDL qualified. The training period shall commence from the date the employee becomes a successful bidder and the Company shall furnish training personnel and equipment at the location where the employee is currently domiciled or otherwise as mutually agreed to. If the employee fails to qualify during such sixty (60) day period, the employee shall forfeit his/her right to fill the bid and shall remain on the seniority list of the current domicile.

Intent of Parties

(g) The parties acknowledge that the above rules are intended solely as general standards and further that many factual situations will be presented which necessitate different application, modification or amendment. Accordingly, the parties acknowledge that questions of the application of seniority rights may arise which require different treatment and it is anticipated and understood that the Employers and Unions jointly involved and/or the respective grievance committees may mutually agree to such disposition of questions of seniority which in their judgment is appropriate under the circumstances.

The Change of Operations Committees, as provided herein or in the Supplemental Agreements, shall have the authority to determine the application of seniority in those situations presented to them. In all cases, the seniority decisions of the Joint Committees, including the Change of Operations Committees and subcommittees established by the National Master Freight Agreement and the respective Supplemental Agreements, shall be final and binding.

Section 7.

Any grievance committee or panel, as constituted under this Agreement, shall have the jurisdiction and power to decide grievances which arose under the preceding agreements and supplements thereto. In doing so, the committees or panels shall follow the grievance procedure set forth in the 2003-2008 Agreement, but apply the contract under which the grievance arose.

Section 8. Sleeper Cab Operations

Unless specifically addressed in this section the provisions of the applicable supplemental agreement relating to sleeper cab operations remain in full force and effect.

A. Work Rules

The Local Union and the Company shall meet and negotiate dispatch and/or work rules. If no agreement is reached disputes shall be subject to the grievance machinery.

B. Team Classifications

1. "Bid Team Drivers" and "Bid Team Extra Board Drivers"

Team Drivers who are classified as bid destination drivers or bid team extra board drivers will be guaranteed a minimum of thirteen hundred (1300) miles round trip when dispatched. If the dispatch of a bid sleeper team is broken between A & B (1st dispatch the drivers will be paid no less than their original dispatch). If the broken dispatch results in more miles the drivers shall be paid their actual miles driven and work performed. There will be no free time at any point reached.

2. "Extra Board Team Drivers"

Teams who are classified as extra board drivers will receive a minimum of thirteen hundred (1300) miles round trip when dispatched.

3. Turning In The Yard Home Terminal (Non-Scheduled Teams)

When mutually agreed between the sleeper team and the Employer, sleeper teams may be allowed to turn in the yard at their home domicile provided the dispatch wheel is exhausted and/or there are no other teams rested and available for dispatch. When the Employer turns a sleeper team at their home domicile any delay in excess of one (1) hour shall be compensable.

The above referenced mileage guarantees are in addition to any other earnings after dispatch.

C. Dispatch Method

Sleeper cab operations shall be between the designated home terminal and a designated area and/or a destination terminal unless otherwise agreed. The A, B, C, dispatch principle shall apply.

All regular sleeper runs shall be posted for bid once each six (6) months unless otherwise agreed. The number of regular runs or teams in designated areas shall be determined by taking fifty percent (50%) of the average number of runs operated by sleeper

teams between two (2) or more designated points for a period of six (6) months. Disputes over bids will be referred to the Sleeper Resolution Committee.

The sleeper trip must equal a minimum of thirteen hundred (1300) paid miles.

All sleeper trips are limited to one via on the return home dispatch, (B-A), (C-A), unless otherwise mutually agreed or as approved by the appropriate committee.

All sleeper teams must be sent to their home terminal on the third dispatch unless otherwise mutually agreed.

D. Lay Point and Layover

The layover provision of this section shall apply at only one away from home terminal, and all time spent at all other points touched on a round trip from the home terminal exclusive of meal time shall be paid for at the full hourly rate for each driver.

The layover point shall be the destination of the A-B dispatch and shall be designated on the driver's original orders prior to the dispatch from the point of origin and shall remain the same whether or not the drivers reached that point. If the team does not reach the original dispatch point there shall be no free time.

Upon arrival at a team's designated lay point, the Employer shall advise as soon as possible, but not later than thirty (30) minutes after the team signs-in, whether the team will be turned or put to bed.

In the event the team is put to bed, they shall be compensated at the straight-time hourly rate of pay from the time they signed in until the time they were so notified.

However, in the event of unforeseen circumstances (e.g., road closures; equipment breakdown; government declared emergency), the Employer may cancel a previously assigned dispatch prior to the expiration of the one hour free time and put the team to bed. In

this circumstance, the team will be compensated at the straight time hourly rate of pay from the time they signed in until the time they were so notified. Failure by the Employer to make a load shall not be considered an unforeseen circumstance.

If the drivers are advised they are turning, the Company will have one-half (1/2) free hour at the lay point and one (1) free hour at the home domicile in which to turn the drivers provided there are safe and sanitary shower facilities equipped with hot and cold water for showering. If the drivers are not dispatched within the above-mentioned one-half (1/2) or one (1) hour free time period after arrival they shall be paid for all time spent in excess at the applicable rate.

If the team is relieved of duty on arrival and signs for eight (8) hours off and then is recalled within four (4) hours, they shall be paid for all time spent.

Where sleeper teams are required to layover away from their home terminal, layover paid shall commence following the tenth (10th) hour after the end of the run. If the driver is held over the tenth (10th) hour the driver shall be guaranteed two (2) hours pay in any event for the layover time. If the driver is held over more than two (2) hours the driver shall receive layover pay for each hour up to eight (8) hours in the first eighteen (18) hours of layover period, commencing after the run ends. The same principle shall apply to each succeeding eighteen (18) hours, and layover pay shall commence after the tenth (10th) hour.

E. Abuse of Free Time

Whenever any employer arbitrarily abuses the free time allowed in this section, then this shall be considered a dispute and the same shall be subject to the grievance machinery.

F. Mark-Off Procedure for Non-Scheduled Sleeper Cab Drivers

In the event the Company and the Local Union are unable to agree to a mark-off procedure, the following shall apply unless the supplement provides otherwise.

1. For the purposes of time off, one thousand (1000) tractor miles equals one (1) sleeper trip. (for each driver)

2. After the completion of four (4) consecutive trips, the drivers will be entitled to forty-eight (48) hours off, plus an additional eight (8) hours rest. The drivers may waive the forty-eight (48) hours off.

3. After the completion of six (6) consecutive trips the drivers will be entitled to seventy-two (72) hours off, plus an additional eight (8) hours rest. Drivers entitled to such time off privileges may at their option, exercise time off privilege at the completion of either the sixth (6th), eighth (8th), or tenth (10th) trips. An extra board team that exercises their maximum time off after the eighth (8th) or tenth (10th) trip is subject to no more than fifteen percent (15%) of the active board off at one time.

4. Where drivers fail to exercise time off privilege after the tenth (10th) trip, they shall forfeit such time off and the cycle will revert back to subsection 2.

5. Time off privileges may be exercised only at the completion of the fourth (4th), sixth (6th), eighth (8th) or tenth (10th) trips upon the drivers returning home. An extra board team that exercises their maximum time off after the eighth (8th) or tenth (10th) trip is subject to no more than fifteen percent (15%) of the active board off at one time. A driver shall not be denied the time off in accordance with the fifteen percent (15%) rule more than once prior to receiving such time off.

6. The only exception to the above is that the Employer shall provide in the dispatch rules and/or procedures for thirty-six (36) consecutive hours off duty at the home terminal at least once a week unless otherwise agreed to, provided the driver has been on the board and required to be available.

7. Where only one driver of an established team marks off for any reason, other than "9" below, he shall remain off until his partner returns to the home terminal, except as mutually agreed.

8. In those instances where an extra board driver makes a combination of single operation and sleeper operation trips each driver will earn one tour for each one thousand (1000) tractor miles while on a sleeper trip.

9. Bid team drivers must take their earned time off at the same time as outlined above.

10. Sleeper drivers are entitled to ten (10) hours off duty at their home domicile upon the completion of each round trip exclusive of the two (2) hour call.

G. Bedding and Linen

Bedding and fresh linen, excluding pillows, for sleeper cabs shall be furnished and maintained by the Employer in a clean and sanitary condition. Upon expiration of current linen provider contracts, the drivers will be compensated seven dollars ($7.00) each per trip to furnish and maintain their linens. A trip is defined as beginning and ending at home domicile. Complaints with respect to width, depth, and condition of mattresses shall be subject to the grievance procedure.

H. Sleeper Cab Equipment

All sleeper cab equipment must be provided with air conditioning and heating appliances in accordance with Article 16, Section 6 of this Agreement. In the event of mechanical failure of such air conditioning and heating appliances, repairs shall be made at the first point of repair enroute where qualified, certified service and parts are available. Drivers shall be paid for all time waiting for repairs to be made to heating appliances. In the event an air conditioning appliance becomes inoperable, the time necessary to complete the repairs cannot cause an unreasonable delay in the movement of freight and therefore will be limited to four (4) hours, for which drivers will be paid. In the event parts and/or qualified, certified service are not available, necessary repairs shall be completed prior to the equipment being dispatched from the next scheduled point of dispatch.

I. Sleeper Cab Occupants

Only two (2) drivers shall be permitted in the sleeper cab equipment at any one time except in the case of emergency, an act of God, or where new type equipment is put into operation. In no event shall a master driver be in the cab in addition to the two (2) regular drivers for more than 300 miles or ten (10) hours.

J. Method of Dispatch at Foreign Domiciles

Foreign domiciled sleeper teams shall be placed on a common rotating wheel at the time they arrive at a foreign domicile and shall be dispatched off that wheel on a first-in first-out basis; provided however, a team may be dispatched out of rotation when receiving a direct dispatch back to their home domicile. Such direct dispatch may include a drop and pick enroute. When more than one team from a common home domicile is on the foreign wheel, the first team in shall be the team dispatched out of rotation.

Sleeper teams who are put to bed at a foreign domicile shall be dispatched in accordance with the procedure herein; provided however, it shall not be a violation or the basis of a runaround claim, when a foreign team, whose home domicile is common to that of another team who is in bed at the foreign domicile, has been pre-dispatched on a via through the foreign domicile enroute to their home domicile. A foreign team may not however, be dispatched from a home domicile to a foreign domicile and then back to their home domicile (A-B-A) when another team from the same home domicile is in bed at the foreign domicile.

K. Foreign Power Courtesy Dispatch

It shall not be a violation or the basis for a runaround when a sleeper team is dispatched on a via through a foreign domicile where other sleeper teams or single drivers are domiciled when continuing in motion over their designated sleeper lane, or being dispatched to their home domicile.

L. National Sleeper Cab Grievance Committee

The parties shall establish a National Sleeper Committee composed of four (4) union representatives appointed by the Chairman of TNFINC and four (4) Employer representatives appointed by the Employer Chairman of the National Grievance Committee. The National Sleeper Committee shall establish rules of procedure to govern the manner in which proposed sleeper operations are to be heard, procedures for resolving sleeper issues and procedures for establishing prehearing guidelines. Any grievance concerning the application or interpretation of this section shall be referred to the National Sleeper Committee for resolution. If the National Sleeper Committee is unable to reach a decision on an interpretation or grievance, the issue will be referred to the National Grievance Committee.

ARTICLE 9. PROTECTION OF RIGHTS

Section 1. Picket Lines: Sympathetic Action

It shall not be a violation of this Agreement, and it shall not be cause for discharge, disciplinary action or permanent replacement in the event an employee refuses to enter upon any property involved in a primary labor dispute, or refuses to go through or work behind any primary picket line, including the primary picket line of Unions party to this Agreement, and including primary picket lines at the Employer's places of business.

Section 2. Struck Goods

It shall not be a violation of this Agreement and it shall not be cause for discharge, disciplinary action or permanent replacement if any employee refuses to perform any service which his/her Employer undertakes to perform as an ally of an Employer or person whose employees are on strike and which service, but for such strikes, would be performed by the employees of the Employer or person on strike.

Section 3.

Subject to Article 32—Subcontracting, hereof, the Employer agrees that it will not cease or refrain from handling, using, transporting, or otherwise dealing in any of the products of any other Employer

or cease doing business with any other person, or fail in any obligation imposed by the Motor Carriers Act or other applicable law, as a result of individual employees exercising their rights under this Agreement or under law, but the Employer shall, notwithstanding any other provision in this Agreement, when necessary, continue doing such business, including pickup or delivery to or from the Employer's terminal and to or from the premises of a shipper or consignee.

Section 4.

The layover provision of the applicable Supplemental Agreement shall apply when the Employer knowingly dispatches a road driver to a terminal at which a primary picket line has been posted as a result of the exhaustion of the grievance procedure, or after proper notification of a picket line permitted by the collective bargaining agreement, or economic strikes occurring after the expiration of collective bargaining agreements, or to achieve a collective bargaining agreement. In such event and upon his/her request, a driver shall be provided first class public transportation to his/her home terminal, plus be paid a minimum of eight (8) hours or actual time spent while returning, whichever is greater. The Employer shall determine the mode of transportation to be utilized.

ARTICLE 10. LOSS OR DAMAGE

Section 1.

In the event loss, damage or theft of freight, equipment, materials, or supplies is incurred as a direct result of a proven willful gross negligent act by an employee in the performance of assigned work, when such act knowingly may result in such loss, damage or theft, the employee may be held responsible for such acts and may be required to assume liability for any such loss, damage or theft, in whole or in part. The term "willful, gross negligent acts" is intended to describe independent actions of any employee who knowingly violates established rules or policies that, when adhered to, clearly prevent loss, damage or theft described herein. Employees shall not be held responsible or required to assume liability for loss or damage or theft unless clear proof of willful, gross negligence is shown.

Article 10, Section 1

In no event will an employee be held responsible for, or required to assume any liability for any loss, damage or theft when performing assigned work in a manner as specifically instructed by a supervisor. This Article shall not be utilized in any manner to hold an employee liable for any loss or damage of equipment under any conditions or for any damage to cargo as a result of a vehicular accident.

Section 2.

Prior to an employee being charged with the responsibility and liability for any loss, damage or theft because of willful gross negligent acts on the part of the employee, a hearing shall be held with the Local Union, the employee and the Employer. Employees who are found to be liable and required to make restitution for such liability, shall not then be subject to any further disciplinary action. Any disputes between the parties may be referred to the grievance procedure of the applicable Area Supplemental Agreement and the National Master Freight Agreement.

ARTICLE 11. BONDS AND INSURANCE

Section 1.

Should the Employer require any employee to give bond, cash bond shall not be compulsory, and any premium involved shall be paid by the Employer. The primary obligation to procure the bonds shall be on the Employer. If the Employer cannot arrange for a bond within ninety (90) days, it must so notify the employee in writing. Failure to so notify shall relieve the employee of the bonding requirement. If proper notice is given, the employee shall be allowed thirty (30) days from the date of such notice to make his/her own bonding requirements, standard premiums only on said bond to be paid by the Employer. A standard premium shall be that premium paid by the Employer for bonds applicable to all other of its employees in similar classifications. Any excess premium is to be paid by the employee. Cancellation of a bond after once issued shall not be cause for discharge unless the bond is cancelled for cause which occurs during working hours, or due to the employee having given a fraudulent statement in obtaining said bond.

Every driver must maintain a valid commercial driver's license and be covered by insurance. If an Employer cannot cover a driver under an existing fleet policy, the Employer will promptly apply to the state assigned risk-pool to provide any comparable coverage. During the pendency of the application and until insurance is obtained, the driver will not be terminated, but will be taken out of driving service. When any comparable insurance is obtained, the employee will be responsible for paying any excess over the standard charges.

Section 2. Corporate Owned Life Insurance

The Employer will not own and/or be the beneficiary of any life insurance policy on the life or lives of any members of the bargaining unit without obtaining the explicit authorization of the Teamsters National Master Freight Negotiating Committee and the individual affected employees.

ARTICLE 12. UNIFORMS

Before the Employer purchases uniforms, it must present a sample of the material for the uniforms to the Union for approval. If the sample material type is not used in the finished uniforms, the Union employees are under no obligation to wear the uniforms. The Union's approval shall not be unreasonably withheld. The Employer agrees that if any employee is required to wear any kind of uniform as a condition of his/her continued employment, such uniform shall be furnished and maintained by the Employer, free of charge, at the standard required by the Employer. Said uniforms shall be made in the United States by union vendors, if possible, and will have the Teamster emblem appropriately applied.

The Employer shall replace all clothing, glasses, hearing aids and/or dentures not covered by company insurance or worker's compensation which are destroyed or damaged in a wreck or fire with company equipment.

The Employer has the right to establish and maintain reasonable standards for wearing apparel and personal grooming.

Article 12

The following provisions shall govern the wearing of shorts, unless the Employer and Local Union has a prior existing practice:

During the period May 1, through September 30, employees shall be allowed to wear appropriate shorts, subject to the guidelines set forth herein. Appropriate shorts shall be defined as walking or Bermuda style shorts with at least two (2) pockets and belt loops and which cannot be shorter than two (2) inches above the knee, properly hemmed at the bottom and of a conservative basic solid color, (black, blue, brown or green). Socks and appropriate foot wear must be worn at all times.

Short shorts, cut offs, unhemmed, athletic, gym, biking, spandex and calf length shorts shall not be allowed.

ARTICLE 13. PASSENGERS

No driver shall allow anyone, other than employees of the Employer who are on duty, to ride on his truck except by written authorization of the Employer, or except in cases of emergency arising out of disabled commercial equipment or an Act of God. No more than two (2) people shall ride in the cab of a tractor unless required by government agencies or the necessity of checking of equipment. This shall not prohibit drivers from picking up other drivers, helpers or others in wrecked or broken down motor equipment and transporting them to the first (1st) available point of communication, repair, lodging or available medical attention. Nor shall this prohibit the transportation of other drivers from the driver's own company at a delivery point or terminal to a restaurant for meals.

ARTICLE 14. COMPENSATION CLAIMS

Section 1. Compensation Claims

(a) The Employer agrees to cooperate toward the prompt disposition of employee on-the-job injury claims. The Employer shall provide worker's compensation protection for all employees even though not required by state law, or the equivalent thereof, if the injury arose out of or in the course of employment. No employee

will be disciplined or threatened with discipline as a result of filing an on-the-job injury report. The Employer or its designee shall not visit an injured worker at his/her home, at a hospital or any location outside the employee's home terminal without his/her consent.

(b) At the time an injury report is turned in, the Employer shall provide the injured employee with an information sheet briefly outlining the procedure for submitting a worker's compensation claim to include the name, address and phone number of the company's worker's compensation representative and other pertinent information relative to claim payment.

(c) An employee who is injured on the job, and is sent home, or to a hospital, or who must obtain medical attention, shall receive pay at the applicable hourly rate for the balance of his/her regular shift on that day. An employee who has returned to his/her regular duties after sustaining a compensable injury who is required by the worker's compensation doctor to receive additional medical treatment during his/her regularly scheduled working hours shall receive his/her regular hourly rate of pay for such time. Where not prohibited by state law, employees who sustain occupational injury or illness shall be allowed to select a physician of their own choice and shall notify the Employer in writing of such physician.

(d) Road drivers sustaining an injury while being transported in company-provided transportation for Company purposes at a layover terminal shall be considered as having been injured on the job.

(e) In the event that an employee sustains an occupational illness or injury while on a run away from his/her home terminal, the Employer shall provide transportation by bus, train, plane, or automobile to his/her home terminal if and when directed by a doctor.

(f) The Employer agrees to provide any employee injured locally transportation at the time of injury, from the job to the medical facility and return to the job, or to his/her home if required.

(g) In the event of a fatality arising in the course of employment, while away from the home terminal, the Employer shall return the deceased to his/her home at the point of domicile.

(h) The Employer may publish reasonable safety rules and procedures and provide the Local Union with a copy. Failure to observe such reasonable rules and/or procedures shall subject the employee to disciplinary action in accordance with the disciplinary procedures in the applicable Supplemental Agreement. However, the time limitation relative to prior offenses shall be waived to permit consideration of the employee's entire record of failure to observe reasonable safety rules and/or procedures resulting in lost time personal injuries. This provision does not apply to vehicular accidents.

When issuing progressive discipline under the terms and conditions of Article 14 Section 1(h), it is understood that the time limitation relative to prior offenses of failure to observe reasonable safety rules and/or procedures resulting in lost time injuries is waived and may be included in the disciplinary process.

However it is also understood that when an employer issues progressive discipline, the employer shall not utilize prior discipline that is in excess of three (3) years old when issuing additional progressive discipline, unless the employee has shown a pattern of failure to observe reasonable safety rules and/or procedures resulting in lost time injuries.

Section 2. Modified Work

(a) The Employer may establish a modified work program designed to provide temporary opportunity to those employees who are unable to perform their normal work assignments due to a disabling on-the-job injury. Recognizing that a transitional return-to work program offering both physical and mental therapeutic benefits will accelerate the rehabilitative process of an injured employee, modified work programs are intended to enhance worker's compensation benefits and are not to be utilized as a method to take advantage of an employee who has sustained an industrial injury, nor are they intended to be a permanent replacement for regular employment.

An active employee, who is injured on the job, qualifies for workers' compensation benefits and is subsequently laid off, will continue to receive compensation payments and benefits for the period provided by his/her supplement.

(b) Implementation of a modified work program shall be at the Employer's option and shall be in strict compliance with applicable federal and state worker's compensation statutes. Acceptance of modified work shall be on a voluntary basis at the option of the injured employee. However, refusal to accept modified work by an employee, otherwise entitled to worker's compensation benefits, may result in a loss or reduction of such benefits as specifically provided by the provisions of applicable federal or state worker's compensation statutes. Employees who accept modified work shall continue to be eligible to receive "temporary partial" worker's compensation benefits as well as all other entitlements as provided by applicable federal or state worker's compensation statutes.

Employees who have been prescribed medications by a doctor where such medications prevent them from driving to and from work or where the treating physician certifies that the injury itself prevents the employee from driving to and from work, shall not be scheduled for modified duty.

Employees who need additional medical and/or physical therapy may go for such treatments during scheduled hours for modified work whenever practical and reasonable.

(c) At facilities where the Employer has a modified work program in place, temporary modified assignments shall be offered in seniority order to those regular full time employees who are temporarily disabled due to a compensable worker's compensation injury and who have received a detailed medical release from the attending physician clearly setting forth the limitations under which the employee may perform such modified assignments. Once a modified work assignment is made and another person is injured, the second person must wait until a modified work opening occurs, regardless of seniority. All modified work assignments must be made in strict compliance with the physical restrictions as outlined by the

attending physician. All modified work program candidates must be released for eight (8) hours per day, five (5) days per week. The Employer, at its option, may make a modified work offer of less than eight (8) hours per day where such work is expected to accelerate the rehabilitative process and the attending physician recommends that the employee works back to regular status or up to eight (8) hours per day by progressively increasing daily hours. A copy of any release for modified work must be given to the employee before the modified work assignment begins.

It is understood and agreed that those employees who, consistent with professional medical evaluations and opinion, may not be expected to receive an unrestricted medical release, or whose injury has been medically determined to be permanent and stationary, shall not be eligible to participate in a modified work program.

In the event of a dispute related to conflicting medical opinion, such dispute shall be resolved pursuant to established worker's compensation law and/or the method of resolving such matters as outlined in the applicable Supplemental Agreement. In the absence of a provision in the Supplemental Agreement, the following shall apply:

When there is a dispute between two (2) physicians concerning the release of an employee for modified work, such two (2) physicians shall immediately select a third (3rd) neutral physician within seven (7) days, who shall possess the same qualifications as the most qualified of the two selecting physicians, whose opinion shall be final and binding on the Employer, the Union and the employee. In the event the availability of a qualified physician is in question, the Local Union and the Company shall resolve such matter by selecting the third (3rd) physician whose opinion shall be final and binding. The expense of the third (3rd) physician shall be equally divided between the Employer and the Union. Disputes concerning the selection of the neutral physician or back wages shall be subject to the grievance procedure.

For locations where the Employer intends to implement a modified work program or has a modified work program in place, the Local Union shall be provided with a copy of the current form(s) being used

for employee evaluation for release and general job descriptions. This information shall be general in nature, not employee specific.

When a modified work assignment is made, the employee shall be provided with the hours and days he/she is scheduled to work as well as the nature of the work to be performed in writing. A copy of this notice shall also be submitted to the Local Union.

An employee who is placed in a modified work position may be subject to medical evaluation(s) by a physician selected by the Employer to determine if the modified work being performed is accelerating the rehabilitative process as anticipated by Section 2 above. In the event such medical evaluation(s) determine that the rehabilitative process is not being accelerated, the employee shall have the right to seek a second opinion from a physician of his choosing. Any disputes regarding conflicting medical claims shall be resolved in accordance with the provisions outlined above. The employee may be removed from the modified work program based upon final medical findings under this procedure. Employees so removed shall not have their worker's compensation benefits affected because of such removal. In the event the employee's temporary disability worker's compensation benefit is subject to reduction by virtue of an applicable Federal or State statute, the Employer shall pay the difference between the amount of the reduced temporary worker's compensation benefit to which the employee would be entitled.

(d) Modified work shall be restricted to the type of work that is not expected to result in a re-injury and which can be performed within the medical limitations set forth by the attending physician. In the event the employee, in his/her judgment, is physically unable to perform the modified work assigned, he/she shall be either reassigned modified work within his/her physical capabilities or returned to full "temporary total" worker's compensation benefits. In the event a third (3rd) party insurance carrier refuses to reinstate such employee to full temporary total disability benefits, the Employer shall be required to pay the difference between the amount of the benefit paid by such third (3rd) party insurer and full total temporary disability benefits. Determination of physical capabilities shall be based on the attending physician's medical evaluation.

Article 14, Section 2

Under no conditions will the injured employee be required to perform work at that location subject to the terms and conditions of the National Master Freight Agreement or its Area Supplemental Agreements. Prior to acceptance of modified work, the affected employee shall be furnished a written job description of the type of work to be performed.

(e) The modified workday and workweek shall be established by the Employer within the limitations set forth by the attending physician. However, the workday shall not exceed eight (8) hours, inclusive of coffee breaks where applicable and exclusive of a one-half (1/2) hour meal period and the workweek shall not exceed forty (40) hours, Monday through Friday, or Tuesday through Saturday, unless the nature of the modified work assignment requires a scheduled workweek to include Sunday. Whenever possible, the Employer will schedule modified work during daylight hours, Monday through Friday, or during the same general working hours and on the same workweek that the employee enjoyed before he/she became injured. In the case of an employee whose workdays and/or hours routinely varied, the Employer will schedule the employee based on the availability of the modified assignment being offered. Any alleged abuse of the assignment of workdays and work hours shall be subject to the grievance procedure.

(f) Modified work time shall be considered as time worked when necessary to satisfy vacation and sick leave eligibility requirements as set forth in the National Master Freight Agreement and/or its applicable Area Supplemental Agreements. In addition to earned vacation pay as set forth in the applicable Area Supplemental Agreements, employees accepting modified work shall receive prorated vacation pay for modified work performed based on the weekly average modified work pay. The only time modified work is used in prorating vacation is when the employee did not qualify under the applicable Supplemental Agreement.

Holiday pay shall first be paid in accordance with the provisions of the applicable Supplemental Agreement as it relates to on-the-job injuries. Once such contractual provisions have been satisfied, hol-

idays will be paid at the modified work rate which is the modified work wage plus the temporary partial disability benefit.

Sick leave and funeral leave taken while an employee is performing modified work will be paid at the modified work rate, which is the modified work wage plus the temporary partial disability benefit. Unused sick leave will be paid at the applicable contract rate where the employee performed modified work and qualified for the sick leave during the contract year.

(g) The Employer shall continue to remit contributions to the appropriate health & welfare and pension trusts during the entire time period employees are performing modified work. The payment of health & welfare and pension contributions while the employee is on modified work is not included in the health & welfare and pension contributions required by the Supplement when an employee is off work on worker's compensation. Continuation of such contributions beyond the period of time specified in the Supplemental Agreement for on-the-job injury shall be required. Provisions of this Section shall not be utilized as a reason to disqualify or remove an employee from the modified work program.

(h) Employees accepting modified work shall receive temporary partial benefits as determined by each respective state worker's compensation law, plus a modified work wage when added to such temporary partial benefit, shall equal not less than eighty-five percent (85%) of forty (40) hours' pay he/she would otherwise be entitled to under the provisions of the applicable Area Supplemental Agreement for the first six (6) months from the date the modified work assignment commences. After this initial six (6) month period, the percentage shall increase to ninety percent (90%) for the duration of each individual modified work assignment. The Employer shall not refuse to assign modified work to employees based solely on such employees reaching the ninety percent (90%) wage level. Such refusal shall be considered an abuse of the program and shall be subject to the grievance procedure. Modified work assignments beginning or ending within a workweek shall be paid on a prorated basis; one (1) day equals one-fifth (1/5th).

(i) Employees accepting modified work shall not be subject to disciplinary action provisions of the Supplemental Agreements unless such violation involves an offense for which no prior warning notice is required under the applicable Supplemental Agreement (Cardinal Sins). Additionally, the provisions of Article 35, Section 3(a), shall apply.

(j) Alleged abuses of the modified work program by the Employer and any factual grievance or request for interpretation concerning this Article shall be submitted directly to the Regional Joint Area Committee. Proven abuses may result in a determination by the National Grievance Committee that would withdraw the benefits of this Article from that Employer, in whole or in part, in which case affected employees shall immediately revert to full worker's compensation benefits.

Section 3. Workers Compensation Pay Dispute

Should an employee have a undisputed pay claim concerning the established state worker compensation amount required by Law, the Employer will provide each individual an emergency dispute phone number which will be operational twenty-four (24) hours, seven (7) days a week. The Employer's Workers Compensation Manager will have authority to make immediate payment. The pay shortage will be reconciled by direct deposit or check delivered by express overnight mail within twenty-four (24) hours of the call. If the disputed pay is not received within the twenty-four hour period, an eight (8) hour penalty will be paid the employee for every day until the pay is received. Where not prohibited by law, all employees shall be required to use direct deposit for workers' compensation payments.

Section 4. Americans with Disabilities Act

The Union and the Employer recognize their obligations under the Americans with Disabilities Act. It is agreed that the Employer shall determine whether an employee is a qualified individual with a disability under the ADA and, if so, what reasonable accommodations, if any, should be provided. In the event that the Employer determines that a reasonable accommodation is necessary, the Em-

ployer shall notify the Local Union before providing the reasonable accommodation to a qualified bargaining unit employee to ensure that the reasonable accommodation selected by the Employer does not impact another employee's seniority or other contract rights.

Any dispute over whether the Employer complied with its duty to notify the Local Union before implementing a proposed reasonable accommodation or whether providing the reasonable accommodation violates any employee's rights under any other provision of the NMFA shall be subject to the grievance procedure. Disputes over whether the Employer has complied with its legal requirements under the ADA, including the ADA requirements to provide a reasonable accommodation, however, shall not be subject to the grievance procedure.

ARTICLE 15. MILITARY CLAUSE

Employees in service in the uniformed services of the United States, as defined by the provisions of the Uniform Services Employment and Reemployment Rights Act (USERRA), Title 38, U.S. Code Chapter 43, shall be granted all rights and privileges provided by USERRA and/or other applicable state and federal laws. This shall include continuation of health coverage to the extent required by USERRA, and continuation of pension contributions for the employee's period of service as provided by USERRA. Employee shall be subject to all obligations contained in USERRA which must be satisfied for the employees to be covered by the statute.

In addition to any contribution required under USERRA, the Employer shall continue to pay health & welfare contributions for regular active employees involuntarily called to active duty status from the military reserves or the National Guard for military-related service, excluding civil domestic disturbances or emergencies. Such contributions shall only be paid for a maximum period of eighteen (18) months. Furthermore, the employee shall continue to accrue vacation time (at the normal rate he would otherwise have accrued it had he been actively working) and be able to cash out vacation in full week increments while deployed. Amounts shall be paid in accordance with the applicable supplement but in no event

shall it be less than forty-five (45) hours per week at the current rate. Vacation cash-out requests must be submitted in writing or by e-mail and shall be processed within fourteen (14) days. Accrued vacation that has not been used or paid out by the conclusion of the employee's vacation year shall be paid out within thirty (30) days.

ARTICLE 16. EQUIPMENT, SAFETY AND HEALTH

Preamble

It is agreed that all parties covered by this Agreement shall comply with all applicable federal, state and local regulations pertaining to worker safety and health and subjects covered by Article 16. Failure to do so shall be subject to the grievance procedure, in accordance with Articles 7 and 8 of the NMFA, and any other remedies prescribed by law after the procedures contained in this Agreement are exhausted. Class A casual mechanics will not be allowed to sign off safety related write ups.

Section 1. Safe Equipment

The Employer shall not require employees to take out on the streets or highways any vehicle that is not in a safe operating condition, including, but not limited to, equipment which is acknowledged as overweight or not equipped with the safety appliances prescribed by law. It shall not be a violation of this Agreement or basis for discipline where employees refuse to operate such equipment unless such refusal is unjustified.

It shall also not be a violation of this Agreement or considered an unjustified refusal where employees refuse to operate a vehicle when such operation constitutes a violation of any federal rules, regulations, standards, or orders applicable to commercial motor vehicle safety or health, or because of the employee's reasonable apprehension of serious injury to himself/herself or the public due to the unsafe condition of such equipment. The unsafe conditions causing the employee's apprehension of injury must be of such nature that a reasonable person, under the circumstances then confronting the employee, would conclude that there is a bona fide danger of an ac-

cident, injury, or serious impairment of health, resulting from the unsafe condition. In order to qualify for protection under this provision, the employee must have sought from the Employer, and have been unable to obtain, correction of the unsafe condition.

All equipment which is refused because it is not mechanically sound or properly equipped shall be appropriately tagged so that it cannot be used by other employees until the maintenance department has adjusted the complaint. After such equipment is repaired, the Employer shall place on such equipment an "ok" in a conspicuous place so the employee can see the same.

Section 2. Dangerous Conditions

Under no circumstances will an employee be required or assigned to engage in any activity involving dangerous conditions of work, or danger to person or property or in violation of any applicable statute or court order, or in violation of a government regulation relating to safety of person or equipment.

The term "dangerous conditions of work" does not relate to the type of cargo which is hauled or handled.

If the "ABS" warning indicator is activated prior to dispatch at a shop location, the tractor will be repaired or switched out. If it occurs "on-route" it shall be remedied at the next shop location.

Section 3. Accident Reports

Any employee involved in any accident or cargo spill incident, involving any hazardous or potentially polluting product, shall immediately report said accident or spill incident and any physical injury sustained. When required by his/her Employer, the employee, before starting his/her next shift, shall make out an accident or incident report in writing on forms furnished by the Employer and shall turn in all available names and addresses of witnesses to the accident or incident. The employee shall receive a copy of the accident or incident report that he/she submits to his/her Employer. Failure to comply with this provision shall subject such employee to disciplinary action by the Employer.

Section 4. Equipment Reports

Employees shall immediately, or at the end of their shift, report all defects of equipment.

(a) Such reports shall be made on a suitable form furnished by the Employer and shall be made in multiple copies, one (1) copy to be retained by the employee and one (1) copy to be made available for inspection by the next driver operating the unit. Such copy will remain in the truck. Any alleged violation of the above shall not be cause for refusal of the equipment, but shall be subject to the grievance procedure. The Employer shall not ask or require any employee to take out equipment that has been reported by any other employee as being in an unsafe operating condition until the same has been repaired or is certified by a mechanical department that no repairs are needed and the unit is safe to drive.

(b) When the occasion arises where an employee gives written report on forms in use by the Employer of a vehicle being in an unsafe working or operating condition and receives no consideration from the Employer, he/she shall take the matter up with the officers of the Union who will take the matter up with the Employer. However, in no event shall an employee be required to take out on the streets or highways a vehicle that is not in a safe operating condition or in violation of any federal rules, regulations, standards, or orders applicable to commercial motor vehicle safety as provided in Section 1 of this Article.

Section 5. Qualifications on Equipment

If the Employer or government agency requests a regular employee to qualify on equipment requiring a classified or special license, or in the event an employee is required to qualify (recognizing seniority) on such equipment in order to obtain a better job opportunity with his/her Employer, the Employer shall allow such regular employee the use of the equipment so required in order to take the examination on the employee's own time.

Costs of such license required by a government agency will be paid for by the employee.

An employee unable to successfully pass the DOT Commercial Driver's License (CDL) examination will be allowed to take a leave of absence for a period not to exceed two (2) years without loss of seniority provided the employee makes a bona fide effort to pass the test each time the opportunity presents itself. The employee will be given work opportunities ahead of casuals to perform non-CDL required job functions. Such employee shall be allowed to claim any open non-CDL bid his/her seniority will allow. This bidding provision shall not apply to road drivers in a separate seniority classification or combination facilities with the exception of locations that have an established practice or agreement providing for disqualified employees to bid on non-CDL positions.

Once obtained an employee must maintain his/her commercial driver's license with required endorsements unless disqualified by regulatory mandate or documented medical disability.

Section 6. Equipment Requirements

(a) All tractors must be equipped as necessary to allow the driver to safely enter and exit the cab, and hook and unhook the air hoses. All equipment used as city peddle trucks, and equipment regularly assigned to peddle runs, must have steps or other similar device to enable drivers to get in and out of the body. All twin trailers used in LTL pick-up and delivery operation with roll up doors purchased after April 1, 1985 shall be equipped with a hand hold and a DOT bumper which may serve as a step.

All equipment purchased, ordered, and/or introduced to the Pickup and Delivery operations after April 1, 2003 will be equipped with air-conditioning and will be maintained in proper operating condition during the period of May 31st through September 30th. The Company will not exceed two weeks in making necessary air conditioning repairs during this period. It shall not be a violation of this section to operate any unit while waiting for repairs.

(b) The Employer shall install heaters and defrosters on all trucks and tractors.

(c) There shall be first-line tires on the steering axle of all road and local pick-up and delivery power units.

(d) All road equipment regularly assigned to the fleet shall be equipped with an air-ride seat on the driver's side. Such equipment shall be maintained in reasonable operating condition. All new air ride seats shall oscillate and have an adjustable lumbar support, height, backrest and seat tilt.

(e) Tractors added to the road fleet and assigned to road operations on a regular basis, whether newly manufactured or not newly manufactured, shall be air conditioned.

(f) When the Employer weighs a trailer, the over-the-road driver shall be furnished the resulting weight information along with his/her driver's orders.

(g) All company trailers shall be marked for height.

(h) No driver shall be required to drive a tractor designed with the cab under the trailer.

(i) All road and city equipment shall have a speedometer operating with reasonable accuracy.

(j) The following minimum measurements for fuel tank placement shall apply to tractors added to the fleet after March 1, 1981, with the understanding that there shall be no retrofit of equipment currently in use: (1) front of fuel tank to rear of front tire-not less than 4 inches; (2) rear of fuel tank to front of duals-not less than 4 inches; (3) bottom of fuel tank to ground-provide clearance not less than 7.5 inches, measured on a flat surface; and (4) all fuel tank measurements as stated herein include brackets, return lines, etc. in determining clearance.

Any alleged violation of the above requirements shall not be cause for refusal of the equipment, but shall be subject to the grievance procedure as a safety and health issue.

(k) The following shall apply to shock absorbers on tractor front axles with the purchase of newly manufactured tractors which are placed in service after March 1, 1981, and with the understanding that there shall be no retrofit of equipment currently in use: Where the manufacturer recommends and provides shock absorbers as standard equipment with the tractor front suspension assembly, properly maintained shocks on such new equipment shall be considered as a necessary and integral part of that assembly.

Where the manufacturer does not recommend and provide shock absorbers as standard equipment with the tractor front suspension assembly, shocks shall not be considered as a necessary or integral part of that suspension system.

Any alleged violation of the above, including maintenance of existing equipment, shall not be cause for refusal of equipment but shall be subject to the grievance procedure as a safety and health issue.

(l)(1) The following shall apply for the minimum interior dimensions of the sleeper berths on newly manufactured over-the-road tractors purchased and placed in service after January 1, 1987.

a. Length—80 inches; b. Width—34 inches; and, c. Height – 24 inches.

It is understood that a "manufacturing tolerance of error" of one inch (1") is permissible, provided the original specifications were in conformity with the above recommended dimensions. It is understood that there shall be no retrofit of equipment currently in service.

(2) Interior cab dimensions. Effective January 1, 1988, the Employer, in placing orders for newly manufactured over-the-road tractors, shall request of the manufacturer in writing that there will be compliance with as many of the following October, 1985 SAE recommended practices as possible: J941-E, J1052, J1521, J1522, J1517, J1516, and J1100. The carrier, upon request, will furnish proof to the National Safety and Health Committee that a request was made

to the manufacturer for compliance with the aforementioned SAE recommended practices.

(m) The Employer and the Union recognize the need for safe and efficient twin-trailer operations. Accordingly, the parties agree to the following:

(1) The Employer shall make available to all drivers involved in the twin-trailer operations training in the proper procedures for the safe hooking and unhooking of dollies and jiff-lox. Upon request, the Company will furnish to the Union a copy of their training program.

(2) Dollies and jiff-lox shall be counter-balanced or equipped with a crank-down wheel to support the weight of the dolly tongue or jiff-lox. A handle will also be provided on the tongue of the dolly or jiff-lox and shall be maintained.

(3) A tractor equipped with a pintle hook will be made available to drivers required to drop and hook twin trailers or triples at closed terminals.

The Employer shall make a bona fide attempt to make a telephone available for the driver at closed terminals during the trailer switch.

(4) Whenever possible, the Company will hook up the heaviest trailer in front in twin-trailer operations. In those instances where it is not possible because of an intermediate drop of less than one hundred and fifty (150) miles or scaling of the drive axle, the driver after driving the unit at any point on the trip, determines, at his/her sole discretion, the unit does not handle properly, may have the Company switch the unit or authorize the driver to switch the unit and be paid for such time.

(n)(1) There will be a moratorium on the purchase of diesel-powered forklifts and sweepers.

(2) It shall be standard work practice that every diesel-powered sweeper shall be shut off whenever the operator leaves the seat.

Under no circumstances shall diesel-powered sweepers be allowed to idle when not attended.

(3) Diesel-powered sweepers shall be tuned and maintained in accordance with schedules recommended by their manufacturers. The Employer shall provide copies of such recommendations to the Union upon request.

(4) Improperly maintained diesel-powered sweepers may produce visible emissions after start-up. Therefore, any such diesel-powered sweeper that is found to be smoking shall be taken out of service as soon as possible until repairs are made and that condition corrected.

(5) The Employer agrees to cooperate with those government and/or mutually agreed private agencies in such surveys or studies designed to analyze the use and operation of diesel-powered sweepers and diesel-powered sweeper emissions.

(o) As of July 1, 1988, as new equipment is ordered or existing equipment requires brake lining replacement, all brake linings shall be of non-asbestos material where available and certifiable.

(p) Slack adjuster equipment (snubbers) used in multiple trailer operations, whether on the trailers or on the converters, shall be maintained in proper working order. However, it shall not be a violation of this provision for the unit to be pulled to the next point of repair if the snubber is inoperative.

(q) Converter dollies may be pulled on public roads by bobtail tractors if all of the following conditions are met:

(1) Tractors used in this type of operation shall have a pintle hook installed which has the proper weight capacity and is designed for highway use;

(2) Neither supply nor control air lines are to be connected to the converter dolly when being pulled by a bobtail tractor, and the tractor protection valve shall be set in the normal bobtail position;

(3) After October 1, 1991, tractors used to pull converter dollies bobtail must be equipped with a type of bobtail proportioning valve (BPV) in the tractor braking system, unless equipped with ABS;

(4) It is further agreed such configuration must comply with state and federal law.

(r) All newly manufactured road tractors regularly assigned to the fleet after July 1, 1991, shall be equipped with heated mirrors. All road tractors ordered after April 1, 2003 shall be equipped with a power mirror on the curbside. However, it shall not be a violation of this provision for the tractor to be dispatched to the next Company point of repair if the heated and/or power mirror is inoperative.

(1) All new yard equipment shall be equipped with vertical exhaust stacks.

(2) All road and city tractors shall be equipped with large spot mirrors (6" minimum) on both sides of the tractor by January 1, 1995.

(3) All road tractors and switching equipment shall be equipped with an operable light of sufficient wattage on the back of the cab.

(4) All new road and city equipment shall have operable sun visors.

(5) Seats on forklifts and sweepers shall be maintained in good repair.

(6) On all road and city tractors, the cab door locks shall remain operable and be properly maintained. Both parties agree that the Employer will have reasonable time to repair the locks.

(7) The Employer shall repair inoperable door locks on linehaul tractors that are reported on a driver vehicle inspection report. The Employer shall perform such repairs at the first Employer maintenance location.

(s) All newly manufactured city tractors regularly assigned to the city pickup and delivery operation after July 1, 1991, shall be equipped with power steering and an air-ride seat on the driver's side.

(1) All new road and yard equipment shall have power steering.

(2) All new forklifts and sweepers shall be equipped with power steering.

(t) All hand trucks and pallet jacks shall be maintained in good repair.

(u) All portable and mechanical dock plates shall be maintained in good working condition.

(v) The parties will maintain a safe and healthy working environment in sleeper operations. The parties agree to establish a committee composed of four (4) members each to review the comfort and/or safety aspects of sleeper berths pertaining to ride. Such committee shall meet by mutual agreement of the Co-chairmen as to time and place. The committee shall confer with appropriate representatives of equipment manufacturers and/or other experts on this subject as may be available. The intent of the committee is to identify any problems with the comfort and/or safety aspects of sleeper berths pertaining to ride that may exist, and through its deliberations with the manufacturers and/or other experts, develop ways and means to correct such situations. The committee shall report its findings and make recommendations to the National Grievance Committee.

(1) All new sleeper tractors purchased or leased after February 8, 1998, shall, at a minimum, be equipped with the manufacturer's original equipment standard dual heat/air conditioning systems. This is not intended to preclude the Company from purchasing newer technology on future purchases, should such become available prior to the expiration of this Agreement.

(2) Bunk restraint strap/net buckles on sleeper equipment shall be mounted on the entrance side of the sleeper berth by April 1, 1995.

(3) New sleeper equipment purchased on or after April 1, 1995, shall be equipped with a power window on the passenger's side of the cab that is operable from the driver's side of the cab.

(4) All sleeper cabs added to the Employer's fleet after April 1, 2008 will be walk-in sleeper berths with at least the following dimensions:

The measurement of 15-3/4 inches from the front of the mattress to the closed sleeper curtain, at any point across the cab, shall apply for the minimum interior walk-in dimension on newly manufactured over-the-road sleeper tractors ordered after April 1, 2008. It is understood that the contractual width of a sleeper mattress is 34 inches when determining the 15-3/4 inches from the front of the mattress to the sleeper curtain.

All walk-in sleeper units introduced into operation after April 1, 2008 will have a minimum sleeper berth height of 65 inches from the floor to interior ceiling of the sleeper berth. It is also understood that the entrance opening into the sleeper berth area will be a minimum of 64 inches.

This will not apply to triple runs as the length now prohibits. However, if and when it becomes legal to run walk-in sleepers on triple lanes, all new equipment ordered after that effective date will be equipped with walk-in sleeper berths.

(5) All sleeper tractors introduced into Employer linehaul operations after April 1, 2008 will be equipped with an engine and/or exhaust brake. The parties understand that a unit with an inoperable engine brake system will not be considered out of service. Repairs will be performed at the team's home terminal at the end of that team's tour.

(6) All sleeper tractors will be set so that the unit will continue to idle, except if (a) federal, state, or local laws or regulations require the Employer to limit or eliminate tractor idle time or (b) the unit is equipped with an auxiliary power pack that provides heat and air conditioning to the sleeper berth area.

(w) Employee will not be required to climb on unguarded trailer roofs for snow removal.

(x) At least one vent on the sleeper to open front or back.

(y) The Employer shall repair inoperable air conditioning systems on Employer city tractors throughout the year. The Employer shall perform such repairs within fourteen (14) days of written notification from an employee or the Local Union that the air conditioning system on a particular city tractor is inoperable. It shall not be a violation of this Section to operate any unit while waiting for repairs.

(z) All linehaul tractors introduced into Employer linehaul operations after April 1, 2008 will be equipped with a cab filter system that is designed and available from the tractor's manufacturer.

(aa) The Employer understands tractor interiors should be maintained in a clean condition so units are safe to operate. Concerns about the cleanliness of tractor interiors must first be raised and reviewed at the local level. In the event the parties are unable to resolve the issue locally, the parties shall refer the issue to the Employer's V.P. of Equipment Services for resolution.

(bb) All trailer jockeys ordered following the ratification of this Agreement shall have electric power mirrors on the right-hand side. Any trailer jockeys or hostling tractors ordered in the states listed below following the ratification of this Agreement will be equipped with air conditioning and will be maintained in proper operating condition throughout the year. The Employer shall perform such repairs within fourteen (14) days of written notification from an employee or the Local Union that the air conditioning system on a particular trailer jockey or hostling tractor is inoperable. It shall not be a violation of this Section to operate any unit while waiting for repairs.

States: Alabama, Arkansas, Arizona, California, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, New Mexico, Nevada, Oklahoma, South Carolina, Tennessee, and Texas.

The Employer and the Union shall meet periodically to discuss the feasibility of additional locations.

(cc) Forklift seats shall have sufficient seat cushion as well as spring suspension system under the seat. Forklift seats also shall have incline and decline capability. Forklift seats should also be

adjustable and able to slide back and forth. This Section shall apply to forklifts ordered after ratification of this Agreement.

(dd) Forklifts must have tires that are in good working order with no sizeable chunks of missing tire. Forklifts shall also be equipped with mirrors and lights and have longer blades (no less than 36in.).

Section 7. National Safety, Health & Equipment Committee

The Employer and the Union shall continue the National Safety, Health & Equipment Committee. Such Committee shall be comprised of qualified representatives to consider safety, health and equipment issues. The Committee shall consult among themselves and/or with appropriate government agencies, state and federal, on matters involving all aspects of trucking operations safety and health and issues related to equipment safety. Such Committee shall convene on a regular basis, with an agenda to be agreed to by the respective chairmen.

Any grievance arising under this Article shall be processed through the Regional Joint Area level in accordance with rules and procedures agreed to by the National Safety, Health &Equipment Committee and approved by the National Grievance Committee.

Section 8. Hazardous Materials Program

Parties must update the Hazardous Materials Program guidelines with the understanding that the Union and the Employer will revise the hazardous materials program and address only the mandated requirements.

Section 9. Union Liability

Nothing in this Agreement or its Supplements relating to health, safety or training rules or standards shall create any liability or responsibility on behalf of the Union for any job-related injury or accident to any employee or any other person. Further, the Employer will not commence legal action against the Union as a result of the Union's negotiation of safety standards contained in this Agree-

ment or failure to properly investigate or follow-up Employer compliance with those safety standards.

Section 10. Government Required Safety & Health Reports

The Employer shall provide, upon written request by the Local Union, a copy of any occupational incident report that is required to be filed with a federal government agency on safety and health subjects addressed by Article 16 only. Such reports shall be free of charge for one (1) copy.

Employees and authorized Union representatives shall have access to written occupational safety and health programs. Upon request, the Employer shall provide one (1) copy of the programs to the authorized Union representative free of charge.

Section 11. Facilities

Dock floors shall be maintained in good repair and reasonably free from potholes.

Yards shall be maintained reasonably free from potholes and reasonably effective dust control measures shall be implemented as necessary.

Breakrooms and storage areas for linens, mattresses and individual towels shall be maintained in a sanitary condition.

Restrooms and showers shall be maintained in a sanitary condition. Showers, where provided, shall have body soap or other appropriate cleansing agents and clean individual towels. The requirement to provide a shower which is maintained in a sanitary condition is not satisfied by the availability of a Hazmat shower.

The Employer agrees to maintain clean restrooms and breakrooms on a regular basis throughout the day. All restrooms and breakroom facilities shall be maintained and kept in proper working order.

Suitable windshield/window cleaning materials shall be available to include a long-handled brush/squeegee.

ARTICLE 17. PAY PERIOD

The Joint Area Committee or the National Grievance Committee and the Employer may, by mutual agreement, waive the provisions of Local Supplements dealing with pay periods upon a satisfactory showing of necessity by the Employer, provided such waiver is not a violation of a state or federal law or regulation.

Timely Pay for Drivers

The Employer will make every effort to accommodate drivers, who are away from their home terminal at the conclusion of a pay period, to ensure that those drivers are paid on a timely basis.

ARTICLE 18. OTHER SERVICES

In the event an Employer, party to this Agreement, may require the services of employees coming under the jurisdiction of this Agreement in a manner and under conditions not provided for in this Agreement, then and in such instances the Local Union and the Employer concerned may negotiate such matters for such specific purposes, subject to the approval of the Multi-Region Change of Operations Committee.

ARTICLE 19. POSTING

Section 1. Posting of Agreement

A copy of this Agreement shall be posted in a conspicuous place in each garage and terminal.

Section 2. Union Bulletin Boards

The Employer agrees to provide suitable space for the union bulletin board in each garage, terminal or place of work. Postings by the Union on such boards are to be confined to official business of the Union.

All Union bulletin boards must be glass encased and the steward and Business Agent given a key. The Employer shall have 90 days to comply.

ARTICLE 20. UNION AND EMPLOYER COOPERATION

Section 1. Fair Day's Work for Fair Day's Pay

The parties agree at all times as fully as it may be within their power to cooperate so as to protect the long-range interests of the employees, the Employers signatory to this Agreement, the Union and the general public served by the members of the trucking industry party to this Agreement.

The Union and the Employer recognize the principle of a fair days work for a fair days pay; that jobs and job security of employees working under this Agreement are best protected through efficient and productive operations of the Employer and the trucking industry; and that this principle shall be recognized in the administration of this Agreement and its Supplements and the resolution of all grievances thereunder.

Section 2. Joint Industry Development Committee

The parties recognize that the unionized LTL industry is losing market share and jobs to competitors. The parties recognize that it is in the interest of the Union and the Employers to return the LTL industry to health and to foster its growth. Only if the industry prospers and grows will the industry's employees, whom the Union represents, achieve true job and economic security. Only if the industry prospers and grows will the industry have access to the resources it needs to capitalize and be competitive.

Recognizing that returning the industry to health should be a cooperative, long-term effort, the Teamsters National Freight Industry Negotiating Committee ("TNFINC") and the Employer agree to establish a Joint Industry Development Committee to serve as a vehicle for this effort. The purpose of the Committee will be to perform the following tasks: address the principles of an intermod-

al truckload agreement as a means of capturing new market and creating additional city/P&D jobs; develop data to evaluate and monitor industry and competitor productivity, costs and operations; catalogue, compare and evaluate work rules, practices and procedures among the various NMFA supplements and the Employers; make joint recommendations to the parties about any changes in the NMFA and its supplements that the Committee believes should be considered in the next round of negotiations for the new NMFA; solicit grants for joint activities that benefit the industry and its bargaining unit employees, such as driver training schools; and monitor pending legislation and executive action on the national, state and local level that may affect the welfare of the industry and, where appropriate, jointly recommend actions that further the interests of the industry and its bargaining unit employees and jointly present the views of the Joint Committee to legislative and executive bodies.

The Committee shall operate as a labor-management committee within the meaning of Section 302(c)(9) of the LMRA, as amended, established and functioning so as to fulfill one or more of the purposes set forth in Section 6(c)(2) of the Labor Management Cooperation Act of 1978. The Committee shall have the full support of both the International Brotherhood of Teamsters and the Employer in the Committee's efforts to identify problems, formulate plans to solve those problems and, where appropriate, conduct joint activities designed to implement the plans.

The Chairman of TNFINC will appoint five (5) Union representatives to the Joint Committee. The Employer will appoint five (5) Employer representatives to the Joint Committee. Appointments to the Joint Committee will be made in a manner to assure that there are persons serving who are familiar with the full range of operations undertaken by Employer under all supplemental agreements. The Joint Committee shall meet at least quarterly and may appoint continuing subcommittees to carry out specific tasks. The Union and Employer representatives to the Joint Committee will establish procedures for the operation of this Committee.

Section 3. Benefits Joint Committee

The Union and the Employers will establish a Benefits Joint Committee to review the provision of health & welfare and pension benefits to employees covered by this Agreement. This Committee is charged with the critical responsibility of ensuring that employee health & welfare and pension benefits are made available to employees covered by the terms of the NMFA in a secure and cost-efficient manner. It is anticipated that this Committee shall serve as a source of continuing study regarding the most efficient manner of providing benefits to covered employees. The Union and the Employers will establish procedures for the operation of this Committee. The Committee will make periodic reports and recommendations to TNFINC and TMI.

Section 4. New Business/Job Creation Opportunities

The parties recognize that there may be new job opportunities in markets and/or services not currently performed under the Agreement. During the term of the Agreement, the Employer may propose to TNFINC a new business opportunity which would increase Teamster jobs. The Employer's proposal to TNFINC must contain a detailed description of the proposed new business opportunity and the specific protections to ensure that the proposal will not impact bargaining unit employees. In no event shall the Employer's new business opportunity proposal have an adverse impact on existing bargaining unit employees, the work performed by the bargaining unit, or violate any of the bargaining unit employees' contract rights. The Employer's proposal must be approved by TNFINC and by the Union Supplemental Negotiating Committees and Local Unions in the Supplemental Areas where the proposed new business opportunities exist.

ARTICLE 21. UNION ACTIVITIES

Any employee, member of the Union, acting in any official capacity whatsoever shall not be discriminated against for his/her acts as such officer of the Union so long as such acts do not interfere with the conduct of the Employer's business, nor shall there be any discrimination against any employee because of Union membership or activities.

Article 21

A Union member elected or appointed to serve as a Union official shall be granted a leave of absence during the period of such employment, without discrimination or loss of seniority rights, and without pay.

ARTICLE 22. OWNER-OPERATORS

In the event the Employer employs employee owner-operators, the Employer will negotiate the wages, benefits and working conditions for these owner-operators with TNFINC.

ARTICLE 23. SEPARATION OF EMPLOYMENT

The Employer must mail earnings to discharged employees by certified mail the next business day, unless the employee is paid by direct deposit. The foregoing shall not apply to unused vacation, unless required otherwise by law. Vacation pay for which the discharged employee is qualified shall be paid no later than the first (1st) day following final determination of the discharge.

Upon a permanent terminal closing and/or cessation of operations, the Employer shall pay all money due to the employee during the first (1st) payroll department working day following the date of the terminal closing and/or cessation of operations.

Failure to comply shall subject the Employer to pay liquidated damages in the amount of eight (8) hour's pay for each day of delay. Upon quitting, the Employer shall pay all money due to the employee on the next regular payday for the week in which the resignation occurs.

ARTICLE 24. INSPECTION PRIVILEGES AND EMPLOYER AND EMPLOYEE IDENTIFICATION

Should the Employer find it necessary to require employees to carry or record full personal identification, such requirement shall be complied with by the employees. The cost of such personal identification shall be borne by the Employer.

No employee will be required to have their driver's license reproduced in any manner except by their employer, law enforcement agencies, government facilities and facilities operating under government contracts that require such identification to enter the facility.

Authorized agents of the Union shall have access to the Employer's establishment during working hours for the purpose of adjusting disputes, investigating working conditions, collection of dues, and ascertaining that the Agreement is being adhered to; provided, however, there is no interruption of the firm's working schedule.

Company representatives, if not known to the employee, shall identify themselves to employees prior to taking disciplinary action.

Safety or other company vehicles shall be identified when stopping company equipment.

The Employer agrees to supply company identification to minimize the problem of having to use their personal identification. It is agreed that new ID's will be made within a twelve (12) month period of the new contract.

ARTICLE 25. SEPARABILITY AND SAVINGS CLAUSE

If any article or section of this Agreement or of any Supplements thereto should be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any article or section should be restrained by such tribunal pending a final determination as to its validity, the remainder of this Agreement and of any Supplements thereto, or the application of such article or section to persons or circumstances other than those as to which it has been held invalid or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

In the event that any article or section is held invalid or enforcement of or compliance with which has been restrained, as above set forth, the parties affected thereby shall enter into immediate collective bargaining negotiations after receipt of written notice of the

desired amendments by either Employer or Union for the purpose of arriving at a mutually satisfactory replacement for such article or section during the period of invalidity or restraint. There shall be no limitation of time for such written notice. If the parties do not agree on a mutually satisfactory replacement within sixty (60) days after receipt of the stated written notice, either party shall be permitted all legal or economic recourse in support of its demands notwithstanding any provisions of this Agreement to the contrary.

ARTICLE 26. TIME SHEETS, TIME CLOCKS, VIDEO CAMERAS, AND COMPUTER TRACKING DEVICES

Section 1. Time Sheets and Time Clocks

In over-the-road or line operations, the Employer shall provide and require the employee to keep a time sheet or trip card showing the arrival and departure at terminal and intermediate stops and cause and duration of all delays, time spent loading and unloading, and same shall be turned in at the end of each trip. In local cartage operations, a daily time record shall be maintained by the Employer at its place of business. All Employers who employ five (5) or more people at any terminal shall have time clocks at such terminals.

Employees shall punch their own time cards.

The Employer shall maintain sign-in and sign-out records at terminals. All road drivers must record their name, home domicile, origin, destination and arrival and/or departure times. The Employer shall make available upon the written request of a Local Union information regarding the destination of loads and/or where loads were loaded within the time limits set forth in the grievance procedure.

The Employer may substitute updated time recording equipment for time cards and time sheets. However, a paper trail shall be maintained.

The Employer may computerize the sign-in and sign-out records. However, at all times, the Union shall have reasonable access to a paper record of the sign-in and sign-out records.

Section 2. Use of Video Cameras for Discipline and Discharge

The Employer may not use video cameras to discipline or discharge an employee for reasons other than theft of property, violence, or falsification of documents. If the information on the video tape is to be used to discipline or discharge an employee, the Employer must provide the Local Union, prior to the hearing, an opportunity to review the video tape used by the Employer to support the discipline or discharge. Where a Supplement imposes more restrictive conditions upon use of video cameras for discipline or discharge, such restrictions shall prevail.

The Employer shall not install or use video cameras in areas of the Employer's premises that violate the employee's right to privacy such as in bathrooms or places where employees change clothing or provide drug or alcohol testing specimens.

The Employer shall not install any inward facing video cameras/recorders in any vehicles. "Onboard" cameras may not be used for disciplinary purposes under any circumstances.

Section 3. Computer Tracking Devices

Computer tracking devices, commonly known as "Black Boxes", GPS, or other tracking technologies mandated by regulations shall not be used for disciplinary purposes, except in those incidents of violations of Federal Mandated Regulations or when an employee has intentionally committed malicious damage to the Employer's equipment or when an employee has unsafely operated the Employer's commercial motor vehicles. Nor shall cameras, ELDs or other technology be used to harass or excessively monitor employees.

ARTICLE 27. EMERGENCY REOPENING

In the event of war, declaration of emergency, imposition of mandatory economic controls, the adoption of national health care or any congressional or federal agency action which has a significant-

ly adverse effect on the financial structure of the trucking industry or adverse impact on the wages, benefits or job security of the employees, during the life of this Agreement, either party may reopen the same upon sixty (60) day's prior written notice and request renegotiation of the provisions of this Agreement directly affected by such action.

Upon the failure of the parties to agree in such negotiations within the subsequent sixty (60)-day period, thereafter, either party shall be permitted all lawful economic recourse to support its request for revisions. If governmental approval of revisions should become necessary, all parties will cooperate to the utmost to attain such approval. The parties agree that the notice provided herein shall be accepted by all parties as compliance with the notice requirements of applicable law, so as to permit economic action at the expiration thereof.

In the event pension legislation is enacted that directly impacts the Employer's contribution obligations, results in the reduction of employees' benefits or accruals, or requires employees to contribute to their pensions, the provisions of this Article 27 shall apply – including the right to take economic action.

ARTICLE 28. SYMPATHETIC ACTION

In the event of a labor dispute between any Employer, party to this Agreement, and any International Brotherhood of Teamsters Union, parties to this or any other International Brotherhood of Teamsters' Agreement, during the course of which dispute such Union engages in lawful economic activities which are not in violation of this or such other Agreement, then any other affiliate of the International Brotherhood of Teamsters, having an agreement with such Employer shall have the right to engage in lawful economic activity against such Employer in support of the above first-mentioned Union notwithstanding anything to the contrary in this Agreement or the International Brotherhood of Teamsters' Agreement between such Employer and such other affiliate, with all of the protection provided in Article 9.

ARTICLE 29. SUBSTITUTE SERVICE

Section 1. Piggyback Operations

(a) An Employer shall not use piggyback over the same route where the Employer has established relay runs or through runs except to move overflow freight or as otherwise provided in Section 3 herein.

(b) It is recognized and agreed that there were two distinct and separate types of rail operations in effect on April 1, 1994: (1) the use of rail to move overflow freight; and (2) approved and/or agreed to rail operations. Accordingly, the provisions of this Section 1 shall apply in its entirety to the overflow rail operations. This Section 1 shall only apply to the approved and/or agreed to rail operations to the extent it has been historically applied prior to April 1, 1994.

If a driver is available (which includes the two (2)-hour period of time prior to end of his/her rest period) at point of origin when a trailer leaves the yard for the piggyback ramp, such driver's run-around compensation shall start from the time the trailer leaves the yard. Available regular drivers at relay points shall be protected against runarounds if a violation occurred at the point of origin.

If the Employer does not have an over-the-road domicile at the point of origin, the Employer shall protect against runaround the available drivers at the first relay point over which the freight would normally move had it not been placed on the rail. Available regular drivers at relay points shall be protected against runaround if a violation occurred at the first relay point.

The Employer shall not reduce or fail to increase the road driver complement, including the addition of equipment, at the point of origin for the purpose of creating an overflow of freight to avoid the application of this Section.

(c) When an Employer utilizes Piggyback operations as a substitute service to deliver overflow loads and such substitute service is matched in both directions (East to West and West to East or North to South and South to North), it is understood and agreed by the parties that the Employer will be required to add a sufficient num-

ber of employees and the necessary amount of equipment to move trailers over the road when the volume of matched loads reaches a level to insure efficient utilization of equipment and regular work opportunity for the added employees.

It is the intent of the parties in this Section 1 to maximize the movement of freight over the Employer's established relay runs, thereby minimizing the use of substitute service.

The record keeping requirement set out in Section 2 below will provide the Union with the basis of monitoring the use of such piggyback operation.

(d) The Employer agrees the non-employee owner-operators, birdy-back, fishy-back and barge operations will not be used over the same routes where the Employer has established relay runs during the term of this Agreement.

Section 2. Maintenance of Records

(a) Trailers piggybacked as a substitute service as provided in Section 1 are to be signed in and signed out on the regular dispatch sheet in road operations, and where there are no road operations sign-in and sign-out sheets shall be maintained at an appropriate location, including trailers taken to and from the rail yard by city employees. These sheets will be made available, upon request, to the drivers for a period of thirty (30) days. The Employer shall report in writing on a monthly basis to the Local Union at the rail origin point, or in cases where there are no drivers domiciled at the rail origin point to the Local Union at the first driver relay point affected, the number of trailers put on the rail at the rail origin point. The Employer shall also report the origin, destination, trailer/load number, trailer weight and the time the trailer/load leaves the Employer's yard for the rail yard. The time limits set forth in the Supplemental Agreement for filing claims based upon the monthly report shall commence to run upon the receipt of the report by the Local Union.

(b) With regard to use of substitute service as provided in Section 1, full and complete records of handling, dispatch and movement of

such units system-wide shall be kept by the Employer and a report, which will include the date of all outbound rail movement, all points of origin and destination, all trailer numbers and the name of each railroad/routing, shall be sent on a quarterly basis to the office of the National Freight Director and the affected Area Regional Freight Director.

Where inspection of the records indicates that piggyback is being used as a substitute for road operations, as defined in Section 1 of this Article, over an established relay, rather than handling overflow traffic, the grievance procedure may be invoked at the appropriate Regional Joint Area Committee by the Regional Freight Coordinator or the office of the National Freight Director to provide a reasonable remedy for the improper usage of piggyback, including the revocation of the use of substitute service, for repeated violations over such relay.

(c) With regard to trailers moved on rail as an approved intermodal operation set forth in Section 3, the Employer shall report in writing on a monthly basis to each Local Union affected, the number of trailers put on the rail at the rail origin points of the approved intermodal operations. The Employer shall also report the origin, destination, trailer/load number, trailer weight and the time the trailer/load leaves the Employer's yard for the rail yard.

In addition, the Employer shall, on a monthly basis, send to the office of the National Freight Director a report containing the total intermodal rail miles as reported on line 6 of the Bureau of Transportation Statistics (BTS) Schedule 600 annual report and the total miles as reported on line 7 of the BTS Schedule 600 annual report.

Section 3. Intermodal Service

(a) The parties recognize that in 1991, Congress passed the Intermodal Surface Transportation Efficiency Act of 1991 and declared the policy of the United States to be one of promoting the development of a national intermodal transportation system consisting of all forms of transportation in a unified, interconnected manner. The parties have, therefore, entered into this Agreement to enhance the Employer's opportunities to secure the benefits which flow from

this national policy of encouraging intermodal transportation, including long-term stable and secure employment. At the same time, the parties recognize the need to minimize and provide for the impact which intermodal operations may have on certain employees covered by this Agreement.

(b) Use of Intermodal Service

1. Subject to the conditions set forth hereinafter, an Employer may establish a new intermodal service over the same route where the Employer has established relay runs or through runs.

Present relay or through operations may not be reduced, modified or changed in any other manner as the result of the implementation of a new intermodal service until such time as the proposed intermodal operation has been approved by the National Intermodal Committee. The Employer shall submit to the National Intermodal Committee an application for approval which shall identify the road operation(s) the intended intermodal service will reduce and/or eliminate; a list identifying the name and seniority date of each driver affected by the intended intermodal service(s); and a list by domicile of each of the road drivers openings available.

In the event the National Intermodal Committee is unable to agree on whether or not the Employer's proposed intermodal operations meet the criteria set forth below, the proposed operation shall not be approved until such time as those issues are resolved. This provision shall not be utilized as a method to delay and/or deny a proposed intermodal operation when the criteria set forth below have been clearly satisfied.

(a) There shall be no more than two (2) intermodal changes approved during the term of this Agreement; and

(b) No more than ten (10) percent of the Employer's total active road driver seniority list as of April 1, 2019 shall be affected by the intermodal changes approved during the term of this Agreement.

In the event a proposed intermodal operation also includes the transfer of work that is subject to the provisions of Article 8, Section 6, the proposed intermodal operations and the transfer of work subject to Article 8, Section 6, may be heard by a combined National Intermodal/Change of Operations Committee on a joint record, and the seniority rights of all affected employees shall be determined by such Committee, which shall have the authority granted in Article 8, Section 6(g).

2. An approved intermodal operation that provides service over established relay and/or through operations shall include protection for all bid drivers during each dispatch day and all extra board drivers during each dispatch week at each of the affected domiciles.

For purposes of determining the weekly protection for extra board drivers, the affected driver's average weekly earnings during the previous four (4) week period in which the driver had normal earnings shall be considered the weekly protection when violations occur.

3. When transporting any shipment by intermodal service within the Employer's terminal network, the Employer shall utilize its drivers subject to the applicable respective area supplemental agreements to pickup such shipments from the shipper at point of origin and/or the Employer's terminal and deliver them to the applicable intermodal exchange point. The Employer also shall use its drivers to deliver intermodal shipments to the consignee or the Employer's terminal. A driver may be required to drive through other terminal service areas to the intermodal exchange point to pickup and deliver intermodal shipments without penalty.

4. Total intermodal rail miles included on line 303 of Schedule 300 of the BTS Annual Report shall not exceed 29 percent of the Employer's total miles as reported on line 301 of Schedule 300 of the BTS Annual Report during any calendar year. In the event intermodal rail miles exceed this 29 percent maximum, the Employer shall be required to remove an appropriate amount of freight from the rail and add a corresponding number of drivers at each affected domicile.

Article 29, Section 3

The parties recognize that the current shipping markets demand expedited delivery of freight in a manner that may not be accomplished by hauling certain freight by rail. These market demands create a need to reduce the amount of freight hauled by rail and to use alternative methods of substitute service. As contemplated by Article 20, Section 4, new business opportunities may be pursued that promote new Teamster job opportunities while protecting existing Teamster jobs, benefits, and working conditions.

The National Intermodal Committee shall establish rules and guidelines that will allow the Union the opportunity to verify and audit the Employer's BTS rail reports. In the event the Union establishes through the grievance procedure that an Employer has falsified the BTS reports in order to increase the maximum amount of intermodal rail miles permitted under this Article, the remedy for such a violation shall include a cessation of the Employer's affected intermodal service until such time as the issue has been resolved to the satisfaction of the Union.

In the event the BTS rail and/or line haul miles reporting requirements are modified and/or eliminated, the parties will meet to develop a substitute reporting procedure consistent with those of the BTS.

(c) Job Protection for Current Road Drivers

1. Rail operations that are subject to the provisions of Section 1(b) above shall not result in the layoff or involuntary transfer of any driver at any affected road driver domicile.

2. During the term of this Agreement, an Employer shall be permitted no more than two (2) Intermodal Changes whereby the Employer may reduce and/or eliminate existing road operation(s) through the use of intermodal service. It is specifically agreed that a total of no more than ten (10) percent of the Employer's total active road driver seniority list as of April 1, 2019 , shall be affected by the Intermodal Changes during the term of this Agreement.

Any road driver who is adversely affected by an approved Intermodal Operation and would thereby be subject to layoff, or who is on layoff at an affected domicile at the time an Intermodal Operation is approved, shall be offered work opportunity at other road driver domiciles within the Employer's system. The Employer shall include in its proposed Intermodal Operations specific facts that adequately support the Employer's claims that there will be sufficient freight to support the work opportunities the Employer proposes at each gaining domicile. In the event there is more than one (1) domicile involved, the drivers adversely affected shall be dovetailed on a master seniority list and an opportunity to relocate shall be offered on a seniority basis, subject to the provisions of Article 8, Section 6. The "hold" procedures set forth in Article 8, Section 6 of the NMFA shall be applicable. Where the source of the proposed work opportunity is presently being performed by bargaining unit employees over the road, the Employer shall be required to make reasonable efforts to fill the offered positions as set forth in Article 8, Section 6(d)(6).

Drivers who relocate under this provision shall be dovetailed on the applicable seniority list at the domicile they bid into. Health & welfare and pension contributions shall be remitted in accordance with the provisions of Article 8, Section 6(a) and moving and lodging shall be paid in accordance with Article 8, Section 6(c) of the NMFA.

It is understood and agreed that the intent of this provision is to provide the maximum job security possible to those drivers affected by the use of intermodal service. Therefore, the number of drivers on the affected seniority lists at rail origin points at the time an intermodal change becomes effective shall not be reduced during the term of this Agreement other than as may be provided in subsequent changes of operations. Drivers on the affected seniority lists at gaining domiciles at the time an intermodal change becomes effective, shall not be permanently laid off during the term of this Agreement.

The senior driver voluntarily laid off at an intermodal losing domicile will be restored to the active board each time foreign drivers or casuals (where applicable) make ten (10) trips (tours of duty) within any thirty (30) calendar day period on a primary run of such domicile, not affected by a Change of Operations.

Article 29, Section 3

For the purposes of this Section, short-term layoffs (1) that coincide with normal seasonal freight flow reductions that are experienced on a regional basis and that include a reduction in rail freight that corresponds to the reduction in truck traffic, or (2) that are incidental day-to-day layoffs due to reasons such as adverse weather conditions and holiday scheduling, shall not be considered as a permanent layoff. Layoffs created by a documented loss of a customer shall not exceed thirty (30) days. Any layoff for reasons other than as described above shall be considered as a permanent layoff. The Employer shall have the burden of proving that a layoff is not permanent.

In order to ensure that the work opportunities of the drivers at the gaining domiciles are not adversely affected by the redomiciling of drivers, the bottom twenty-five percent (25%) of the drivers at a gaining domicile shall not have their earnings reduced below an average weekly earnings of eight hundred fifty dollars ($850). This eight hundred fifty dollar ($850) average wage guarantee shall not start until the fourth (4th) week following the implementation of the approved Intermodal Change of Operation.

It is not the intent of this provision to establish an eight hundred fifty dollar ($850) per week as an artificial base wage but rather a minimum guarantee. This provision shall not preclude the short-term layoffs as defined above. The Employer shall have the burden of proving that drivers at the gaining domiciles have not had their work opportunities adversely affected by the redomiciling of drivers.

The eight hundred fifty dollar ($850) average wage guarantee shall be determined based on the average four (4) weeks earnings of each active protected driver on the bottom twenty-five percent (25%) of the seniority roster. When the earnings of any active protected driver in the bottom twenty-five percent (25%) of the seniority roster totals less than three thousand, four hundred dollars ($3,400) during each four (4) week period, the driver shall be compensated for the difference between actual earnings and three thousand, four hundred dollars ($3,400).

The four (4) week average shall be calculated each week on a “rolling” basis. A “rolling” four (4) week period is defined as a base week

and the previous three consecutive weeks. Where an Employer makes a payment to an employee to fulfill the guarantee, the amount paid shall be added to the employee's earnings for the base week of the applicable four (4) week period and shall be included in the calculations for subsequent four (4) week "rolling" periods to determine whether any further guarantee payments to the employee are due.

Time not worked shall be credited to drivers for purposes of computing earnings in the following instances:

a. Where a driver is offered a work opportunity that the driver has a contractual obligation to accept, and the driver elects not to accept such work, the driver shall have an amount equal to the amount of the wages such work would have generated credited to such driver for purposes of determining the eight hundred fifty dollar ($850) average wage guarantee.

No driver shall be penalized by having contractual earned time off credited for purposes of determining the eight hundred fifty dollar ($850) average wage guarantee. However, where a driver takes earned time off in excess of forty-eight (48) hours during any work week, that work week shall be excluded from the rolling four (4) week period used to determine the eight hundred fifty dollar ($850) average wage guarantee.

b. Where a driver uses a contractual provision to refuse or defer work so as to knowingly avoid legitimate work opportunity and therefore abuse the eight hundred fifty dollar ($850) average wage guarantee, the driver shall have an amount equal to the amount of the wages such work would have generated credited to such driver for purposes of determining the eight hundred fifty dollar ($850) average wage guarantee.

Nothing in this subsection applies to or shall be construed to limit claims by any driver on the seniority roster at a gaining domicile alleging that the driver's work opportunity was adversely affected following the implementation of the Intermodal Change of Operations because of the Employer's failure to provide adequate work opportunities for existing and redomiciled drivers. However, after

the point that the Employer has provided adequate work opportunities for protected drivers (existing and redomiciled), the wage protection for active drivers in the bottom twenty-five percent (25%) of the seniority roster shall be limited to the eight hundred fifty dollar ($850) guarantee.

As soon as a factual determination has been made that a driver in the bottom twenty-five percent (25%) of the seniority roster is entitled to the eight hundred fifty dollar ($850) average wage guarantee, the driver's claim shall be paid. All other types of claims that the driver's work opportunities have been adversely affected shall be held in abeyance until determined through the intermodal grievance procedure.

Section 4. National Intermodal Committee

The parties shall establish a National Intermodal Committee composed of four (4) Union representatives appointed by the Union Chairman of the National Grievance Committee and four (4) Employer representatives appointed by the Employer Chairman of the National Grievance Committee. In the event a proposed intermodal operation includes the transfer of work subject to the provisions of Article 8, Section 6, the National Intermodal Committee shall then be considered as a combined National Intermodal/Multi- Region Change of Operations Committee with the authority to resolve all seniority issues in accordance with the authority granted by Article 8, Section 6(g).

The National Intermodal Committee shall establish rules of procedure to govern the manner in which proposed intermodal operations are to be heard, procedures for resolving intermodal issues and procedures for establishing pre-hearing guidelines.

Any grievance concerning the application or interpretation of Article 29, Section 2(c) or concerning any issues that may arise from an approved intermodal operation provided for in this Section 3, shall be first referred to the National Intermodal Committee. If the National Intermodal Committee is unable to reach a decision on an interpretation or grievance, the issue will be referred to the National Grievance Committee.

Section 5.

The Employer is prohibited from using rail as a subterfuge to transport freight by truck, driven by those outside of the bargaining unit. To this end, all loads tendered to the railroad shall be tendered by the Employer using bargaining unit employees at the point where the load is to be placed on the rail. Once tendered to the railroad, a load may not be transferred to non-bargaining unit personnel for transport by truck except in bona fide emergencies beyond the control of the Employer and/or the railroad. Such emergencies shall not include the Employer tendering loads to the railroad when the Employer knows or should know the load will not meet the scheduled departure time of the train and the railroad then transports the load by truck. The parties agree that this Subsection shall not apply to the Employer's existing rail operations, that have otherwise been permitted prior to February 8, 1998, by written agreement of the parties, or through a grievance decision. The parties further agree that nothing in this Subsection shall be construed to limit or otherwise affect the railroads movements of loads within the metropolitan area between railroads or between tracks. This provision shall apply to all rail activities permitted under this Article.

Section 6. YRC Freight Purchased Transportation Service

The parties recognize the competitive nature of the LTL trucking industry and the importance of customer service. To that end, YRC Freight shall be permitted to use Purchased Transportation Service (PTS) in certain circumstances. The intention of the parties with the use of PTS is to generate growth and additional job opportunities for bargaining unit personnel by enhancing YRC Freight's ability to compete in the marketplace. Prior to using PTS at any location, YRC Freight will send a certified letter to the affected Local Union and TNFINC.

The following shall cover YRC Freight's use of PTS and outline employee protections in connection with PTS. This provision shall not apply to Holland or New Penn. YRC Freight shall be permitted to use a limited amount of PTS for over-the-road transportation only and in connection with the movement of freight between dis-

tribution centers. The use of PTS will not, however, result in a layoff for active road drivers at those locations where PTS is used. The use of PTS also will not result in a loss of earnings for active road drivers at locations where PTS is used. These protections are described in more detail below.

Nothing in this Section is intended to permit the use of PTS for any other operation (i.e., P&D, Local Cartage, drayage, or shuttle operations). The use of PTS under this Section is for direct, closed-door service from distribution center to distribution center only. A PTS provider will not VIA to a YRC Freight customer or another YRC Freight terminal location. Article 29 of the NMFA remains in effect, except as specifically provided for in this Section.

1) YRC Freight will not use PTS at any location where road drivers are laid off for economic reasons. Instead, YRC Freight will recall laid off road drivers before it begins the use of PTS. PTS usage also should be engineered to the fullest extent possible to minimize its use and to maximize the use of bargaining unit employees and to allow bargaining unit employees to perform preferential runs and maximize earning opportunity. Road drivers who are on layoff because they were offered but declined a transfer opportunity in connection with a Change of Operations are not considered "laid off" for purposes of this provision.

2) All road drivers at those locations where PTS is used shall be protected from layoff directly caused by the use of PTS. This protection does not apply to a road driver who has been offered but declined a transfer pursuant to any Change of Operations.

3) YRC Freight also shall protect by red circle the number of active road drivers as that red circle number exists as of the date of ratification at each terminal location where PTS is used. The number of active road drivers at a location shall not be reduced below the red circle number as a direct result of the use of purchased transportation. The red circle number itself shall not be changed other than (a) as may be provided for in an approved Change of Operations or (b) to the extent YRC Freight on a consistent, sustained basis utilizes more than the existing red circle number of road drivers at a loca-

tion where PTS is utilized, in which case the red circle number shall be increased accordingly.

4) Notwithstanding anything in this Agreement to the contrary, YRC Freight shall be permitted to utilize companies for over-the-road purchased transportation substitute service. The maximum amount of combined PTS and intermodal rail miles shall be limited to 29% (starting with Calendar Year 2019) of YRC Freight's total miles as reported on line 301 of Schedule 300 of the DOT/FMCSA Annual Report during any calendar year. TNFINC IN ITS SOLE DISCRETION MAY LIMIT OR DISCONTINUE THE USE OF PURCHASED TRANSPORTATION IN ANY GEOGRAPHIC AREA WHERE IT DEEMS APPROPRIATE UPON THIRTY (30) DAYS WRITTEN NOTICE TO YRC FREIGHT.

5) At those locations where PTS is utilized, YRC Freight shall provide protection for all active bid road drivers during each dispatch day that PTS service is used and all active extra board road drivers during each dispatch week that PTS service is used. For purposes of determining the weekly protection for active extra board drivers, the affected driver's weekly earnings during the previous four (4) week period in which the driver had normal earnings shall be considered the weekly protection when PTS is utilized in the dispatch week.

6) At those locations where PTS is utilized, YRC Freight shall provide protection for bid foreign drivers coming out of bed. In addition to receiving layover pay in accordance with the applicable Supplement, a bid foreign driver who is rested and available for dispatch shall be paid at the applicable hourly rate beginning when PTS is dispatched from the layover location in the same direction as his or her home domicile and ending when he or she is dispatched. This protection may result in a foreign driver receiving both layover pay and hourly pay in connection with PTS usage for the same period of time. Protection shall be on a one-for-one basis, consistent with the other protections in this Section, and shall apply only with respect to PTS dispatched after the foreign driver is rested and available for dispatch.

As an example: A bid Charlotte, NC road driver who is in bed in Harrisburg, PA becomes DOT rested and a PTS dispatch is made to Atlanta, GA prior to that Charlotte bid road driver being dispatched. Because this is a relay over Charlotte, NC in normal operations, the Charlotte, NC road driver would be due runaround pay because he or she was rested and would normally take the Atlanta, GA load to Charlotte, NC. Runaround pay in this example would be owed from the time the applicable PTS was dispatched until the Charlotte bid road driver is dispatched, in addition to any layover pay in accordance with the provisions of the applicable supplement.

7) The protection for boards at intermediate relay locations will be weekly earnings, calculated using the four (4) week average method. As an example, if PTS is dispatched from Kansas City destined for Atlanta, the board at the intermediate relay in Nashville will have earnings protected in that week.

8) In the event a Union carrier becomes available to YRC Freight and said carrier is cost competitive and equally qualified, YRC Freight will give such carrier first and preferred opportunity to bid on purchased transportation business. YRC Freight shall provide to the Union an up-to-date list of purchased transportation providers utilized within thirty (30) days of the end of each calendar quarter. In the event a PTS provider repeatedly violates the conditions established under this Agreement, the Union shall have the ability to remove the carrier from future PTS utilization.

9) YRC Freight will designate a specific area on the terminal yard where a PTS provider may slide his or her own power when dropping and/or picking a trailer. The PTS provider shall not be permitted to perform any other hostling duties, including pushing or pulling trailers from the dock.

10) YRC Freight shall report in writing on a monthly basis to each Local Union affected and to the Freight Division, the number of trailers tendered to any purchased transportation provider. YRC Freight also shall report the carrier's name (including DOT number), origin, destination, trailer/load number, trailer weight and the time the trailer/load leaves YRC Freight's yard. Corresponding

information shall be provided on a monthly basis with respect to the use of intermodal service. In addition, YRC Freight shall, on a monthly basis, unless otherwise required, send to the office of the National Freight Director a report containing all of the above indicated information in addition to the total number of miles YRC Freight utilized with purchased transportation, inclusive of the type of PTS utilized, including whether the purpose was for avoiding empty miles, overflow or one-time business opportunities such as product launches.

11) To preserve and/or grow existing road boards, each time YRC Freight uses purchased transportation providers to run over the top of linehaul domicile terminal locations and/or relay domiciles, said dispatches shall be counted as supplemental or replacement runs, as applicable, for purposes of calculating the requirement to add new employees to the road board. The formula for recalling or adding employees to the affected road board shall be thirty (30) supplemental runs in a sixty (60) day period. The only exceptions to this condition are one-time business opportunities (such as product launches).

12) TNFINC shall have the sole discretion to temporarily increase the percentage limitation outlined above in response to Acts of God, significant business opportunities that would benefit the bargaining unit, and other similar extraordinary circumstances.

13) Any disputes regarding PTS will be referred to the applicable Regional Joint Area Committee for resolution. If deadlocked, the issue then shall be forwarded to the National Grievance Committee.

Section 7. USF Holland Purchased Transportation Service

The recruitment and retention of CDL-qualified employees continues to be challenging across the industry, with driver shortages anticipated for the foreseeable future. At USF Holland, this has caused difficulty in servicing existing freight and limited the Employer's ability to grow what otherwise would be bargaining unit work. To address these issues, Holland shall be permitted to utilize road purchased transportation to move freight between its terminal locations. Road purchased transportation may be utilized for

closed-door service only, and may not be utilized to reduce or otherwise limit work opportunities for employees. There shall be a specific separate staging area in the yard where PTS shall drop and hook. In addition, purchased transportation may not be utilized to avoid hiring or limit the size of the bargaining unit at Holland, as bargaining unit employees are the preferred method of moving freight. The following protections shall, therefore, apply to Holland's use of road purchased transportation:

1) Purchased transportation usage shall be capped at eight percent (8%) of Holland's total miles, as reported on line 301 of Schedule 300 of the DOT/FMCA Annual Report during any calendar year.

2) Purchased transportation may not be utilized if road drivers are laid off for economic reasons at any Holland location. Road drivers who are on layoff because they were offered but declined a transfer opportunity in connection with a Change of Operations are not considered "laid off" for purposes of this Section.

3) All active road drivers at a Holland terminal from which purchased transportation is dispatched shall be protected in that dispatch day on a one-for-one basis.

a) Bid drivers domiciled at that location shall have their bid protected. If an employee's bid run is cancelled because purchased transportation is used for that run, he or she shall be paid for the bid run. In the event an employee's bid run is cancelled for any other reason, the employee will be offered work opportunities as they are today.

b) Open/Extra Board drivers domiciled at that location shall receive run-around pay in the event they are not dispatched in a day because purchased transportation is used at that location.

c) Foreign drivers at that location who go on rest in the dispatch day when purchased transportation is used and are not dispatched within twenty-four (24) hours shall receive an eight (8) hour guarantee in addition to any layover pay provided for in the applicable supplement.

4) If the above protections outlined in Paragraph 3 above are triggered because the board does not clear at a Holland location from which purchased transportation is dispatched, active road drivers at intermediate Holland locations between the purchased transportation provider's origin Holland terminal and destination Holland terminal shall receive the same protections on a one-for-one basis. Intermediate Holland locations for purposes of this Section shall be defined as those Holland terminals that are in the same travel direction as the applicable purchased transportation and within 50 miles of the most direct travel route from the point of dispatch to the point of destination.

5) TNFINC IN ITS SOLE DISCRETION MAY LIMIT OR DISCONTINUE THE USE OF PURCHASED TRANSPORTATION IN ANY GEOGRAPHIC AREA WHERE IT DEEMS APPROPRIATE UPON THIRTY (30) DAYS WRITTEN NOTICE TO HOLLAND. TNFINC also shall have the sole discretion to temporarily increase the percentage limitation outlined above in response to Acts of God, significant business opportunities that would benefit the bargaining unit, and other similar extraordinary circumstances.

6) Purchased transportation usage should be engineered to the fullest extent possible to minimize its use and to maximize the use of bargaining unit employees and to allow bargaining unit employees to perform preferential runs and maximize earning opportunity.

7) Any disputes regarding PTS will be referred to the applicable Regional Joint Area Committee for resolution. If deadlocked, the issue then shall be forwarded to the National Grievance Committee.

ARTICLE 30. JURISDICTIONAL DISPUTES

In the event that any dispute should arise between any Local Unions, parties to this Agreement or Supplements thereto, or between any Local Union, party to this Agreement or Supplements thereto and any other Union, relating to jurisdiction over employees or operations covered by such Agreements, the Employer and the Local Unions agree to accept and comply with the decision or

settlement of the Unions or Union bodies which have the authority to determine such dispute, and such disputes shall not be submitted to arbitration under this Agreement or Supplements thereto or to legal or administrative agency proceedings. Pending such determination, the Employer shall not be precluded from seeking appropriate legal or administrative relief against work stoppages or picketing in furtherance of such dispute.

ARTICLE 31. MULTI-EMPLOYER, MULTI-UNION UNIT

The parties agree to become a part of the multi-employer, multi-union bargaining unit established by this National Master Freight Agreement, and to be bound by the interpretations and enforcement of this National Master Freight Agreement and Supplements thereto.

ARTICLE 32. SUBCONTRACTING

Section 1. Work Preservation

For the purpose of preserving work and job opportunities for the employees covered by this Agreement, the signatory Employer agrees that no operation, work or services of the kind, nature or type covered by, or presently performed by, or hereafter assigned to, the collective bargaining unit by the signatory Employer will be subcontracted, transferred, leased, diverted, assigned or conveyed in full or in part (hereinafter referred to as "divert" or "subcontract"), by the Employer to any other plant, business, person, or non-unit employees, or to any other mode of operation, unless specifically provided and permitted in this Agreement.

In addition, the signatory Employer agrees that it will not, as hereinafter set forth, subcontract or divert the work presently performed by, or hereafter assigned to, its employees to non-employee owner-operators or other business entities owned and/or controlled by the signatory Employer, or its parent, subsidiaries or affiliates.

Section 2. Diversion of Work—Parent or Subsidiary Companies

The parties agree that for purposes of this Article it shall be presumed that a diversion of work in violation of this Agreement occurs when work presently and regularly performed by, or hereafter assigned to, employees of the signatory Employer has been lost and the lost work is being performed in the same manner (including transportation by owner-operators and independent contractors) by an entity owned and/or controlled by the signatory Employer, its parent, or a subsidiary, including logistics companies, within one hundred twenty (120) days of the loss of the work. The burden of overcoming such presumption in the grievance procedure shall be upon the Employer.

Section 3. Subcontracting

The Employer may subcontract work when all of his/her regular employees are working, except that in no event shall road work presently performed or runs established during the life of this Agreement be farmed out. No dock work shall be farmed out except for existing situations established by agreed-to past practices. Overflow loads may be delivered pursuant to the provisions of Article 29. Loads may also be delivered by other agreed-to methods or as presently agreed to. Other persons performing subcontracted work which is permitted herein shall receive no less than the equivalent of the economic terms and conditions of this Agreement and the applicable Supplement.

The signatory Employer shall maintain records identifying persons performing subcontracted work permitted by this Agreement. Said records shall be made available for inspection by the Local Union(s) in the locality affected by such subcontract work.

The normal, orderly interlining of freight for peddle on occasional basis, where there are parallel rights, and when not for the purpose of evading this Agreement, may be continued as has been permitted by past practice provided it is not being done to defeat the provisions of this Agreement.

Section 4. Expansion of Operations

(a) Adjoining Over-The-Road and Local Cartage

It is understood and agreed that the provisions of the National Master Freight Agreement shall be applied, without evidence of union representation of the employees involved, to all subsequent additions to, and extensions of, current over-the-road or local cartage operations which adjoin and are controlled and utilized as part of such current operations of the signatory Employer, or any other entity, not operated wholly independently of the signatory Employer within the meaning of Article 3, Section 1 (a). In this regard, the parties agree that newly-established terminals and consolidations of terminals which are controlled and utilized as part of a current operation will be covered by the National Master Freight Agreement and applicable Over-the-Road and Local Cartage Supplemental Agreements.

(b) New Pick-Up and Delivery Adjoining Current Operations

It shall not, however, be a violation of this Article if, during the term of this Agreement, an Employer commences pick-up and delivery operations which adjoin and are controlled and utilized as part of such current operations with other than its own employees when there is insufficient business to economically justify the establishment of its own employer-operated pick-up and delivery service. However, the above exception shall thereafter terminate when sufficient economic justification develops so as to warrant the establishment and maintenance of the terminal operation by such Employer, in which event, the Employer shall institute a pick-up and delivery operation or continue such operations with companies which maintain wage standards established by this Agreement in the area where the work is conducted. This exception shall not apply in any circumstance where an Employer is presently engaged in pick-up and delivery operations either through his/her own terminal or through companies which maintain such wage standards.

(c) Non-Adjoining Pick-Up and Delivery Operations

The parties further agree that with respect to all subsequently established over-the-road and local cartage operations and terminals of

the signatory Employer which do not adjoin, but are utilized and controlled as part of, current over-the-road and local cartage operations, the provisions of Article 2, Section 3(a) shall govern so that when a majority of the eligible employees of the signatory Employer performing work at that location execute a card authorizing a signatory Local Union to represent them as their collective bargaining agent at the terminal location, then, such employees shall automatically be covered by this Agreement and the applicable Supplemental Agreements.

(d) Operations permitted by Article 29, and not in violation of any other provisions of this Agreement, are not to be considered as extensions of current operations within the meaning of Section 4.

Section 5.

For the purpose of preserving work and job opportunities, the National Grievance Committee may define the circumstances and adopt procedures by which an Employer and a Local Union, parties to this Agreement, may in compliance therewith enter into a Special Circumstance Agreement which does not meet the standards provided herein.

Section 6.

During negotiations for the National Master Freight Agreement to replace the Agreement which is scheduled to expire on March 31, 2003, the parties discussed employer subcontracting under Article 32 of the NMFA. As a result of these discussions, the parties agreed to the following understandings and clarifications as to the intent of the work preservation, diversion of work, and subcontracting provisions of Article 32:

A. It is a violation of Article 32 to use vendors to perform work, other than overflow, of the kind, nature, or type currently or previously performed by bargaining unit employees. For example, it is a violation of Article 32 for the size of the bargaining unit to decrease by attrition and the Employer not replace the employees while using vendors to perform work of the kind, nature, or type previously performed by that bargaining unit. Bargaining unit work of the

kind, nature, or type includes any pick-up or delivery of freight, dock work, clerical, or maintenance work functions performed by the bargaining unit under the Agreement.

B. Although Article 32 permits the Employer to subcontract overflow work, it is a violation for the Employer to regularly subcontract work of the kind, nature, or type currently or previously performed by the bargaining unit, rather than hiring additional employees over and above the existing complement to perform the regularly subcontracted work. Subject to employee availability (for example, inability to hire and/or absenteeism), work is subcontracted regularly in violation of Article 32 when there is a pattern of bargaining unit work being subcontracted on a daily or weekly basis. Nothing in this Memorandum of Understanding is intended to change the triggers for hiring in the applicable Supplemental Agreements.

C. Recognizing that shippers may consign freight within their control to/from Mexico at any point in the United States, Article 32 prohibits the Employer from subcontracting work under its control to be performed in the United States of the kind, nature, or type currently or previously performed by the bargaining unit to employees employed by Mexican companies.

D. It is a violation of Article 32 for the Employer to knowingly subcontract bargaining unit work to be performed by a subcontractor while any regular scheduled or regular unscheduled employees, including “shapes” or “10 percenters” are on lay off. Subterfuge by any party is a serious offense and violates Article 32. Examples of subterfuge may include:

a. Tendering an amount of freight to a vendor on a given day that exceeds the capacity of that vendor; and

b. Tendering freight to a subcontractor that knowingly will not be attempted for delivery on the day subcontracted.

Section 7. National Subcontracting Review Committee

The parties shall establish a National Subcontracting Review Committee composed of two (2) Union representatives appointed by the Union Chairman of the National Grievance Committee and two (2) Employer representatives appointed by the Employer Chairman of the National Grievance Committee. The National Subcontracting Review Committee shall have the authority to review and adjudicate alleged violations of the work preservation, diversion of work and subcontracting provisions of Article 32, including practices by an Employer that are an alleged subterfuge to avoid the requirements of Article 32.

All other grievances arising under this Article shall be processed on an expedited basis pursuant to the procedures contained in Article 8, Section 1(a).

Section 8. No Autonomous Vehicles

The Employer shall not operate driverless trucks, drones, or remotely operated vehicles to move freight over public roads.

ARTICLE 33. WAGES, CASUAL RATES, PREMIUMS AND COST-OF-LIVING (COLA)

1.Wage Rates

(a) General Wage Increases: All Regular Employees

All regular employees subject to this Agreement will receive the following general wage increases:

Effective Dates	Hourly	Mileage
April 1, 2019	$1.00 per hour	2.500 cents per mile
April 1, 2020	$0.70 per hour	1.750 cents per mile
2021	$0.70 per hour	1.750 cents per mile
2022	$0.80 per hour	2.000 cents per mile
2023	$0.80 per hour	2.000 cents per mile
Total	$4.00 per hour	10.00 cents per mile

Annual rate increases shall be paid on the straight time wage or mileage rates currently in effect as of March 31, 2019, which shall become the new base rates. Annual rate increases beginning in 2021 and continuing through 2023 shall be split equally between April 1 and October 1 each year (e.g., $.35 per hour / .875¢ per mile April 1, 2021 and $.35 per hour / .875¢ per mile October 1, 2021).

(b) Non-CDL Driver Rate

The straight time hourly wage rate for employees in Non-CDL Driver positions shall be $2.00 per hour less than the applicable CDL rate at the employee's domicile, subject to the General Wage Increases outlined in Section 1(a) above.

2. Casual Rates

(a) City and Combination Casuals

Hourly rates for city and combination casuals (CDL required) shall increase by 85% of the general wage increase for regular employees on the dates shown in Section 1 of this Article.

(b) Dock Only Casuals and Clerical Casuals

Current and future dock only casuals and clerical casuals shall be paid a rate of $17.50 per hour, subject to the following progression:

Effective first day of employment:	$16.00 per hour
Effective eighteen (18) months and one (1) day:	$16.50 per hour
Effective thirty-six (36) months and one (1) day:	$17.00 per hour
Effective fifty-four (54) months and one (1) day:	$17.50 per hour

These rates shall remain frozen for the duration of the Agreement.

3. Utility Employee, Sleeper Team, and Triples Premiums

Effective April 1, 2008 and in the event an Employer subject to this Agreement utilizes the Utility Employee classification, each Utility Employee shall receive an hourly premium of $1.00 per hour over the highest rate the Employer pays to local cartage drivers under the

Supplemental Agreement covering the Utility Employee's home domicile. A Utility Employee in progression shall receive the hourly premium in addition to the Utility Employee's progression rate.

(b) Effective April 1, 2003, the Sleeper Team Premium will be a minimum of 2 cents per mile over and above the applicable single man rates in each Supplemental Agreement.

(c) Effective April 1, 2019, the Triple Trailer Premium will be a minimum of 4 cents per mile over and above the applicable single man rates in each Supplemental Agreement.

4. Cost of Living Adjustment Clause

All regular employees shall be covered by the provisions of a cost-of living allowance as set forth in this Article.

The amount of the cost-of-living allowance shall be determined as provided below on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers", CPI-W (Revised Series Using 1982-84 Expenditure Patterns). All Items published by the Bureau of Labor Statistics, U.S. Department of Labor and referred to herein as the "Index".

Effective April 1, 2020, and every April 1 thereafter during the life of the Agreement, a cost-of-living allowance will be calculated on the basis of the difference between the Index for January, 2019 (published February 2019) and the Index for January, 2020 (published February 2020) with a similar calculation for every year thereafter, as follows:

For every 0.2-point increase in the Index over and above the base (prior year's) Index plus 3.5%, there will be a 1 cent increase in the hourly wage rates payable on April 1, 2020, and every April 1 thereafter. These increases shall only be payable if they equal a minimum of five cents ($.05) in a year.

All cost-of-living allowances paid under this Agreement will become and remain a fixed part of the base wage rate for all job clas-

sifications. A decline in the Index shall not result in the reduction of classification base wage rates.

Mileage paid employees will receive cost-of-living allowances on the basis of .25 mills per mile for each 1 cent increase in hourly wages.

In the event the appropriate Index figure is not issued before the effective date of the cost-of-living adjustment, the cost of living adjustment that is required will be made at the beginning of the first (1st) pay period after the receipt of the Index.

In the event that the Index shall be revised or discontinued and in the event the Bureau of Labor Statistics, U.S. Department of Labor, does not issue information which would enable the Employer and the Union to know what the Index would have been had it not been revised or discontinued, then the Employer and the Union will meet, negotiate, and agree upon an appropriate substitute for the Index. Upon the failure of the parties to agree within sixty (60) days, thereafter, the issue of an appropriate substitute shall be submitted to an arbitrator for determination. The arbitrator's decision shall be final and binding.

5. Education and Training

The Employer will pay each regular employee that completes CDL training and certification after April 1, 2019 the sum of two hundred and fifty dollars ($250.00) upon completion and two hundred and fifty dollars ($250.00) after one (1) year, provided the employee remains employed by the Employer.

6. Incentive Bonus Program

The parties recognize that the success of the Employer depends on the collective efforts of its employees. The parties also recognize that when executives are rewarded for the Employer's performance, employees covered by this Agreement should be rewarded as well. Effective January 1, 2019 and for performance

beginning with calendar year 2019, and each year thereafter, employees covered by this Agreement shall be covered by an Incentive Bonus Program.

The triggers for payout under the Incentive Bonus Program shall be the same as those established annually by the Board of Directors for the Section 16 Officers of YRC Worldwide, Inc. who are required to file Form 4 insider trading documents with the SEC ("Section 16 Officers") for their non-equity incentive plan or similar annual bonus program. In the event Section 16 Officers receive non-equity incentive plan or similar annual bonus compensation, employees covered by this Agreement shall be paid under this Incentive Bonus Program as follows: for every $1.00 of non-equity incentive plan or similar bonus compensation paid to all Section 16 Officers, $2.00 shall be made available for distribution to employees covered by this Agreement in the form of a one-time bonus payment. TNFINC shall be afforded the opportunity to review any and all calculations made in this regard.

In the event the Board of Directors foregoes a non-equity incentive plan or similar bonus program for Section 16 Officers for a given year and decides instead to establish an equity-based program for Section 16 Officers for a given year, a payout of $750 under this Incentive Bonus Program shall be triggered for bargaining unit employees when the Section 16 Officers' right to the equity triggers (for example, upon the attainment of a particular stock price).

Any payments triggered under this Incentive Bonus Program shall be made within ninety (90) days of the end of the calendar year. To be eligible for a payment under the Incentive Bonus Program, an employee must work or have been paid for at least one thousand (1,000) hours in the prior calendar year and be employed by the Employer at the time of payout. In no event, however, shall employees be entitled to more than one (1) payment under this Incentive Bonus Program in any calendar year. The higher of any amounts shall be paid in that circumstance.

ARTICLE 34. MISCELLANEOUS NATIONAL PROVISIONS

Section 1. Equal Sacrifice of Non-Bargaining Unit Employees and their Participation

The Employer agrees not to increase wages (including bonuses) and benefits of current non-bargaining unit employees (including management) as an overall percentage beyond the effective overall total compensation percentage increase to be received by the bargaining unit employees. This shall not prevent the Employer from paying variable, performance-based compensation as the Employer has paid in past practice. This shall also not prevent the Employer from providing targeted increases to individual employees if necessary, in the Employer's judgment, to operate the business so long as the overall total compensation increases are within the effective overall total compensation percentage increases to be received by the bargaining unit employees.

The rates and wages for non-union clerical employees, maintenance employees, janitors, and porters will not exceed those for equivalent union positions.

Section 2. Bankruptcy Protection

If the Employer files a Chapter 7 or Chapter 11 bankruptcy petition or is placed in involuntary bankruptcy proceedings, the Employer agrees not to file any documents or motions under Sections 1113 or 1114 of the Bankruptcy Code without the approval of TNFINC.

Section 3. Designated Officers

TNFINC will maintain its right to select, subject to the approval of the Board, two persons to the YRC Worldwide Board of Directors, consistent with existing conditions.

Section 4. Hours of Service & 34-Hour Restart

The parties recognize that there may be circumstances where CDL-qualified employees are interested in working additional hours, but do not have sufficient hours of service available in

that week under the current system. The current system also can result in freight either not being serviced or being moved by a third-party carrier, given the Employer's ongoing challenges recruiting and retaining CDL-qualified drivers.

This Section is intended to: 1) increase earning opportunities for bargaining unit employees on a voluntary basis; 2) decrease the need for and use of non-union contractors; and 3) allow the Employer to service customers, acquire new business and reduce backlogs. This Section will not alter the bidding or job opportunities that currently exist. Rather, this Section is intended to allow bargaining unit personnel the VOLUNTARY option of performing additional work that likely would otherwise be performed by contractors or third parties.

1) The Employer may change Department of Transportation ("DOT") logging requirements from sixty (60) hours in seven (7) days to seventy (70) hours in eight (8) days (the "70/8 Rule") for road and city operations, to the extent not in place already. In addition, the Federal Motor Carrier Safety Administration's thirty-four (34) hour restart ("34-Hour Restart") shall be available for all road and city operations.

2) The Employer may utilize the 70/8 Rule and/or the 34-Hour Restart only for the purpose of offering additional work opportunities to employees on a VOLUNTARY basis, in accordance with the applicable Supplement and any local agreements, work rules or practices.

3) The 70/8 Rule and the 34-Hour Restart may not be used to force or otherwise require additional hours or overtime. This Section also does not create the ability to force overtime or otherwise require additional work by CDL-qualified employees, beyond what exists in the Supplements and any local agreements, work rules or practices.

4) The 70/8 Rule and the 34-Hour Restart may not be used to restructure driving bids to cover weekend operations, absent agreement between the Employer and the applicable Local

Union. Employees will not be denied their normal bids as a result of this Section, even if they decline extra work opportunities.

5) In the event an employee voluntarily accepts additional work opportunities created by the 70/8 Rule and the 34-Hour Restart, he or she shall be required to utilize the 34-Hour Restart and be available for his or her next regular shift. For example, a P&D driver who works twelve (12) hour shifts during his or her normal Monday through Friday bid and then voluntarily accepts an opportunity to work on Saturday must utilize the 34-Hour Restart to be available for his or her normal bid start time on Monday. That P&D driver shall not, however, be required to accept voluntary work opportunities created by this Section in the future. For example, the driver in the example may VOLUNTARILY accept or refuse a work opportunity on one off day and then decide to VOLUNTARILY accept or refuse a similar work opportunity the next off day: the choice is always made by the driver on a VOLUNTARY basis.

Section 5. Dock Only Positions

(a) YRC Freight & New Penn Motor Express

At those locations that do not have the ability to establish non-CDL dock only positions, nonCDL dock employees may be hired and gain seniority pursuant to the applicable Supplemental Agreement. In the event non-CDL dock only positions are established at those locations pursuant to this Section, seniority shall prevail in the selection of terminal bid postings and a senior CDL-qualified employee shall not be restricted from selecting the bid of his/her choice, including dock bids. For example, if a bid is posted for thirty (30) driving positions and twenty five (25) are filled, the Employer cannot force CDL-qualified employees into those openings if they utilize their seniority to bid a dock position. This Section shall not, however, modify any Supplemental Agreement, grievance decision or settlement, local agreement, local work rule, or practice governing the filling of CDL and non-CDL bids or positions. A CDL-qualified employee who takes a dock only bid shall maintain his or her CDL rate of pay and shall be required to maintain his or her CDL license.

(b) USF Holland

USF Holland historically has not had the ability to utilize employees in a non-CDL, dock only classification. As a result, dock and other non-driving work at Holland has been performed by CDL-qualified employees. While this arrangement provided certain advantages over the years, the industry-wide shortage of CDL-qualified employees has forced Holland to rely increasingly on non-union local cartage companies and other non-union third parties to deliver freight while its own CDL-qualified employees are performing non-driving work. In many instances, this is the case even though CDL-qualified employees at Holland would prefer to spend more time driving. The arrangement also created situations where employees who lose their CDL license through no fault of their own may not remain employed at Holland.

The parties recognized that this situation required a review of Holland's ability to utilize dock only positions that do not require a CDL. Making this additional resource available will permit Holland to reduce its reliance on third parties, bring work back into the bargaining unit, and improve its overall service performance. It also will provide additional opportunities for CDLqualified employees at Holland to perform more driving work throughout the course of a shift. In addition, dock only positions will afford work opportunities for employees who through no fault of their own lose their CDL license.

To this end, Holland may establish dock-only positions where a CDL license is not required. Seniority shall continue to prevail in the selection of terminal bid postings and a senior CDL qualified employee shall not be restricted from selecting the bid of his/her choice, including dock bids. For example, if a bid is posted for thirty (30) driving positions and twenty-five (25) are filled, the Employer cannot force CDL-qualified employees into those openings if they utilize their seniority to bid a dock position.

A CDL-qualified employee who takes a dock only bid shall maintain his or her CDL rate of pay and shall be required to maintain his or her CDL license. Employees hired after March

31, 2019 into a dock only position who do not possess a CDL license shall be paid in accordance with the Non-CDL rate (and progression) under the contract. The Employer shall have the ability to determine the number of dock only bids at a given facility. The establishment of dock only bids shall not impact the Employer's ability to require CDL-qualified employees in driving positions to work the dock, just as it does today. In addition, dock only employees with a CDL license may in seniority order be offered opportunities to engage in driving duties as needed.

Section 6. Sliding Power

At distribution centers, breakbulk terminals or similar, road drivers on a turn or a VIA may slide power on a pre-strung or pre-hooked set to avoid delay time. Road drivers may not, however, be required to slide power at distribution centers or breakbulk terminals when going onto or coming off of rest. In addition, the ability of road drivers to slide power at these terminals may not be utilized to change hostling or switching bids or decline to fill open hostling or switcher positions.

ARTICLE 35.

No employee shall be subjected to random drug/alcohol testing unless required by applicable law.

Section 1. Employee's Bail

Employees will be bailed out of jail if accused of any offense in connection with the faithful discharge of their duties, and any employee forced to spend time in jail or in courts shall be compensated at his/her regular rate of pay. In addition, he/she shall be entitled to reimbursement for his/her meals, transportation, court costs, etc.; provided, however, that faithful discharge of duties shall in no case include compliance with any order involving commission of a felony. In case an employee shall be subpoenaed as a company witness, he/she shall be reimbursed for all time lost and expenses incurred.

Section 2. Suspension or Revocation of License

In the event an employee receives a traffic citation for a moving violation which would contribute to a suspension or revocation or suffers a suspension or revocation of his/her right to drive the company's equipment for any reason, he/she must promptly notify his/her Employer in writing. Failure to comply will subject the employee to disciplinary action up to and including discharge. If such suspension or revocation comes as a result of his/her complying with the Employer's instruction, which results in a succession of size and weight penalties or because he/she complied with his/her Employer's instruction to drive company equipment which is in violation of DOT regulations relating to equipment or because the company equipment did not have either a speedometer or a tachometer in proper working order and if the employee has notified the Employer of the citation for such violation as above mentioned, the Employer shall provide employment to such employee at not less than his/her regular earnings at the time of such suspension for the entire period thereof.

When an employee in any job classification requiring driving has his/her operating privilege or license suspended or revoked for reasons other than those for which the employee can be discharged by the Employer, a leave of absence without loss of seniority, not to exceed three (3) years, shall be granted for such time as the employee's operating license has been suspended or revoked. The employee will be given work opportunities ahead of casuals to perform non-CDL required job functions.

Section 3. Drug Testing

PREAMBLE

While abuse of alcohol and drugs among our members/employees is the exception rather than the rule, the Teamsters National Freight Industry Negotiating Committee and the Employers signatory to this Agreement share the concern expressed by many over the growth of substance abuse in American society.

The parties have agreed that the Drug and Alcohol Abuse Program will be modified in the event that further federal legislation or Department of Transportation regulations provide for revised testing methodologies or requirements. The parties have incorporated the appropriate changes required by the applicable DOT drug testing rules under 49 CFR Parts 40 and 382, and agree that if new federally mandated changes are brought about, they too will become part of this Agreement. The drug testing procedure, agreed to by labor and management, incorporates state-of-the-art employee protections during specimen collection and laboratory testing to protect the innocent and ensures the Employer complies with all applicable DOT drug and alcohol testing regulations. In order to eliminate the safety risks which result from alcohol or drugs, the parties have agreed to the following procedures:

NMFA UNIFORM TESTING PROCEDURE

A. Probable Suspicion Testing

In cases in which an employee is acting in an abnormal manner and at least one (1) supervisor, two (2) if available, have probable suspicion to believe that the employee is under the influence of controlled substances and/or alcohol, the Employer may require the employee (in the presence of a union shop steward, if possible) to undergo a urine specimen collection and a breath alcohol analysis as provided in Section 4B. The supervisor(s) must have received training in the signs of drug intoxication in a prescribed training program which is endorsed by the Employer. Probable suspicion means suspicion based on specific personal observations that the Employer representative(s) can describe concerning the appearance, behavior, speech or breath odor of the employee. The observations may include the indication of chronic and withdrawal effects of controlled substances. The supervisor(s) must make a written statement of these observations within twenty-four (24) hours. A copy must be provided to the shop steward or other union official after the employee is discharged. Suspicion is not probable and thus not a basis for testing if it is based solely on third (3rd) party observation and reports. The employee shall not be required to waive any claim or cause of action under the law. For all purpos-

es herein, the parties agree that the terms "probable suspicion" and "reasonable cause" shall be synonymous.

The following collection procedures shall apply to all types of testing:

A refusal to provide a urine specimen or undertake a breath analysis will constitute a presumption of intoxication and the employee will be subject to discharge without receipt of a prior warning letter. If the employee is unable to produce 45mL of urine, he/she shall be offered up to forty ounces of fluid to drink and shall remain at the collection site under observation until able to produce a 45mL specimen, for a period of up to three (3) hours from the first unsuccessful attempt to provide the urine specimen. If the employee is still unable to produce a 45mL specimen, the Employer shall direct the employee to undergo an evaluation which shall occur within five business days, by a licensed physician, acceptable to the MRO who has the expertise in the medical issues concerning the employee's inability to provide an adequate amount of urine. If the physician and MRO conclude that there is no medical condition that would preclude the employee from providing an adequate amount of urine, the MRO will issue a ruling that the employee refused the test. If an employee is unable to provide sufficient breath sample for analysis, the procedures outlined in the DOT regulations shall be followed for all employees. Such employees shall be evaluated by a licensed physician, acceptable to the Employer, who has the expertise in the medical issues concerning the employee's failure to provide an adequate amount of breath. Absent a medical condition, as determined by the licensed physician, said employee will be regarded as having refused to take the test. The Employer will adhere to DOT regulations for employees who are unable to provide a urine or breath specimen due to a permanent or long-term medical condition. Contractual time limits for disciplinary action, as set forth in the appropriate Supplemental Agreement, shall begin on the day on which specimens are taken. In the event the Employer alleges only that the employee is intoxicated on alcohol and not drugs, previously agreed-to procedures under the appropriate Supplemental Agreement for determining alcohol intoxication shall apply.

In the event the Employer is unable to determine whether the abnormal behavior is due to drugs or alcohol, the drug testing proce-

dure contained herein and the breath alcohol testing procedure contained in Section 4B shall be used. If the laboratory results are not known prior to the expiration of the contractual time period for disciplinary action, the cause for disciplinary action shall specify that the basis for such disciplinary action is for "alcohol and/or drug intoxication".

B. DOT Random Testing

It is agreed by the parties that random urine drug testing will be implemented only in accordance with the DOT rules under 49 CFR Part 382, Subpart C.

The method of selection for random urine drug testing will be neutral so that all employees subject to testing will have an equal chance to be randomly selected.

The term "employees subject to testing" under this agreement is meant to include any employee required to have a Commercial Driver's License (CDL) under the Department of Transportation regulations.

Employees out on long term injury or disability for any reason shall not be tested.

The provisions of Article 35, Section 3 F 3 (Split Sample Procedures), and Article 35, Section 3 J 1 (One-Time Rehabilitation), shall apply to random urine drug testing.

C. Non-Suspicion-Based Post-Accident Testing

Non-suspicion-based post-accident testing is defined as urine drug testing as a result of an accident which meets the definition of an accident as outlined in the Federal Motor Carrier Safety Regulations. Urine drug testing will be required after accidents meeting the following conditions and drivers are required to remain readily available for testing for thirty-two (32) hours following the accident or until tested.

Employees subject to non-suspicion-based post-accident drug testing shall be limited to those employees subject to DOT drug testing, who are involved in an accident where there is:

(i) a fatality, or;

(ii) a citation under State or local law is issued to the driver for a moving traffic violation arising from the accident in which:

(a) bodily injury to a person who, as a result of the injury, immediately receives medical treatment away from the scene of the accident, or

(b) one or more motor vehicles incurring disabling damage as a result of the accident, requires the vehicle(s) to be transported away from the scene by a tow truck or other vehicle.

The driver has the responsibility to make himself/herself available for urine drug testing within the thirty-two (32) hour period in accordance with the procedures outlined in this Subsection. The driver is responsible to notify the Employer upon receipt of a citation and to note receipt thereof on the accident report. Failure to so notify the Employer shall subject the driver to disciplinary action.

If a driver receives a citation for a moving violation more than thirty- two (32) hours after a reportable accident, he/she shall not be required to submit to post-accident urine drug testing.

The Employer shall make available a urine drug testing kit and an appropriate collection site for the driver to provide specimens.

The provisions of Article 35, Section 3 F 3 (Split Sample Procedures), and Article 35, Section 3 J 1 (One-Time Rehabilitation), shall apply to non-suspicion-based post-accident urine drug testing.

D. Chain of Custody Procedures

Any specimens collected for drug testing shall follow the DHHS/ DOT (Department of Health and Human Services/ Department of

Transportation) specimen collection procedures. At the time specimens are collected for any drug testing, the employee shall be given a copy of the specimen collection procedures. In the presence of the employee, the specimens are to be sealed and labeled. As per DOT regulations, it is the employee's responsibility to initial the seals on the specimen bottles, additionally ensuring that the specimens tested by the laboratory are those of the employee.

The required procedure follows:

When urine specimens are to be provided, at least 45 mL of specimen shall be collected. At least 30 mL shall be placed in one (1) self-sealing, screw-capped or snap-capped container. A urine specimen of at least 15mL shall be placed in a second (2nd) such container. They shall be sealed and labeled by the collector, and initialed by the employee without the containers leaving the employee's presence. The employee has the responsibility to identify each container and initial same. Following collection, the specimens shall be placed in the transportation container together with the appropriate copies of the chain of custody form. The transportation container shall then be sealed in the employee's presence. The container shall be sent to the designated testing laboratory at the earliest possible time by the fastest available means.

In this urine collection procedure, the donor shall urinate into a collection container capable of holding at least 55 mL, which shall remain in full view of the employee until transferred to tamper resistant urine bottles, and sealed and labeled, and the employee has initialed the bottles.

It is recognized that the Specimen Collector is required to check for sufficiency of specimen, acceptable temperature range, and signs of tampering, provided that the employee's right to privacy is guaranteed and in no circumstances may observation take place while the employee is producing the urine specimens, unless required by DOT regulations. If it is established that the employee's specimen is outside of the acceptable temperature range or has been intentionally tampered with or substituted by the employee, the employee will be required to immediately submit an additional specimen

under direct observation. Also, if it is established that the employee's specimen has been intentionally tampered with or substituted by the employee, the employee is subject to discipline as if the specimen tested positive. In order to deter adulteration of the urine specimen during the collection process, physiologic determinations for creatinine, specific gravity, pH, and any substances that may be used to adulterate the specimen shall be performed by the laboratory. If the laboratory suspects the presence of an interfering substance/ adulterant that could make a test result invalid, but the initial laboratory is unable to identify it, the specimen must be sent to another HHS certified laboratory that has the capability of doing so.

Any findings by the laboratory that indicate that a specimen is adulterated as a result of the fact that it contains a substance that is not expected to be present in human urine; a substance that is expected to be present is identified at a concentration so high that it is not consistent with human urine; or has physical characteristics which are outside the normal expected range for human urine shall be immediately reported to the Company's Medical Review Officer (MRO). The parties recognize that the key to chain of custody integrity is the immediate sealing and labeling of the specimen bottles in the presence of the tested employee. If each container is received undamaged at the laboratory properly sealed, labeled and initialed, consistent with DOT regulations as certified by the laboratory, the Employer may take disciplinary action based upon the MRO's ruling.

E. Urine Collection Kits and Forms

The contents of the urine collection kit shall be as follows:

1. The kit shall include a specimen collection container capable of holding at least fifty-five (55) mL of urine and contains a temperature reading device capable of registering the urine temperature specified in the DOT regulations.

2. Two (2) plastic bottles that are capable of holding at least thirty-five (35) mL, have screw-on or snap-on caps, and markings

clearly indicating the appropriate levels for the primary (30 mL) and split (15 mL) specimens.

3. A uniquely numbered (i.e. Specimen Identification Number) DOT approved chain of custody form with similarly numbered Bottle Custody Seals, and a transportation kit seal (e.g., Box Seal) shall be utilized during the urine collection process and completed by the collection site person. In the case of probable suspicion or other contractually required testing, a Non-DOT chain of custody form will be used for the testing of Non-DOT employees. The appropriate laboratory copies are to be placed into the transportation container with the urine specimens. The exterior of the transportation kit shall then be secured, e.g., by placing the tamper-proof Box Seal over the outlined area.

4. Shrink-wrapped or similarly protected kits shall be used in all instances.

F. Laboratory Requirements

1. Urine Testing

In testing urine samples, the testing laboratory shall test specifically for those drugs and classes of drugs and adulterants employing the test methodologies and cutoff levels covered in the DOT Regulations 49 CFR, Part 40.

2. Specimen Retention

All specimens deemed positive, adulterated, substituted, or invalid by the laboratory, according to the prescribed guidelines, must be retained at the laboratory for a period of one (1) year.

3. Split Sample Procedure

The split sample procedure is required for all employees selected for urine drug testing. When any test kit is received by the laboratory, the “primary” sealed urine specimen bottle shall be immediately removed for testing, and the remaining “split” sealed speci-

men bottle shall be placed in secured storage. Such specimen shall be placed in refrigerated storage if it is to be tested outside of the DOT mandated period of time.

The employee will be given a shrink-wrapped or similarly protected urine collection kit. After receiving the specimen, the collector shall pour at least 30 mL of urine into the specimen bottle and at least 15 mL into the second split specimen bottle. Both bottles shall be sealed in the employee's presence, initialed by the employee, then forwarded to an accredited laboratory for testing. If the employee is advised by the MRO that the first (1st) urine sample tested positive, adulterated, or substituted, in a random, return to duty, follow-up, probable suspicion or post accident urine drug test, the employee may, within seventy-two (72) hours of receipt of the actual notice, request from the MRO that the second (2nd) urine specimen be forwarded by the first laboratory to another independent and unrelated accredited laboratory of the parties' choice for GC/MS confirmatory testing for the presence of the drug, or other confirmatory testing for adulterants, or to confirm that the specimen has been substituted as defined in 49 CFR Part 40. If the employee chooses to have the second (2nd) sample analyzed, he/she shall at that time execute a special check-off authorization form to ensure payment by the employee. Split specimen testing will conform to the regulations as defined in 49 CFR Part 40. If the employee chooses the optional split sample procedure, and so notifies his Employer, disciplinary action can only take place after the MRO reports a positive, adulterated, or substituted result on the primary test and the MRO reports that the testing of the split specimen confirmed the result. However, the employee may be taken out of service once the MRO reports a positive, adulterated, or substituted result based on the testing of the primary specimen while the testing of the split specimen is being performed. If the second (2nd) test confirms the findings of the first laboratory and the employee wishes to use the rehabilitation options of this Section, the employee shall reimburse the Employer for the cost of the second (2nd) sample's analysis before entering the rehabilitation program. If the second (2nd) laboratory report is negative, for drugs, adulterants, or substitution, the employee will be reimbursed for the cost of the second (2nd) test and for all lost time. It is also understood that if an employee opts for the split

sample procedure, contractual time limits on disciplinary action in the Supplements are waived.

4. Laboratory Accreditation

All laboratories used to perform urine drug testing pursuant to this Agreement must be certified by Health and Human Services under the National Laboratory Certification Program (NLCP).

G. Laboratory Testing Methodology

1. Urine Testing

The initial testing shall be by immunoassay which meets the requirements of the Food and Drug Administration for commercial distribution. The initial cutoff levels used when screening urine specimens to determine whether they are negative or positive for various classes of drugs shall be those contained in the Scientific and Technical Guidelines for Federal Drug Testing Programs (subject to revision in accordance with subsequent amendments to the HHS Guidelines).

All specimens identified as positive on the initial test shall be confirmed using gas chromatography/mass spectrometry (GC/MS) techniques. Quantitative GC/MS confirmatory procedures for drugs and confirmatory procedures for specimens that are initially identified as being adulterated or substituted shall comply with the testing protocols mandated by the Scientific and Technical Guidelines for Federal Drug Testing Programs (subject to revision in accordance with subsequent amendments to the HHS Guidelines).

Validity testing shall be conducted on all specimens, pursuant to HHS requirements, to determine whether they have been adulterated or substituted. All specimens which test negative on either the initial test or the GC/MS confirmation test shall be reported only as negative, unless they are confirmed to be adulterated, substituted, or invalid. Only specimens which test positive on both the initial test and the GC/MS confirmation test shall be reported as positive.

Specimens that are confirmed to be adulterated or substituted shall be reported as such.

When a grievance is filed as a result of a drug test that is ruled positive, adulterated, or substituted, the Employer shall provide a copy of the MRO ruling to the Union.

Where Schedule I and II drugs are detected, the laboratory is to report a positive test based on a forensically acceptable positive quantum of proof. All positive test results must be reviewed by the certifying scientist and certified as accurate.

2. Prescription and Non-prescription Medications

If an employee is taking a prescription or non-prescription medication in the appropriate described manner he/she will not be disciplined. Medications prescribed for another individual, not the employee, shall be considered to be illegally used and subject the employee to discipline.

3. Medical Review Officer (MRO)

The Medical Review Officer (MRO) shall be a licensed physician with the knowledge of substance abuse disorders, issues relating to adulterated and substituted specimens, possible medical causes of specimens having an invalid result, and applicable DOT agency regulations. In addition, the MRO shall keep current on applicable DOT agency regulations and comply with the DOT qualification training and continuing education requirements. The MRO shall review all urine drug test results from the laboratory and shall examine alternate medical explanations for tests reported as positive, adulterated, or substituted, as well as those results reported as invalid. Prior to the final decision to verify a urine drug test result, all employees shall have the opportunity to discuss the results with the MRO. If the employee declines to speak with the MRO, or the employee fails to contact the MRO within 72 hours of being notified to do so by the Employer, or if the MRO is unable to contact the employee within ten (10) days of the receipt of the drug test result

being reported to him by the laboratory, then the MRO may report the result to the Employer.

4. Substance Abuse Professional (SAP)

The Substance Abuse Professional (SAP), as provided in the regulations, means a licensed physician (Medical Doctor or Doctor of Osteopathy), or a licensed or certified psychologist, social worker, or employee assistance professional, or a drug and alcohol counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission or by the International Certification Reciprocity Consortium/Alcohol & Other Drug Abuse). All must have knowledge of and clinical experience in the diagnosis and treatment of alcohol and controlled substance-related disorders and be knowledgeable of the SAP function as it relates to Employer interest in safety-sensitive functions, and applicable DOT agency regulations. In addition, the SAP shall comply with the DOT qualification training and continuing education requirements.

H. Leave of Absence Prior to Testing

1. An employee shall be permitted to take leave of absence in accordance with the FMLA or applicable State leave laws for the purpose of undergoing treatment pursuant to an approved program of alcoholism or drug use. The leave of absence must be requested prior to the commission of any act subject to disciplinary action.

2. Employees requesting to return to work from a voluntary leave of absence for drug use or alcoholism shall be required to submit to testing as provided for in Part J of this Section. Failure to do so will subject the employee to discipline including discharge without the receipt of a prior warning letter.

The provisions of this Section shall not apply to probationary employees.

I. Disciplinary Action Based on Positive Adulterated, or Substituted Test Results

Consistent with past practice under this Agreement, and notwithstanding any other language in any Supplement, the Employer may take disciplinary action based on the test results as follows:

1. If the MRO reports that a urine drug test is positive, adulterated, or substituted, the employee shall be subject to discharge except as provided in Part J.

2. The following actions shall apply in probable suspicion testing based on DOT and contractual mandates.

a. If the urine drug test is positive, adulterated, or substituted, according to the procedures described in Part G, the employee shall be subject to discharge.

b. If the breath alcohol test results show a blood alcohol concentration equal to or above the level previously determined by the appropriate Supplemental Agreement for alcohol intoxication, the employee shall be subject to discharge pursuant to the Supplemental Agreement.

c. If the breath alcohol test is negative and the urine drug test is negative, the employee shall be immediately returned to work and made whole for all lost earnings.

J. Return to Employment After a Positive Urine Drug Test

1. Any employee with a positive, adulterated, or substituted urine drug test result (other than under probable suspicion testing), thereby subjecting the employee to discipline, shall be granted reinstatement on a one (1) - time lifetime basis if the employee successfully completes a course of education and/or treatment program as recommended by the Substance Abuse Professional (SAP). The SAP will recommend a course of education and/or treatment with which the employee must demonstrate successful compliance prior to returning to DOT safety-sensitive duty. The SAP will refer him/her to a

treatment program which has been approved by the applicable Health and Welfare Fund, where such is the practice. Any cost of evaluation, education and/or treatment over and above that paid for by the applicable Health and Welfare Fund, must be borne by the employee.

2. Employees electing the one-time lifetime evaluation and/or rehabilitation must notify the Company within ten (10) days of being notified by the Company of a positive, adulterated, or substituted urine drug test. The evaluation process and education and/or treatment program must take a minimum of ten (10) days. The employee must begin the evaluation process and education and/or treatment program within fifteen (15) days after notifying the Company. The employee must request reinstatement promptly after successful completion of the education and/or treatment program. After the minimum ten (10) day period and re-evaluation by the SAP, the employee may request reinstatement, but must first provide a negative return to duty urine drug test, to be conducted by a clinic and laboratory of the Employer's choice, before the employee can be reinstated. Any employee choosing to protest the discharge must file a protest under the applicable Supplement. After the discharge is sustained, the employee must notify the Company within ten (10) days of the date of the decision, of the desire to enter the evaluation process and education and/or treatment program.

3. While undergoing treatment, the employee shall not receive any of the benefits provided by this Agreement or Supplements thereto except the continued accrual of seniority.

4. Before reinstatement after the minimum ten (10) day period, the employee must be re-evaluated by the Substance Abuse Professional to determine successful compliance with any recommended education and/or treatment program. The employee must then submit to the Employer's return-to-duty urine drug test (and alcohol test if so prescribed by the SAP) with a negative result. The employee will be subject to at least six (6) unannounced follow-up urine drug tests in the first year, as determined by the SAP. If, at any time, the employee tests positive, provides an adulterated or substituted

specimen, or refuses to submit to a test, the employee shall be subject to discharge.

(a) Return-to-duty drug test is a urine drug test which an employee must complete with a negative result, after having been reevaluated by a SAP to determine successful compliance with recommended education and/or treatment.

(b) Follow-up drug testing shall mean those unannounced urine drug tests required (minimum of six (6) in a twelve (12) month period) when an employee tests positive, provides an adulterated or substituted specimen, or refused to be tested and has been evaluated by the SAP, completed education and/or treatment, been re-evaluated by SAP and returned to work. The requirements of follow-up testing follow the employee through breaks in service (i.e. layoff, on-the-job injury, personal illness/injury, leave of absence, etc.). In addition, the requirements of follow-up testing follow the employee to subsequent employers. The SAP has the authority to order any number of follow-up urine drug and/or alcohol tests and to extend the twelve (12) month period up to sixty (60) months.

K. Special Grievance Procedure

1. The parties shall together create a Special Region Joint Area Committee consisting of an equal number of employer and union representatives to hear drug-related discipline disputes. All such disputes arising after the establishment of the Special Region Joint Area Committee shall be taken up between the Employer and Local Union involved. Failing adjustment by these parties, the dispute shall be heard by the Special Region Joint Area Committee within ninety (90) days of the Committee's receipt of the dispute. Where the Special Region Joint Area Committee, by majority vote, settles a dispute, such decision shall be final and binding on both parties with no further appeal. Where the Special Region Joint Area Committee is unable to agree on or come to a decision on a dispute, the dispute will be referred to the National Grievance Committee.

2. The procedures set forth herein may be invoked only by the authorized Union Representative or the Employer.

L. Paid-for Time

1. Training

Employees undergoing substance abuse training as required by the DOT will be paid for such time and the training will be scheduled in connection with the employee's normal work shift, where possible.

2. Testing

Employees subject to testing and selected by the random selection process for urine drug testing shall be compensated at the regular straight time hourly rate of pay in the following manner provided that the test is negative:

a. Random Drug Tests

(1) for all time at the collection site.

(2) (a) for travel time one way if the collection site is reasonably en route between the employee's home and the terminal, and the employee is going to or from work; or

(b) for travel time both ways between the terminal and the collection site, only if the collection site is not reasonably en route between the employee's home and the terminal.

(3) When an employee is on the clock and a random drug test is taken any time during the employee's shift, and the shift ends after eight (8) hours, the employee is paid time and one-half for all time past the eight (8) hours.

(4) The Employer will not require the city employee to go for urine drug testing before the city employee's shift, provided the collection site is open during or immediately following the employee's shift.

(5) During an employee's shift, an employee will not be required to use his/her personal vehicle from the terminal to and from the collection site to take a random drug test.

(6) If a road driver is called at home to take a random drug test at a time when the road driver is not en route to or from work, the driver shall be paid, in addition to all time at the collection site, travel time both ways between the driver's home and the collection site with no minimum guarantee.

b. Non-Suspicion-Based Post-Accident Testing

(1) In the event of a non-suspicion-based post-accident testing situation, where the employee has advised the Employer of the issuance of a citation for a moving violation, but the Employer does not direct the employee to be tested immediately, but sends the employee for testing at some later time [during the thirty-two (32) hour period], the employee shall be paid for all time involved in testing, from the time the employee leaves home until the employee returns home after the test.

(2) When the Employer takes a road driver out of service and directs the employee to be tested immediately, the Employer will make arrangements for the road driver to return to his/her home terminal in accordance with the Supplemental Agreement.

Section 4. Alcohol Testing

The parties agree that in the event of further federal legislation or DOT regulations providing for revised methodologies or requirements, those revisions shall, to the extent they impact this Agreement, unless mandated, be subject to mutual agreement by the parties.

A. Employees Who Must be Tested

There shall be random, non-suspicion-based post-accident and probable suspicion alcohol testing of all employees subject to DOT mandated alcohol testing. This includes all employees who, as a

condition of their employment, are required to have a DOT physical, a CDL and are subject to testing for drugs under Article 35, Section 3 B.

Employees covered by this Collective Bargaining Agreement who are not subject to DOT-mandated alcohol testing are only subject to probable suspicion testing as provided in Article 35, Section 3 of the NMFA or the appropriate article of the applicable Supplemental Agreement. The alcohol breath testing methodology outlined in this Section will be utilized for all employees required to undergo probable suspicion testing. (For test results and discipline, refer to NMFA, Article 35, Section 3 I 2.)

B. Alcohol Testing Procedure

All alcohol testing under this Section will be conducted in accordance with applicable DOT/FMCSA regulations. All equipment used for alcohol testing must be on the NHTSA Conforming Products List and be used and maintained in compliance with DOT requirements. Breath samples will be collected by a Breath Alcohol Technician (BAT) who has successfully completed the necessary training course that is the equivalent of the DOT model course and who is knowledgeable of the alcohol testing procedures set forth in 49 CFR Part 40 and any current DOT Guidance. Law enforcement officers who have been certified by state or local governments to conduct breath alcohol testing are deemed to be qualified as Breath Alcohol Technicians. The training shall be specific to the type of Evidential Breath Testing (EBT) device being used for testing. The Employer shall provide the employees with material containing the information required by Section 382.601 of the Federal Motor Carrier Safety Regulations.

1. Screening Test

The initial screening test uses an Evidential Breath Testing (EBT) device, unless other testing methodologies or devices are mandated or agreed upon, to determine levels of alcohol. The following initial cutoff levels shall be used when screening breath samples to determine whether they are negative or positive for alcohol.

Breath Alcohol Levels:

Less than 0.02% BAC—Negative

0.02% BAC and above—Positive (Requires Confirmation Test)

2. Confirmatory Test

All samples identified as positive on the initial screening test, indicating an alcohol concentration of 0.02% BAC or higher, shall be confirmed using an EBT device that is capable of providing a printed result in triplicate; is capable of assigning a unique number to each test; and is capable of printing out, on each copy of the printed test result, the manufacturer's name for the device, the device's serial number and the time of the test unless other testing methodologies or devices are mandated or mutually agreed upon.

A confirmation test must be performed a minimum of fifteen (15) minutes after the screening test, but not more than thirty (30) minutes, unless otherwise provided by conditions set forth and defined in 49 CFR Part 40.

The following cutoff levels shall be used to confirm a positive test for alcohol:

Breath Alcohol Levels:

Less than 0.02% BAC—Negative

0.02% BAC to 0.039% BAC—Positive*

0.04% BAC and above—Positive*

*Refer to Section 4 L for Discipline Based on a Positive Test

C. Notification

All employees subject to DOT-mandated random alcohol testing will be notified of testing by the Employer, in person or by direct phone contact.

D. Pre-Qualification Testing for Non-DOT Personnel

Section has been deleted

E. Random Testing

The method used to randomly select employees for alcohol testing shall be neutral, scientifically valid and in compliance with DOT regulations.

The annual random testing rate for alcohol use shall be the rate established by the Administrator of the FMCSA.

In the event of a grievance or litigation, the Employer shall, upon written request from the employee, release to the employee and the Union (in its capacity as representative of the grievant and as a decision maker in the grievance process), information required to be maintained under the DOT alcohol testing regulations and arising from the results of an alcohol test which is subject to release under the regulations.

The parties agree that no effort will be made to cause the system and method of selection to be anything but a true random selection procedure ensuring that all affected employees are treated fairly and equally.

Employees subject to random alcohol testing shall be tested within one (1) hour prior to starting the tour of duty, during the tour of duty, or immediately after completing the tour of duty.

Employees who are on long-term illness or injury leave of absence, disability or vacation shall not be subject to testing during the period of time they are away from work.

F. Non-Suspicion-Based Post-Accident Testing

Employees subject to non-suspicion-based post-accident alcohol testing shall be limited to those employees subject to DOT alcohol testing, who are involved in an accident where there is:

(i) a fatality, or;

(ii) a citation under State or local law is issued to the driver for a moving traffic violation arising from the accident in which:

(a) bodily injury to a person who, as a result of the injury, immediately receives medical treatment away from the scene of the accident, or

(b) one or more motor vehicles incurring disabling damage as a result of the accident, requires the vehicle(s) to be transported away from the scene by a tow truck or other vehicle.

Alcohol testing will be required under the above conditions and employees are required to submit to such testing as soon as practicable. Under no circumstances shall this type of testing be conducted after eight (8) hours from the time of the accident.

It shall be the responsibility of the driver to remain readily available for testing after the occurrence of a commercial motor vehicle accident. It is also the responsibility of the employee to not use alcohol for eight (8) hours or until a DOT post-accident alcohol test is performed, whichever occurs first. It is not the intention of this language to require the delay of necessary medical attention or to prohibit the driver from leaving the scene of an accident for the period necessary to obtain assistance in responding to the accident or necessary medical attention.

Prior to the effective date of the DOT alcohol testing regulations, the Employer agrees to give each employee subject to DOT non-suspicion based post-accident testing written notification of the procedures required by the DOT regulations in the event of an accident as defined by the DOT.

G. Substance Abuse Professional (SAP)

1. The Substance Abuse Professional (SAP), as provided in the regulations, means a licensed physician (Medical Doctor or Doctor of Osteopathy), or a licensed or certified psychologist, social worker, or employee assistance professional, or a drug and alcohol counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission or by the International Certification Reciprocity Consortium/Alcohol & Other Drug Abuse). All must have knowledge of and clinical experience in the diagnosis and treatment of alcohol and controlled substance-related disorders, be knowledgeable of the SAP function as it relates to Employer interest in safety-sensitive functions, and applicable DOT agency regulations. In addition, the SAP shall comply with the DOT qualification training and continuing education requirements.

2. The Employer will provide the employee with a list of resources available to the driver in evaluating and resolving problems with the misuse of alcohol as soon as practicable but no later than thirty-six (36) hours after the Employer's receipt of notice from the BAT that the employee has a BAC of 0.04% or higher, exclusive of holidays and weekends. The SAP will be responsible for recommending the appropriate course of education and/or treatment required prior to the employee returning to work and is the only person responsible for determining, during the evaluation process, whether an employee will be directed to a rehabilitation program, and if so, for how long.

3. Follow-up and return-to-duty tests need not be confined to the substance involved in the violation. If the SAP determines that a driver needs assistance with an alcohol and drug abuse problem, the SAP may require drug tests to be performed along with any required alcohol follow-up and/or return-to-duty tests, if it has been determined that a driver has violated the drug testing prohibition.

4. Any cost of evaluation by the SAP and/or rehabilitation recommended by the SAP associated with the abuse of alcohol while performing or available to perform safety-sensitive functions under this Agreement, over and above that paid for by the applicable

Health and Welfare Fund, must be borne by the employee. The Employer will pay for random, non-suspicion-based post-accident and probable suspicion alcohol testing. Return-to-duty and follow-up alcohol testing that is prescribed by the SAP, will be paid for by the Employer, provided the employee tests negative.

H. Probable Suspicion Testing

Employees subject to DOT probable suspicion alcohol testing under this Section shall be tested in accordance with current, applicable DOT regulations.

For all purposes herein, the parties agree that the terms "probable suspicion" and "reasonable cause" shall be synonymous.

Probable suspicion is defined as an employee's specific observable appearance, behavior, speech or body odor that clearly indicates the need for probable suspicion alcohol testing.

In the event the Employer is unable to determine whether the abnormal behavior or appearance is due to alcohol or drugs, the Employer shall specify that the basis for any disciplinary action or testing is for alcohol and/or drug intoxication. In such cases, the employee shall be tested in accordance with Article 35, Section 3 A, and applicable DOT alcohol testing regulations.

In cases where an employee has specific, observable, abnormal indicators regarding appearance, behavior, speech or body odor, and at least one (1) supervisor, two (2) if available, have probable suspicion to believe that the employee is under the influence of alcohol, the Employer may require the employee, in the presence of a union shop steward or other employee requested by the employee under observation, to submit to a breath alcohol test. Suspicion is not probable and thus not a basis for testing if it is based solely on third party observation and reports.

The supervisor(s) must make a written statement of these observations within twenty-four (24) hours. Upon request, a copy must be

provided to the shop steward or other union official after the employee is discharged or suspended or taken out of service.

All supervisors and Employer representatives designated to determine whether probable suspicion exists to require an employee to undergo alcohol testing shall receive specific training on the physical, behavioral, speech and performance indicators of how to detect probable suspicion alcohol misuse and use of controlled substances as required by DOT regulations.

In the event the Employer requires a probable suspicion test, the Employer shall provide transportation to and from the testing location.

I. Preparation for Testing

All alcohol testing shall be conducted in conformity with the DOT alcohol regulations. Any alleged abuse by the Employer, such as proven harassment of any employee or deliberate violation of the regulations or the contract shall be subject to the grievance procedure to provide a reasonable remedy for the alleged violation.

Upon arrival at the testing site, an employee must provide the Breath Alcohol Technician (BAT) with proper identification. The employee shall not be required to waive any claim or cause of action under the law.

A standard DOT approved alcohol testing form will be used by all testing facilities. In the case of probable suspicion or other contractually required testing, a Non-DOT chain of custody form will be used for the testing of Non-DOT employees.

J. Specimen Testing Procedures

All procedures for alcohol testing will comply with Department of Transportation regulations.

No unauthorized personnel will be allowed in any area of the testing site. Only one alcohol testing procedure will be conducted by a BAT at the same time.

The employee will provide his or her breath sample in a location that allows for privacy. The Employer agrees to recognize all employees' rights to privacy while being subjected to the testing process at all times and at all testing sites. Further, the Employer agrees that in all circumstances the employee's dignity will be considered and all necessary steps will be taken to ensure that the entire process does nothing to demean, embarrass or offend the employee unnecessarily. Testing will be under the direct observation of a Breath Alcohol Technician (BAT). All procedures shall be conducted in a professional, discreet and objective manner. Direct observation will be necessary in all cases.

The employee shall provide an adequate amount of breath for the Evidential Breath Testing device. If the individual is unable to provide a sufficient amount of breath, the BAT shall direct the individual to again attempt to provide a complete sample.

If an employee is unsuccessful in providing the requisite amount of breath, the Employer then must have the employee obtain, within five (5) days, an evaluation from a licensed physician selected by the Employer and the Local Union and who has the expertise in the medical issues concerning the employee's inability to provide an adequate amount of breath. If the physician is unable to determine that a medical condition has, or with a high degree of probability could have, precluded the employee from providing an adequate amount of breath, the employee's failure to provide an adequate amount of breath will be regarded as a refusal to take the test and subject the employee to discharge.

K. Leave of Absence Prior to Testing

An employee shall be permitted to take leave of absence in accordance with the FMLA or applicable State leave laws for the purpose of undergoing treatment pursuant to an approved program of alcoholism or drug use. The leave of absence must be requested prior to

the commission of any act subject to disciplinary action. This provision does not alter or amend the disciplinary provision (Article 35, Section 4 L) of this Section.

Before returning to work from a voluntary leave of absence, the employee must have completed any recommended treatment and taken a return to duty test, with a result of less than 0.02% BAC, and further be subject to six (6) unannounced follow-up alcohol tests in the first twelve (12) months following the employee's return to duty.

The Supplemental Agreements shall address the issue of an extra board driver who, while at his home terminal, has consumed alcohol, is then called for dispatch and requests additional time off. Requesting time off under this provision shall not be used as a subterfuge to avoid taking a random alcohol (and/or drug) test.

L. Disciplinary Action Based on Positive Test Results

1. First Positive Test
0.02% BAC-0.039% BAC
Out of Service for 24 hours
0.04% BAC-Less than State DWI/DUI Limit
Out of Service for the length of time determined by the SAP with a minimum of twenty-four (24) hours
State DWI/DUI Limit and Above
Subject to discharge

2. Second Positive Test
0.02% BAC-0.039% BAC
Out of Service for a five (5) calendar day suspension
0.04% BAC-Less than State DWI/DUI Limit
Out of Service for the length of time determined by the SAP with a minimum of a twenty (20) calendar day suspension
State DWI/DUI Limit and Above
Subject to discharge

3. Third Positive Test
0.02% BAC-0.039% BAC

Out of Service for a fifteen (15) calendar day suspension
0.04% BAC-Less than State DWI/DUI Limit
Out of Service for the length of time determined by the SAP with a minimum of a thirty (30) calendar day suspension
State DWI/DUI Limit and Above
Subject to discharge

4. Fourth Positive Test
0.02% BAC-0.039% BAC
Subject to discharge
0.04% BAC-Less than State DWI/DUI Limit
Subject to discharge
State DWI/DUI Limit and Above
Subject to discharge

5. An employee who is tested positive in a non-suspicion-based post-accident alcohol testing situation shall be subject to the following discipline for the positive alcohol test or the vehicular accident, whichever is greater:

First Non-Suspicion-Based Post-Accident Positive Test—0.02% BAC—0.039% BAC—Thirty (30) calendar day suspension. 0.04% BAC and higher—Subject to discharge.

Second Non-Suspicion-Based Post-Accident Positive Test—0.02% BAC and higher—Subject to discharge.

6. An employee's refusal to submit to any alcohol test will subject the employee to discharge.

M. Return to Duty After a Positive (Greater than .04 to the State Limit) Alcohol Test

Before returning to work the employee must be evaluated by a SAP, comply with any education and/or treatment recommended by the SAP, be re-evaluated by the SAP to determine compliance with recommended education and/or treatment, and take a return-to-duty alcohol test, showing a result of less than 0.02% BAC. The employee will be subject to at least six (6) unannounced follow-up alcohol

and/or drug tests as determined by the SAP. The requirements of follow- up testing follow the employee through breaks in service (i.e. layoff, on-the-job injury, personal illness/injury, leave of absence, etc.). In addition, the requirements of follow-up testing follow the employee to subsequent employers. The SAP has the authority to order any number of follow-up alcohol and/or urine drug tests and to extend the twelve (12) month period up to sixty (60) months.

N. Paid-for-time -Testing

Employees subject to testing and selected by the random selection process for alcohol testing shall be compensated at the regular straight time hourly rate of pay provided that the test is negative:

1. Random Alcohol Tests

a. Paid for all time at the collection site.

b. (1) for travel time one way if the collection site is reasonably en route between the employee's home and the terminal, and the employee is going to or from work; or

(2) for travel time both ways between the terminal and the collection site, only if the collection site is not reasonably en route between the employee's home and the terminal.

c. When an employee is on the clock and a random alcohol test is taken any time during the employee's shift, and the shift ends after eight (8) hours, the employee is paid time and one-half for all time past the eight (8) hours.

d. The Employer will not require the city employee to go for alcohol testing before the city employee's shift, provided the collection site is open during or immediately following the employee's shift.

e. During an employee's shift, an employee will not be required to use his/her personal vehicle from the terminal to and from the collection site to take a random alcohol test.

f. If a road driver is called to take a random alcohol test at a time when the road driver is not en route to or from work, the driver shall be paid, in addition to all time at the collection site, travel time both ways between the location of the driver when called and the collection site with no minimum guarantee.

2. Non-Suspicion-Based Post-Accident Testing

a. In the event of a non-suspicion-based post-accident testing situation, where the employee has advised the Employer of the issuance of a citation for a moving violation, but the Employer does not direct the employee to be tested immediately, but sends the employee for testing at some later time (during the eight (8) hour period), the employee shall be paid for all time involved in testing, from the time the employee leaves home until the employee returns home after the test.

b. When the Employer takes a driver out of service and directs the employee to be tested immediately, the Employer will make arrangements for the driver to return to his/her home terminal in accordance with the Supplemental Agreement.

O. Record Retention

The Employer shall maintain records in a secure manner so that disclosure of information to unauthorized persons does not occur.

Each Employer or its agent is required to maintain the following records for two years:

1. Records of the inspection and maintenance of each EBT used in employee testing;

2. Documentation of the Employer's compliance with the Quality Assurance Program for each EBT it uses for alcohol testing; and

3. Records of the training and proficiency testing of each BAT used in employee testing.

The Employer must maintain for five years records pertaining to the calibration of each EBT used in alcohol testing, including records of the results of external calibration checks.

P. Special Grievance Procedure

1. The parties shall together create a Special Region Joint Area Committee consisting of an equal number of Employer and Union representatives to hear drug and alcohol related discipline disputes. All such disputes arising after the establishment of the Special Region Joint Area Committee shall be taken up between the Employer and Local Union involved. Failing adjustment by these parties, the dispute shall be heard by the Special Region Joint Area Committee within ninety (90) days of the Committee's receipt of the dispute. When the Special Region Joint Area Committee, by majority vote, settles a dispute, such decision shall be final and binding on both parties with no further appeal. Where the Special Region Joint Area Committee is unable to agree or come to a decision on a dispute, the dispute will be referred to the National Grievance Committee.

2. The Procedures set forth herein may be invoked only by the authorized Union representative or the Employer.

ARTICLE 36. NEW ENTRY (NEW HIRE) RATES

Full-Time New Hire Wage Progression and Casual Rates

A. **CDL Qualified Driver or Mechanics**

The new hire wage progression for regular, full-time CDL-qualified employees and shop mechanics hired after ratification shall be as follows:

Effective First Day of Employment:
90% of the Applicable Wage Rate

Effective First Day plus One (1) Year:
95% of the Applicable Wage Rate

Effective First Day plus Two (2) Years:
100% of the Applicable Wage Rate

Regular, full-time employees in these two categories who currently are in progression also shall be moved to one hundred percent (100%) of the applicable wage rate effective April 1, 2019.

With the approval of TNFINC, the Employer shall have the ability to increase the applicable wage rate at individual locations if the Employer determines in its discretion that doing so is necessary to attract and retain qualified employees. In the event the Employer decides to exercise this option, it shall provide advance notice to TNFINC in writing.

B. **Non-CDL Qualified Employees**

The top rate for clerical employees, non-CDL dock employees, maintenance employees, janitors, and porters hired after February 7, 2014 shall be increased from $18.00 per hour to $19.00 per hour effective April 1, 2019, subject to the following progression:

Effective First Day of Employment: $17.00 per hour

Effective First Day Plus One (1) Year: $18.00 per hour

Effective First Day Plus Two (2) Years: $19.00 per hour

These rates shall increase by an additional $.50 per hour effective April 1 of 2020 and 2021 and by an additional $.25 per hour effective April 1 of 2022 and 2023. These rates do not apply to shop mechanics and employees in Non-CDL driving positions.

ARTICLE 37. NON-DISCRIMINATION

The Employer and the Union agree not to discriminate against any individual with respect to hiring, compensation, terms or conditions of employment because of such individuals race, color, religion, sex, age, or national origin nor will they limit, segregate or classify employees in any way to deprive any individual employee

of employment opportunities because of race, color, religion, sex, age, or national origin or engage in any other discriminatory acts prohibited by law. This Article also covers employees with a qualified disability under the Americans with Disabilities Act, although whether the Employer has complied with the ADA's statutory requirements shall not be subject to the grievance procedure.

ARTICLE 38.

Section 1. Sick Leave

Effective April 1, 1980 and thereafter, all Supplemental Agreements shall provide for five (5) days of sick leave per contract year.

Sick leave not used by December 31 of any calendar year will be paid on January 31 at the applicable hourly rate in existence on that date. Each day of sick leave will be paid for on the basis of eight (8) hours' straight-time pay at the applicable hourly rate.

Effective April 1, 2008, sick leave will be paid to eligible employees beginning on the first (1st) working day of absence.

Effective January 1, 2009, the accrual and cash out dates for sick leave will move from April 1 to January 1. As an example, employees will be entitled to cash out accrued unused sick leave on April 1, 2008, and will accrue an additional 5 days sick leave between April 1, 2008, and December 31, 2008, and will be entitled to cash out any unused sick leave on January 1, 2009. In addition, no employee will lose their entitlement to the cash out of unused sick leave on January 1, 2009, because they were not able to satisfy the present eligibility provision of having received 90 days of compensation during the shorten qualifying period of April 1, 2008, through December 31, 2008.

The additional sick leave days referred to above shall also be included in those Supplements containing sick leave provisions prior to April 1, 1976. The National Negotiating Committees may develop rules and regulations to apply to sick leave provisions negotiated in the 1976 Agreement and amended in this Agreement uniformly

to the Supplements. The Committee shall not establish rules and regulations for sick leave programs in existence on March 31, 1976.

In the event a state or local law requires employees to receive sick leave benefits greater than those contained herein, the Employer shall be responsible for providing such benefits above those contained herein at no cost to the employee. Any such requirements shall be in addition to the contractually guaranteed sick time. For example, if an employee is contractually entitled to five (5) sick days and the law requires that the employee receive eight (8) days, he or she shall receive the five (5) contractual days and the three (3) additional days required by law. The employee in this example shall not receive a total of thirteen (13) days.

Section 2. Jury Duty

Effective April 1, 2003, all regular employees called for jury duty will be paid eight (8) hours pay at the applicable hourly wage for jury service for each day of jury duty to a maximum of fifteen (15) days pay for each contract year.

When such employees report for jury service on a scheduled workday, they will not unreasonably be required to report for work that particular day.

Time spent on jury service will be considered time worked for purposes of Employer contributions to health & welfare and pension plans, vacation eligibility and payment, holidays and seniority, in accordance with the applicable provisions of the Supplemental Agreements to a maximum of fifteen (15) days for each contract year.

Employees who have been selected to serve on a jury, including those selected as an alternate jury member and who are scheduled to work shifts beginning after 4:00 p.m. will be given the option of working either the day their jury duty begins or the day following the day their jury duty begins and thereafter shall not be required to work on any day in which the jury is in session.

Section 3. Family and Medical Leave Act

All employees who worked for the Employer for a minimum of twelve (12) months and worked at least 1250 hours during the past twelve (12) months are eligible for unpaid leave as set forth in the Family and Medical Leave Act of 1993.

Eligible employees are entitled to up to a total of 12 weeks of unpaid leave during any twelve (12) month period for the following reasons:

1. Birth or adoption of a child or the placement of a child for foster care;

2. To care for a spouse, child or parent of the employee due to a serious health condition;

3. A serious health condition of the employee.

The employee's seniority rights shall continue as if the employee had not taken leave under this Section, and the Employer will maintain health insurance coverage during the period of the leave.

The Employer may require the employee to substitute accrued paid vacation or other paid leave for part of the twelve (12) week leave period.

The employee is required to provide the Employer with at least thirty (30) days advance notice before FMLA leave begins if the need for leave is foreseeable. If the leave is not foreseeable, the employee is required to give notice as soon as practicable. The Employer has the right to require medical certification of a need for leave under this Act. In addition, the Employer has the right to require a second (2nd) opinion at the Employer's expense. If the second opinion conflicts with the initial certification, a third opinion from a health care provider selected by the first and second opinion health care providers, at the Employer's expense may be sought, which shall be final and binding. Failure to provide certification shall cause any leave taken to be treated as an unexcused absence.

As a condition of returning to work, an employee who has taken leave due to his/her own serious health condition must be medically qualified to perform the functions of his/her job. In cases where employees fail to return to work, the provisions of the applicable Supplemental Agreement will apply.

It is specifically understood that an employee will not be required to repay any of the contributions for his/her health insurance during FMLA leave. No employee will be disciplined for requesting or taking FMLA leave under the contract absent fraud, misrepresentation, or dishonesty.

Disputes arising under this provision shall be subject to the grievance procedure.

The provisions of this Section are in response to the federal FMLA and shall not supersede any state or local law which provides for greater employee rights.

The Employer may not force an employee to use pre-scheduled vacation time as FMLA leave, provided the vacation involved was prescheduled in accordance with the applicable supplemental agreement. The Employer may not force an employee to take the last unscheduled week of vacation as FMLA leave.

The Employer may not force an employee who has taken separate hours of unpaid leave for medical reasons to substitute those hours as accrued leave under the FMLA.

The Employer may not force an employee to substitute accrued leave for FMLA leave if the employee is receiving supplemental loss-of-time disability benefits from a benefit plan under the Agreement.

All locations and terminals of any Employer covered by this Agreement shall be required to comply with this Article regardless of their size.

Section 4. Discipline or Suspension

Any warning letters or notices that the Employer is required to send to the Local Union under a Discipline or Suspension Article(s) in a Supplemental Agreement may be sent by e-mail in lieu of conventional postal delivery.

ARTICLE 39. DURATION

Section 1.

This Agreement shall be in full force and effect from April 1, 2019 to and including March 31, 2024, and shall continue from year to year thereafter unless written notice of desire to cancel or terminate this Agreement is served by either party upon the other at least sixty (60) days prior to date of expiration.

When notice of cancellation or termination is given under this Section, the Employer and the Union shall continue to observe all terms of this Agreement until impasse is reached in negotiations, or until either the Employer or the Union exercise their rights under Section 3 of this Article.

Section 2.

Where no such cancellation or termination notice is served and the parties desire to continue said Agreement but also desire to negotiate changes or revisions in this Agreement, either party may serve upon the other a notice at least sixty (60) days prior to March 31, 2024 or March 31st of any subsequent contract year, advising that such party desires to revise or change terms or conditions of such Agreement.

Section 3.

The Teamsters National Freight Industry Negotiating Committee, as representative of the Local Unions or the signatory Employer or the authorizing Employer Associations, shall each have the right to unilaterally determine when to engage in economic recourse (strike or lockout) on or after April 1, 2024, unless agreed to the contrary.

Section 4.

Revisions agreed upon or ordered shall be effective as of April 1, 2024 or April 1st of any subsequent contract year.

Section 5.

In the event of an inadvertent failure by either party to give the notice set forth in Sections 1 and 2 of this Article, such party may give such notice at any time prior to the termination or automatic renewal date of this Agreement. If a notice is given in accordance with the provisions of this Section, the expiration date of this Agreement shall be the sixty-first (61st) day following such notice.

Section 6.

In those circumstances where the Teamsters National Freight Industry Negotiating Committee, as representative of the Local Union, or the signatory Employer or the authorizing Employer Associations, shall have served a notice of reopening pursuant to this Article and have not been able to arrive at an agreement within six (6) months, then either side shall have the right on sixty (60) days' written notice to terminate this Agreement.

IN WITNESS WHEREOF the parties hereto have set their hands and seals this day of _____ , 2019 to be effective April 1, 2019, except as to those areas where it has been otherwise agreed between the parties.

NEGOTIATING COMMITTEES FOR THE LOCAL UNIONS: TEAMSTERS NATIONAL FREIGHT INDUSTRY NEGOTIATING COMMITTEE

James P. Hoffa, Chairman
Ernie Soehl, Co-Chairman

John A. Murphy, LU 25
Steve Bishop, LU 71
Chris Toole, LU 118
Rick Laughton, LU 633
Billy Cunningham, LU 641
John Capobianco, LU 677
Kevin McCaffrey, LU 707
Edgar Thompson, LU 776
Mike Hienton, LU 407
Jon Flinn, LU 41
Bill Wedebrand, LU 120
Jeff Combs, LU 135
Kevin Moore, LU 299
Tony Jones, LU 413
Danny Avelyn, LU 554
Rick Rohe, LU 705
Michael Cales, LU 710
Bob Paffenroth, LU 63
Dominic Chiovare, LU 70
Patrick D. Kelly, LU 952
Walter Maestas, LU 492
Lendon Grisham, LU 480
Howard Boykin, LU 480
Allen Aldridge, LU 519
Johnny Gabriel, LU 528
Brent Taylor, LU 745

Rich Gibson, IBT Legal
Kaitlyn Long, IBT Economist
Mike Conyngham, TNFINC Economist Consultant

FOR THE EMPLOYERS:
YRC Worldwide, Inc.

Mitch Lilly, Chairman

Mike Albiniak, YRC Freight
Herb Anthony, YRC Freight
Lamar Beinhower, YRC Freight
Jennifer Benner, Holland
Larry Briney, YRC Freight
Mike Canasi, Holland
Brian Falter, YRC Freight
Travis Feeback, YRC Freight
Mark Gladfelter, YRC Freight
Robert Jones, YRC Freight
Gary Kraus, YRC Freight
Scott Moore, YRC Freight
Steve Parker, YRC Freight
Nick Picarello, YRC Freight
Sam Pilger, Holland
Gary Quinn, YRC Frieght
Sam Rader, YRC Freight
Scott Rogers, Holland
Robert Schaeffer, Trucking Employers Association
Dan Schmidt, New Penn Motor Express
Ricardo Simmons, YRC Freight
Dan Thomas, YRC Freight
Nick Tipple, YRC Freight
Tom Ventura, YRCW
Matt Wilim, Holland

Dan Bordoni, Employer Counsel
Ryan Sears, Employer Counsel

ADDENDUM A

Termination of Prior MOUs

Since 2008, the Employers and TNFINC have been signatory to a series of agreements designed and intended to provide the Employers with the opportunity to restructure, stabilize, and provide job security and work opportunities to Teamster members. The Employers recognize that the Teamster-represented bargaining unit has made tremendous sacrifices in this regard. The parties now desire to return to a more traditional collective bargaining relationship and format. To that end, the following agreements (collectively the MOUs) between the parties are terminated with respect to the Employers:

- Extension of the Agreement for the Restructuring of the YRC Worldwide Inc. Operating Companies
- Agreement for the Restructuring of the YRC Worldwide, Inc. Operating Companies
- Amended and Restated Memorandum of Understanding on the Job Security Plan
- Memorandum of Understanding on the Wage Reduction – Job Security Plan

Likewise, the MOU Subcommittee is terminated. Practices in effect as of March 31, 2019 shall, however, remain with respect to the following items except as otherwise agreed:

- Hostling across job classifications
- Breaks, start times, and scheduling
- Road driver performance of drops and hooks and drops and picks en-route
- Pre-stringing of trailers

Any and all grievances and interpretations arising out of the new collective bargaining agreement and applicable supplements, under the prior MOUs, or any other agreements between the parties concerning terms and conditions of employment shall be addressed

under the traditional methods outlined in the collective bargaining agreement. Prior decisions and interpretations of the MOU Subcommittee shall, however, remain in effect.

Economic conditions and other terms and conditions of employment shall be set forth in the new collective bargaining agreement. Future raises and other increases shall not be subject to the 15% reduction.

No current employee shall suffer a reduction in wage rate as a result of this Agreement.

ADDENDUM B

NATIONAL UNIFORM ATTENDANCE POLICY

The parties recognize that the vast majority of employees report for work when scheduled and do not have an attendance problem. The parties further recognize, however, that absenteeism among even a small group of employees is detrimental to the Employer's operations. For this reason, the parties adopt the following National Uniform Attendance Policy. The parties agree that the purpose of attendance disciplinary action is to correct an employee's behavior. This Policy is, therefore, intended to be applied flexibly and fairly, giving due consideration to all circumstances. Continued disregard of attendance obligation will result in discharge if the employee fails to change the behavior.

Disciplinary Progressions for Absenteeism or Tardiness:

First Offense:	Verbal Warning
Second Offense:	Warning Letter
Third Offense:	One (1) Day Suspension
Fourth Offense:	Three (3) Day Suspension
Fifth Offense:	Discharge

Progressions will be followed in all instances unless extraordinary circumstances dictate an accelerated or decelerated progression.

Addendum B

Examples of an accelerated progression would be No Call/No Shows or blatant abuse of time off. An example of decelerated progression would be a long time period between absences.

Discipline may be issued on all unexcused absences. Committees may consider timely, bona fide, verifiable doctors excuses in determining the validity of disciplinary action. Proper communication on all absences is the employee's responsibility.

The Employer may discharge an employee who has received two letters of suspension as long as the letters resulted in agreed to or a committee's action discipline.

Disputes concerning the application of this Policy shall be subject to the grievance procedure.

Letter of Commitment Concerning YRCW and HNRY Logistics

Mitch Lilly
Senior Vice President
Labor & Employee Relations YRC Worldwide
10990 Roe Avenue Overland Park, KS 66211
Phone 913 344 3361
www.yrcw.com

March 27, 2019

Ernie Soehl
National Freight Director
International Brotherhood of Teamsters
25 Louisiana Avenue NW
Washington, DC 20001

Re: Letter of Commitment Concerning YRCW and HNRY Logistics

Dear Mr. Soehl,

As you know, YRC Worldwide, Inc. (YRCW) in late 2018 introduced HNRY Logistics—a freight brokerage company and customer-facing transportation system established to compliment and grow our existing less-than-truckload (LTL) operating companies. The myHNRY TMS system is designed to provide a more integrated, seamless customer portal into the LTL service offerings across YRC Freight, USF Holland, New Penn Motor Express, and USF Reddaway. HNRY Logistics was built to service those customer needs that fall outside of our existing networks or capabilities and provide customers with the opportunity to place freight through our family of companies, rather than turning to a third-party. The goal with HNRY Logistics is to strengthen our customer relationships, increase the amount of freight being hauled on our trucks, and generate revenue to support our operating companies.

This letter is to confirm YRCW's commitment to TNFINC that it will not utilize HNRY Logistics to divert LTL freight and related bargaining unit work away from YRC Freight, USF Holland, New Penn Motor Express, or USF Reddaway. YRCW recognizes that

the preservation, protection and growth of bargaining unit work is a fundamental tenet of the collective bargaining relationship between TNFINC and the various operating companies. To that end, HNRY Logistics' only LTL offerings will be YRC Freight, USF Holland, New Penn Motor Express, and USF Reddaway. In addition, YRCW on behalf of itself and HNRY commits that it will look to these LTL companies first before placing any other type of freight (i.e. of the type not previously handled) and will seek opportunities to have our carriers handle this non-LTL freight where possible. With respect to customer service work performed by bargaining unit employees, that work will continue going forward. Bargaining unit employees will continue to quote and track shipments for customers and perform the same type of duties as historically performed.

This commitment runs concurrently with the NMFA and any successor agreements. In the event there are growth or other business opportunities that would benefit the bargaining unit but would require HNRY Logistics to place freight on other LTL carriers, the Company agrees that it must first obtain TNFINC's approval in advance.

Finally, I would like to invite you and members of our team to visit HNRY Logistics and observe how it operates—consistent with the above. In the meantime, please let me know if you have any questions.

Sincerely,

Mitch Lilly
Senior Vice President, Labor & Employee Relations

CERTIFICATE OF SERVICE

I, William D. Sullivan, hereby certify that on the 19th day of January 2024, a copy of the foregoing *Central States Funds' Response to Debtors' Objections to the Funds' Proofs of Claims* was electronically filed and served via CM/ECF on all parties requesting electronic notification in this case in accordance with Del. Bankr. L.R. 9036-1(b) and on the parties listed below via Electronic Mail.

Counsel to the Debtors:

Patrick J. Nash, Jr. , Esq.
Michael B. Slade, Esq.
Whitney Fogelberg, Esq.
Kirkland & Ellis LLP
300 North LaSalle
Chicago, IL 60654
patrick.nash@kirkland.com
Michael.Slade@kirkland.com
whitney.fogelberg@kirkland.com

Laura Davis Jones, Esq.
Timothy P. Cairns, Esq.
Peter J. Keane, Esq.
Edward Corma, Esq.
Pachulski Stang Ziehl & Jones LLP
919 N. Market Street, 17th Floor
Wilmington, DE 19801
ljones@pszjlaw.com
tcairns@pszjlaw.com
pkeane@pszjlaw.com
ecorma@pszjlaw.com

Michael Esser, Esq.
John Christian, Esq.
Kirkland & Ellis LLP
Kirkland & Ellis International LLP
555 California Street
San Francisco, California 94104
michael.esser@kirkland.com
john.christian@kirkland.com

U.S. Trustee:

The Office of United States Trustee
Jane Leamy, Esq.
Richard Schepacarter,
Esq. 844 King Street,
Suite 2207, Lockbox 35
Wilmington, DE 19801
jane.m.leamy@usdoj.gov
richard.schepacarter@usdoj.gov

Counsel to the Committee of Unsecured Creditors:

Philip C. Dublin, Esq.
Meredith A. Lahaie, Esq.
Kevin Zuzolo, Esq.
Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
Bank of America Tower
New York, NY 10036-6745
pdublin@akingump.com
mlahaie@akingump.com
kzuzolo@akingump.com

Jennifer R. Hoover, Esq.
Kevin M. Capuzzi, Esq.
John C. Gentile, Esq.
BENESCH, FRIEDLANDER, COPLAN & ARONOFF LLP
1313 North Market Street, Suite 1201
Wilmington, DE 19801
jhoover@beneschlaw.com
kcapuzzi@beneschlaw.com
jgentile@beneschlaw.com

January 19, 2024
Date

/s/ William D. Sullivan
William D. Sullivan