

BSA-ILA RETIREMENT ACCOUNT PLAN

SUMMARY PLAN DESCRIPTION

2016

TYPE OF PLAN

The BSA-ILA Retirement Account Plan ("Plan") has been established as a profit-sharing plan, and is intended to meet the requirements of Section 401(a) of the Internal Revenue Code ("Code") and Section 404(c) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

ABOUT THE PLAN

The Plan is maintained under the Collective Bargaining Agreements between the Boston Shipping Association, Inc. ("BSA"), and the International Longshoremen's Association, AFL-CIO, and its affiliated locals 799, 800, 805, 1066, and 1604 ("ILA" or "Union"). Copies of these Agreements may be obtained by Participants upon written request to the Plan Administrator and are available for examination by Participants at the Fund Office.

A complete list of Participating Employers may be obtained by Participants upon written request to the Plan Administrator and is available for examination by Participants. Participants may also receive from the Plan Administrator, upon written request, information as to whether a particular employer is a Participating Employer and, if the employer is a Participating Employer, the employer's address.

The Board of Trustees

The Plan is administered by a *Board of Trustees* (also referred to in this SPD as "the Board" or "the Trustees") whose members are appointed in equal numbers by employer-members of the BSA and by the ILA. As *Plan Administrator*, the Board of Trustees has the authority to, among other things: decide questions of Plan operation; set Plan procedures; make determinations regarding benefit claims; obtain information from Unions, Participating Employers, Participants, and beneficiaries that the Trustees require in order to administer the Plan; rely on the information that Unions, Participating Employers, Participants, and beneficiaries provide them; and amend the terms of the Plan.

Only the Trustees have the authority to make decisions for the Plan. No local Union officer, business agent, local Union employee, employer or employer representative, fund administrator, consultant, attorney, or other person is authorized to speak for or on behalf of the Trustees, or to commit the Trustees on any matter relating to the Plan, without the Trustees' express

authorization. For more information regarding the Board of Trustees, and the Trustees' rights and duties under the Plan, see pages 18-22 of this SPD.

ABOUT THIS SUMMARY PLAN DESCRIPTION

This summary plan description ("SPD") has been designed to give you an idea of the benefits that are available under the provisions of the Plan, how and when you become eligible to participate in the Plan and to receive benefits, what your benefits are, what benefits are payable to your beneficiary in the event of your death, and other facts you will need to know. This SPD has been prepared in compliance with the reporting and disclosure regulations under ERISA, and it summarizes the provisions of the Plan. However, in the event of any discrepancy between this SPD and the official Plan document, the Plan document will always govern. In the pages that follow, you will find information about the following topics:

- Participation in the Plan and Contributions
- Hours of Credited Service, Years of Service, and Vesting
- Retirement Account Administration
- Voluntary Employee Contributions
- When Benefits Become Payable
- Payment of Benefits
- Domestic Relations Orders
- Participant Loans
- Benefits Are Inalienable
- Claims and Appeals Procedures
- Your ERISA Rights
- Some Additional Facts You Should Know About Your Retirement Account Plan

The Retirement Account Plan is an important part of your total compensation package. Please read the information in this SPD carefully. If you have any questions about your benefits, your Fund Office will be happy to answer them for you.

PARTICIPATION IN THE PLAN AND CONTRIBUTIONS

Participation

A *Participant* in the Plan is an Employee who has met the minimum eligibility requirements.

Effective October 1, 2009, an *Employee* is any individual employed as (1) a Longshoreman, Clerk, or Linehandler in the industry who is a member of a bargaining unit represented by the ILA and for whom a Participating Employer is required to contribute to the Plan under the terms of a Collective Bargaining Agreement or Participation Agreement, or (2) a Union Representative.

The term "*Participating Employer*" refers to an employer-member of the BSA who is obligated under the terms of a Collective Bargaining Agreement with the Union or Participation Agreement to contribute to the Plan, and, where applicable, the Board of Trustees and the Union.

For new Employees on or after October 1, 2009, an Employee will meet the minimum eligibility requirements and become eligible to participate in the Plan after the Employee completes 400 or more hours of service in a Plan Year. For information about "Hours of Credited Service," see below. The *Plan Year* is the 12-month period that runs each October 1 through September 30.

If you were an Employee or Participant on or before September 30, 2009, you remain an Employee or Participant.

Contributions

Participating Employers contribute monies to the Plan's Trust Fund in accordance with the terms of the applicable Collective Bargaining Agreement or Participation Agreement. Participants are also permitted to make after-tax Voluntary Employee Contributions to their own Participant Retirement Accounts.

HOURS OF CREDITED SERVICE, YEARS OF SERVICE, AND VESTING

Hours of Credited Service

An *Hour of Credited Service* is each hour for which you are directly paid for your performance of duties as an Employee of a Participating Employer.

Years of Service

A *Year of Service* is any Plan Year during which a Participant completes at least 100 Hours of Credited Service as an Employee, as that term is defined above.

Vesting

Upon becoming a Participant, you will be 100% vested in your Participant Retirement Account. This means the balance of your Participant Retirement Account, as calculated at the end of each calendar quarter, belongs to you. For information about how the Plan calculates your Participant Retirement Account balance, see "RETIREMENT ACCOUNT ADMINISTRATION" below.

RETIREMENT ACCOUNT ADMINISTRATION

The Trustees will open a *Participant Retirement Account* at Fidelity Investments (or "Fidelity") for each Participant.

Contributions made to the Fund by Participating Employers are initially placed in an account known as the *Contribution Accumulation Account*.

Within 90 days of the end of each calendar quarter (12/31, 3/31, 6/30, 9/30), but in no case later than 90 days' after the end of the Plan Year, the Trustees will allocate a share of any balance in the Contribution Accumulation Account to your Participant Retirement Account based on the ratio that your Credited Service during the quarter(s) or year bears to the total of all Participants' Credited Service for the quarter(s) or year.

The allocations made to your Participant Retirement Account at the end of each calendar quarter will be deposited in the investment or investments you selected through Fidelity. If you do not have an investment election in effect, then the Trustees will direct your allocation to a designated default investment.

You may change your investment election prior to the last day of any quarter. You may also elect to reapportion the investment of your Participant Retirement Account prior to the last day of any quarter. To do so, you must follow the procedures set forth by Fidelity. For more information, you may contact Fidelity at (800) 343-0860 or visit www.fidelity.com/atwork.

VOLUNTARY EMPLOYEE CONTRIBUTIONS

Once during each quarter of the Plan Year, an Employee may, subject to some limitations, deposit additional, after-tax sums -called "*Voluntary Employee Contributions*" -directly to the Trust Fund. Please check with the Plan Administrator for assistance.

Your Voluntary Employee Contribution shall be accompanied by a deposit form prescribed by Fidelity that will indicate the investment outlet or outlets into which the deposit is to be invested.

As soon as practicable after acceptance by the Trustees, your Voluntary Employee Contributions will be allocated to your Participant Retirement Account and will be invested in the investment outlet(s) that you selected on your deposit form.

When your Voluntary Employee Contributions are allocated to your Participant Retirement Account, they will be segregated in a *Voluntary Employee Account*, so as to distinguish such account balance from the portion of your Participant Retirement Account balance that is attributable to Participating Employer contributions.

Your Voluntary Employee Contributions shall be 100% vested at all times.

As a Participant, you may elect to withdraw all or any portion of your Voluntary Employee Contributions once during any twelve month period. However, if you withdraw any of your Voluntary Employee Contributions, you will not be permitted to make any additional Voluntary Employee Contributions for a period of one year.

Any expenses incurred by the Plan in the course of collecting, administering, or disbursing your Voluntary Employee Contributions shall be paid through withdrawals from your Participant Retirement Account as they are incurred.

WHEN BENEFITS BECOME PAYABLE

Retirement

Once you attain your Normal Retirement Age or your Early Retirement Age and retire, you shall be eligible to receive the balance in your Participant Retirement Account.

"Normal Retirement Age" means the later of the date you attain the age of 65 or the fifth anniversary of the date you commenced participation in the Plan.

"Early Retirement Age" means the attainment of age 62 and the completion of 25 Years of Service under the Plan.

Total and Permanent Disability

As a Participant, if you become totally and permanently disabled from further covered employment, you shall be eligible to receive the balance in your Participant Retirement Account. For this purpose, "covered employment" means being actively employed by one or more BSA employer-members as a Longshoreman, Clerk, or Linehandler, or being actively employed as a Union Representative. The Board of Trustees, upon receipt of competent medical evidence, shall be the sole judge of whether you are totally and permanently disabled. The Trustees have authorized the Fund Administrator to make the initial determination. Pursuant to the Plan's Claims and Appeals Procedures (see pages 15-17 of this SPD), you may appeal any denial to the Board of Trustees.

Designated Termination of Employment

As a Participant, you will be eligible to receive the balance in your Participant Retirement Account if you incur a Designated Termination of Employment. You will incur a "Designated

Termination of Employment" if you are credited with less than 100 Hours of Credited Service in three consecutive Plan Years (October 1 to September 30), or if you are permanently excluded from employment through any and all hiring halls in the Port under the terms of the Management-ILA Program for Alcohol and Drug Abuse.

A "Designated Termination of Employment" will not occur if:

- (a) You are credited with less than 100 Hours of Credited Service for three consecutive plan years because of absence by reason of service in the armed forces of the United States, if you are entitled to reemployment rights and meet any other requirement imposed by the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended (for additional information, see "MILITARY SERVICE" at page 14 of this SPD); or
- (b) You are on a "maternity or paternity" leave of absence.

If you terminate your employment and you receive the balance of your Participant Retirement Account, and you are later rehired and therefore once again become an Employee, then you shall again become a Participant on the first day that you complete an Hour of Service following your date of rehire.

Death

In the event that you die before you retire, become totally and permanently disabled, or incur a Designated Termination of Employment, the balance in your Participant Retirement Account shall be distributed to your lawfully married spouse or, if your spouse gives written consent, to your designated beneficiary.

If you are not lawfully married on the date of your death, the balance in your Participant Retirement Account shall be paid to your designated beneficiary or your estate.

PAYMENT OF BENEFITS

The balance in your Participant Retirement Account shall be distributed to you following the end of the quarter in which you retire, become totally and permanently disabled, or incur a Designated Termination of Employment, or to your spouse, designated beneficiary, or estate, as applicable, following the end of the quarter in which you die. Unless you elect otherwise, your Participant Retirement Account balance will be distributed no later than 60 days after close of the Plan Year in which the last of the following events occurs:

- (a) You attain the earlier of age 65 or Normal Retirement Age under the Plan;
- (b) The tenth anniversary of the year in which you commenced participation in the Plan; or
- (c) You terminate service with a Participating Employer.

However, notwithstanding any provision in this SPD or the Plan document to the contrary, the balance in your Participant Retirement Account will be distributed to you, or begin to be distributed to you, no later than April 1 of the calendar year following the calendar year in which you attain age 70Yz in accordance with the requirements of federal law and IRS regulations.

Rollovers

Most distributions from this Plan fall within the category of an "Eligible Rollover Distribution."

An *Eligible Rollover Distribution* is any distribution to a "Distributee" of some or all of the Participant Retirement Account balance to the Distributee's credit, *except for*:

1. Any distribution that is one of a series of substantially equal payments set to occur at regular intervals (not less frequently than once per year) over a specified period of at least ten years, or over the life or life expectancy of the Distributee or the joint lives or joint life expectancies of the Distributee and a beneficiary;
2. Any distribution that is required by Section 401 (a)(9) of the Internal Revenue Code or the regulations thereunder (including, for example, a distribution the Plan is required to make to a Participant after he reaches age 70Yz); or
3. Any outstanding amount of a Participant loan that is in default and is therefore treated for tax purposes as a distribution.

A *Distributee* is either a Participant, a Participant's surviving spouse, a Participant's spouse or former spouse who is an "alternate payee" under a qualified domestic relations order (see pages 12-13 of this SPD), or, effective for distributions on or after June 1, 2010, a Participant's designated non-spouse beneficiary, who is eligible to receive a distribution from the Plan.

At any time during the "Election Period," a Distributee may elect to have the Plan roll some or all of his Eligible Rollover Distribution over to another "Eligible Retirement Plan" in a direct trustee-to-trustee transfer known as a *Direct Rollover*.

The *Election Period* is the period of time beginning at least 30 days but no more than 90 days before a distribution occurs, during which the Distributee will receive information from Fidelity about his or her options with respect to the distribution. A Distributee may choose to waive the 30-day Election Period and receive the distribution sooner, as long as the distribution occurs at least seven days after the Distributee receives the information from Fidelity.

In general, an *Eligible Retirement Plan* is:

1. With respect to a Distributee who is a Participant, a surviving spouse, or a spouse or former spouse who is an alternate payee:
 - a. An individual retirement account or individual retirement annuity ("IRA");

b. Another tax-qualified employer plan that is both eligible and willing to accept the rollover; or

c. Effective for distributions made on or after January 1, 2008, a Roth IRA, *though the Plan will not be responsible for assuring that the Distributee is eligible as a taxpayer to make a rollover contribution to a Roth IRA.* *

2. With respect to a Distributee who is a designated non-spouse beneficiary (on or after June 1, 2010):

a. An IRA that is established on behalf of the designated non-spouse beneficiary to receive a Direct Rollover and that will be treated as an "inherited IRA" under the relevant provisions of the Code; or

b. A Roth IRA that is established on behalf of the designated non-spouse beneficiary to receive a Direct Rollover and that will be treated as an "inherited IRA" under the relevant provisions of the Code, *though the Plan will not be responsible for assuring that the Distributee is eligible, as an individual taxpayer, to make a rollover contribution to a Roth IRA.* *

**There are important differences in how a rollover to a Roth IRA is treated, as compared to a rollover to a traditional IRA or another qualified plan. For more information, see "Taxation of Distributions" at pages 9-12 of this SPD, and/or consult your tax advisor.*

Exception to general "Eligible Retirement Plan" definition: If an amount to be distributed includes after-tax Voluntary Employee Contributions, and the Distributee wishes to roll over either the full amount or a lesser amount that still includes after-tax Voluntary Employee Contributions, he or she may do so, but only in a Direct Rollover, and only to:

1. An IRA or inherited IRA, as applicable; or

2. In the case of a Distributee other than a designated non-spouse beneficiary, a qualified trust or Code Section 403(b) annuity contract that provides for separate accounting of after-tax amounts.

To initiate a Direct Rollover, a Distributee must:

1. Make an election within the Election Period, using such forms as the Plan requires; and

2. Specify the Eligible Retirement Plan to which the Distributee would like the Direct Rollover to be paid.

If a Distributee does not make an affirmative election within the Election Period or fails to specify any information that is required to accomplish a Direct Rollover, the Distributee will be treated as if he or she elected not to make a Direct Rollover.

A Distributee may revoke his or her prior election in writing at any time before the Eligible Rollover Distribution is transferred to the Eligible Retirement Plan or the distribution is made to the Distributee. No revocation shall be effective until it is actually received by the Board.

A Distributee may elect a Direct Rollover with respect to only a portion of an Eligible Rollover Distribution provided the portion to be directly rolled over is at least \$500.00.

A Distributee may not elect a Direct Rollover with respect to any Eligible Rollover Distribution if all Eligible Rollover Distributions to the Distributee during the same calendar year are reasonably expected total less than \$200.00.

If a Distributee does not elect a Direct Rollover of an Eligible Rollover Distribution, the Distributee may still choose to roll some or all of the distribution over to another Eligible Retirement Plan within 60 days after he or she receives the distribution. *This option is not available in the case of a Distributee who is a non-spouse designated beneficiary and who wishes to roll over to an inherited IRA - in that situation, the Distributee must elect a Direct Rollover.*

Taxation of Distributions

To understand why rollovers -particularly Direct Rollovers - are important, it helps to have an idea how distributions from the Plan are taxed. *The information that follows is intended to provide you with a brief and very general overview of the tax rules that apply to benefit distributions. For a more detailed explanation of these rules, or to understand how they will apply in your particular situation, you should consult your tax advisor.*

A distribution from the Plan is generally taxable to the Distributee as ordinary income, except there is no income tax due on the portion of the distribution (if any) that represents after-tax Voluntary Employee Contributions.

A Participant-Distributee may also be subject to a 10% early withdrawal penalty on the taxable portion of a distribution that occurs before the Participant reaches age 59 ½ . There are exceptions to the early withdrawal penalty - in the case of a distribution to a disabled Participant, for example.

If a Distributee receives a distribution from the Plan during any calendar year, he or she will receive a Form 1099-R at the beginning of the next calendar year to use when preparing his or her income tax return. The Distributee must then report the distribution and pay any taxes due on (i) any distribution that was not eligible for rollover, and (ii) the taxable portion of any Eligible Rollover Distribution that the Distributee did not roll over or rolled over to a Roth IRA.

Withholding

If the distribution is an Eligible Rollover Distribution and the Distributee does not elect to have the Plan make a Direct Rollover on his or her behalf, Fidelity is required to retain 20% of the taxable portion of the distribution for mandatory federal income tax withholding, and may be required to retain some amount for state income tax withholding as well.

If the distribution is not an Eligible Rollover Distribution, Fidelity will automatically withhold a specific amount of the taxable portion for federal and state income tax, depending on the type of payment the Distributee receives. The amount Fidelity automatically withholds may not be the amount of tax a Distributee actually owes, so it's possible the Distributee would owe additional

tax on the distribution at the end of the year. A Distributee may elect not to have income tax withheld from the distribution or may elect to have a specific amount withheld. For more Information about automatic withholding and withholding elections, you may contact Fidelity at (800) 343-0860. To determine the appropriate amount of withholding based on your particular situation, you should consult your tax advisor.

Tax Treatment of Rollovers

By rolling an Eligible Rollover Distribution over to another Eligible Retirement Plan, a Distributee may be able to delay paying income tax on the distribution, and either delay or avoid paying any applicable early withdrawal penalty on the distribution.

- If a Distributee elects a Direct Rollover:
 - To another Eligible Retirement Plan *other than a Roth IRA*:
 - The Distributee will not pay income tax on the distribution until it is later distributed by the other Eligible Retirement Plan; and
 - The early withdrawal penalty will not apply.
 - To another Eligible Retirement Plan *that is a Roth IRA*:
 - The Distributee will pay income tax at the time of the distribution from this Plan, but will not pay any income tax when it is later distributed by the Roth IRA; and
 - The early withdrawal penalty will not apply at the time the distribution is rolled over to the Roth IRA. However, if any portion of the rollover is distributed from the Roth IRA within the next five years, the early withdrawal penalty will then apply to the portion distributed.
- If a Distributee receives a distribution and then rolls it over within the next 60 days to an Eligible Retirement Plan:
 - Mandatory income tax withholding still applies. *For simplicity's sake, the points that follow refer only to the mandatory 20% federal income tax withholding, though mandatory state income tax withholding may also apply.*
 - The Distributee may delay income tax liability and avoid an early withdrawal penalty on any portion of the distribution he or she rolls over, *except in the case of a rollover to a Roth IRA, as described above in relation to Direct Rollovers.*
- The Distributee may roll over and delay tax on 100% of the distribution if he or she contributes funds from another source to make up the 20% Fidelity was required to withhold.
- If the Distributee does not contribute additional funds to make up the difference, he or she will owe income tax on the 20% withheld by Fidelity as well as any other portion of the distribution he or she does not roll over.
- A Participant-Distributee may also be liable for the 10% early withdrawal penalty on any portion of the distribution that is not rolled over (including the 20% Fidelity was required to

withhold). For more specific information on the tax consequences to you, and to determine your best distribution option, you should review your personal situation with your tax advisor before you receive a distribution from the Plan.

Examples to Illustrate Rules Regarding Rollovers and Taxation of Distributions

A Participant has \$25,000 in his Participant Retirement Account, of which \$5,000 represents after-tax Voluntary Employee Contributions. At age 45, the Participant becomes eligible for and applies to receive a distribution of the full amount. He does not qualify for any exception to the 10% early withdrawal penalty.

- The \$5,000 attributable to the Participant's after-tax Voluntary Employee Contributions is not subject to income tax. There is also no early withdrawal penalty to worry about with respect to this portion of the distribution.

- The distribution is an Eligible Rollover Distribution.

- Example 1: Direct Rollover.

- o The Participant may choose to roll the entire \$25,000 over to another Eligible Retirement Plan. *(Recall that certain limitations apply with respect to rollovers that include after-tax Voluntary Employee Contributions - see page 8 of this SPD.)*

- o In this example, the Participant takes his \$5,000 of after-tax Voluntary Employee Contributions in cash and elects a Direct Rollover of the remaining \$20,000.

- If the Participant rolls the \$20,000 over to an Eligible Retirement Plan *other than a Roth IRA*, he will not pay any income tax on the \$20,000 until he later withdraws it from the other Eligible Retirement Plan, and he can avoid the early withdrawal penalty.

- If he rolls the \$20,000 over to a *Roth IRA*, however, he will pay income tax on the \$20,000 in the current year, rather than when he withdraws it from the Roth IRA. He must leave this money in his Roth IRA for at least five years to avoid paying the 10% early withdrawal penalty (i.e., an additional \$2,000).

- Example 2: Cash Distribution.

- o In this example, the Participant instead chooses to receive the entire \$25,000 in cash. Fidelity is required to withhold 20% of the taxable portion of the distribution, or \$4,000, for federal income tax *(recall that mandatory state income tax withholding may also apply)*. The Participant ultimately receives \$21,000 of his \$25,000 distribution.

- o If the Participant simply keeps the entire amount, he will be responsible for paying income tax on \$20,000 of the distribution, plus another \$2,000 for the early withdrawal penalty (10% of the taxable amount). The \$4,000 retained by Fidelity will be applied against the Participant's federal tax liability for the year.

- Example 3: Self-Rollover.

- o Within 60 days of receiving the cash distribution described above, the Participant may roll up to \$20,000 over to another Eligible Retirement Plan. (He is not permitted to roll over any portion of the \$5,000 that represents his after-tax Voluntary Employee Contributions because those amounts are only eligible for Direct Rollover.)

o In this example, the Participant rolls \$15,000 over to a tax-qualified plan maintained by his new employer, which is eligible and willing to accept the rollover, and he keeps the other \$6,000.

- The Participant will owe income tax for the current year on \$5,000, as well as another \$500 for the early withdrawal penalty (10% of the taxable amount of the distribution that was not rolled over). The \$4,000 retained by Fidelity will be applied against the Participant's federal tax liability for the year. The Participant will not owe income tax on the \$15,000 he rolled over until he withdraws it from his new employer's plan.

DOMESTIC RELATIONS ORDERS

A domestic relations order is any:

- Judgment;
- Decree; or
- Order, including the approval of a property settlement agreement, that creates, assigns, or recognizes the right of an alternate payee (such as a spouse, former spouse, or dependent child) to receive all or a portion of your benefits under the Plan, and which is made pursuant to a state domestic relations law (including a community property law).

ERISA requires that the Plan recognize and pay benefits in accordance with *Qualified Domestic Relations Orders* (or "QDROs") that are issued after December 31, 1984.

To be "qualified," a domestic relations order *must* clearly specify:

- Your name and last known mailing address, and the name and mailing address of each alternate payee covered by the order;
- The amount or percentage of your benefits to be paid by the Plan to each alternate payee, or the manner in which the amount or percentage is to be determined;
- The number of payments or period to which the order applies; and
- The name of each plan to which the order applies.

A domestic relations order will *not* be "qualified" if:

- It requires the Plan to provide any type or form of benefit or any other option not otherwise provided under the Plan (including payment in the form of a joint and survivor annuity for the alternate payee and his or her new spouse); or
- It requires payment to an alternate payee of the same benefits that an earlier QDRO requires be paid to another alternate payee.

A QDRO *may* require payments for child or spousal support to be made to an alternate payee:

- Before you have separated from service but after you have reached "earliest retirement age," as the Internal Revenue Code defines that term at Section 414(p); and/or
- As if you had retired on the date those payments begin.

Once the Plan receives a domestic relations order, the Fund Administrator will:

- Promptly notify you and each alternate payee in writing that the Plan has received the

- order (this notice will include a copy of the order);
- Determine, within a reasonable time period after receiving the order, whether it is a QDRO; and
- Notify the appropriate individuals of such determination.

The domestic relations order must be pre-approved by the Fund Administrator prior to the court's acceptance.

To obtain, at no charge, further information about the Plan's QDRO Procedures, or if you have general questions about QDROs, please contact the Fund Office.

PARTICIPANT LOANS

As a Participant, you may be eligible to borrow from your Participant Retirement Account. Fidelity Investments is the *Loan Administrator* for the Participant loan program.

Terms and Conditions

- To be eligible for a loan, you must have a Participant Retirement Account balance of at least \$10,000.
- The minimum amount you may borrow is \$1,000.
- The maximum amount you may borrow is the lesser of (i) \$50,000, or (ii) 50% of your Participant Retirement Account balance, calculated as of the time of the loan
 - o For example: if you had a balance \$60,000, the maximum amount you could borrow would be \$30,000 (or 50% of your balance, which is less than \$50,000); if you instead had a balance of \$120,000, the maximum amount you could borrow would be \$50,000 (which is less than 50% of your balance, i.e., \$60,000).
- You must apply for a loan using forms provided by the Loan Administrator.
- If you are married, you must have your spouse's written consent to obtain a loan, unless you cannot locate your spouse or the two of you are legally separated, in which case you must provide a certified copy of the court's order. If your spouse is not legally competent to give consent, your spouse's legal guardian may give written consent on behalf of your spouse. Once given, your spouse's written consent may not be revoked.
- Prior to receiving any funds, you must sign a legally-enforceable loan repayment agreement and an assignment of your Participant Retirement Account balance as collateral for the loan in the event you default or leave employment under the Plan.
- Your loan will bear an interest rate of prime +1%, which will be adjusted quarterly.
- You must repay the loan in full within five years, unless you intend to use the loan to acquire a principal residence. In that case, you must submit a fully-executed Purchase and Sale Agreement to the Plan Administrator, and you must repay the loan in full within ten years. *In any case, the balance of your loan will become due in full when your employment under the Plan*

ends.

- Your loan payments will be due in monthly installments of approximately the same amount, consisting of both principal and interest, over the course of the repayment period. You may accelerate repayment of your loan, or prepay your loan balance in whole or in part, without any penalty.
- You must make your loan payments by electronic withdrawal from your checking or savings account or by such other legally-permissible means as the Loan Administrator determines.
- The Loan Administrator may, in its discretion, permit you to suspend repayment during a leave of absence, including a leave of absence you take to perform military service. The loan will continue to accrue interest during your leave of absence, and you must still complete repayment by the end of your original repayment period.
- You may have only one loan outstanding at a time, but you may use proceeds from a second loan to pay off a prior loan.
- When any payment is more than 15 days late, the Loan Administrator will send you a notice of default.
 - o If you do not bring your payments up to date within the next 30 days, you will be in default and the full amount of your loan will be due and owing.
 - o The Loan Administrator will begin collection actions as permitted by state and federal law. If these collection efforts are not successful within a reasonable period of time, the Loan Administrator will assess the loan collateral (i.e., your remaining Participant Retirement Account balance) for the outstanding amount due on your loan plus interest, as well as any collection costs.
- *If you default on your loan, any principal or interest you have failed to repay will be treated for tax purposes as a distribution from the Plan.* You will be liable for any income tax due on the distribution and, if applicable, the 10% early withdrawal penalty (see page 9 of this SPD for more information).

Before you borrow from your Participant Retirement Account, you should consult with a financial planner to determine whether this is the best option for you. Depending on your circumstances, you may be better off obtaining a loan from a bank or another source.

MILITARY SERVICE

If you enlist or are called to part or full time military service, generally for a period not to exceed five years, some provisions of the Uniformed Services Employment and Re-employment Rights Act of 1994 ("USERRA") may apply to you, if you return to covered employment and fit other requirements of the law. If you know that you will be entering military service, you are encouraged to notify the Funds in advance, so that we may assist you in coordinating and protecting all of your benefits. If you have returned from military service, also notify the Funds. For additional information, please contact the Fund Office at (617) 242-3303 to discuss your

benefits under this Plan.

Death While in Military Service

If, on or after January 1, 2007, you die while in military service as defined in USERRA, you will be credited with contributions to your account for the period of qualified military service up until the day before your death.

BENEFITS ARE INALIENABLE (CAN'T BE GIVEN OR TAKEN AWAY)

This Plan was established for your and your beneficiaries' benefit. In general, you may not pledge, sell or assign your interest in the Plan and your creditors may not attach or garnish it. There are two exceptions to this general rule:

- (1) Where a qualified domestic relations order (or "QDRO") is in place, the Board of Trustees may be required to use some or all of your benefit to pay court-ordered alimony, child support, or other payments to your spouse, ex-spouse, child, or other dependent. Please contact the Plan Administrator if you would like to receive, free of charge, information about the Plan's QDRO Procedures.
- (2) Where a "qualified offset order" is in place, the Board of Trustees may be required to offset against your benefit some or all of an amount you are obligated to pay the Plan, either because you were convicted of a crime involving the Plan or because you allegedly breached a fiduciary duty that you owed to the Plan as one of the people responsible for operating it.

CLAIMS AND APPEALS PROCEDURES

Claims

If you (or your Beneficiary) wish to claim benefits under the Plan, you must make your claim for benefits in writing to the Board of Trustees, BSA-ILA Retirement Account Plan, Charlestown Navy Yard, 197 8th Street, Suite 775, Charlestown, MA 02129. Your written claim must state your name and the type of benefit for which the claim is being made. An initial claim for disability benefits will be reviewed by the Fund Administrator rather than the Board of Trustees.

The Plan must notify you of its decision regarding your claim within 90 days of receiving written notice of the claim (45 days in the case of a claim for disability benefits). If the Board or the Fund Administrator determines extra time is needed to make a decision regarding a claim, they must provide you with written notice, before the end of the initial 90 (or 45) day period, that explains the need for an extension and indicates when they expect to make a decision. The extension may be for no longer than an additional 90 days (30 days in the case of a claim for disability benefits).

If there is a denial, the Plan must provide you written notice, containing the specific reasons for

the denial and specific references to Plan provisions on which the denial is based. In addition, the notice will explain what additional material or information is needed, if any, to perfect the claim, as well as the procedure you must follow to have the Trustees review the Plan's denial, and your right to bring a civil suit if the claim is denied on review. Where the denial concerns a claim for disability benefits, the notice will, if applicable, contain additional information regarding (1) any internal rule, guideline, protocol, or similar criterion upon which the Fund Administrator relied in denying the claim, or (2) any scientific or clinical judgment that supported denying the claim based on a medical-necessity, experimental-treatment, or similar limitation or exclusion.

If you do not receive notice from the Plan within the time period(s) provided above, you may treat your claim as denied and may appeal.

Appeals

You may appeal a denial of a claim in writing within 60 days after receiving notice of the Plan's denial (180 days if the denial regards a claim for disability benefits). When requesting review of a previously denied claim, you must state the reason(s) why you believe your claim for benefits was improperly denied. Before the Board makes its decision on review, you must provide all evidence you have to support the claim (regardless of whether the evidence was included with your initial claim). The Board of Trustees will review your appeal and, if necessary, hold a hearing at which you may present your reasons for objecting to the Plan's denial of your claim.

The Board's review will take into account all comments, documents, records, and other information you submit relating to the claim, regardless of whether such information was submitted or considered in the initial determination. Upon written request, you may receive, at no cost to you, copies of or access to all documents, records, or other information relevant to your claim. You may also submit written comments, documents, records, and other information related to your claim.

The decision by the Board with respect to review shall be made at their next meeting following receipt of the request for review unless (1) the request is filed within 30 days of such meeting, in which case a decision shall be made not later than the second meeting following receipt of the request, or (2) if special circumstances require an extension of time for processing the appeal (the need for a hearing, for example), a decision shall be rendered not later than the third meeting after the Board's receipt of a request for review, and written notice of such extension shall be furnished to you prior to commencement of the extension.

When reviewing the denial of a claim for disability benefits:

- (1) The Board will not afford deference to the initial adverse benefit determination, and its review will be conducted by an appropriate named fiduciary of the Plan who is neither the Fund Administrator who denied the claim, nor that person's subordinate;
- (2) If the claim is based in whole or in part on a medical judgment, the appropriate named fiduciary will consult with a healthcare professional who has appropriate training and experience

in the field of medicine involved in the medical judgment;

(3) The healthcare professional with whom the appropriate named fiduciary consults will not be the professional who was consulted in connection with the initial review of the claim or that professional's subordinate;

(4) Medical or vocational experts whose advice was obtained by or on behalf of the Plan in connection with the adverse decision will be identified, regardless of whether their advice was relied upon in making the decision; and The Board's decision on review will be in writing, and will be sent to you within five days of the date the decision is made. If the claim is denied on review, the Board's written decision will include the specific reasons for the denial and specific references to the Plan provisions on which the denial is based. The decision will include a statement that you are entitled to receive, upon request and free of charge, reasonable access to or copies of all documents, records, and other information relevant to your claim for benefits, as well as a statement that you have a right to bring a civil suit under ERISA Section 502(a). Where the denial on review concerns a claim for disability benefits, the decision will contain a statement regarding voluntary alternative dispute resolution options and will, if applicable, contain information regarding (1) any internal rule, guideline, protocol, or similar criterion upon which the Board relied in denying the claim, or (2) any scientific or clinical judgment that supported denying the claim based on a medical- necessity, experimental-treatment, or similar limitation or exclusion. If the decision on review is not given within the time specified above, you should consider the claim denied on review.

The decision of the Trustees shall be final and binding on all interested persons. Each Participant or Beneficiary shall be required to exhaust all remedies provided under the Plan before seeking further appeal.

YOUR ERISA RIGHTS

As a Participant in the BSA-ILA Retirement Account Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 ("ERISA"). ERISA provides that all Plan Participants shall be entitled to:

Receive Information About Your Plan and Benefits

- Examine, without charge, at the Fund Office at Charlestown Navy Yard, 197 8th Street, Suite 775, Charlestown, MA 02129, all Plan documents, including insurance contracts and Collective Bargaining Agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor, and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and Collective Bargaining Agreements, a copy of the latest annual report (Form 5500 Series), and an updated summary plan description. The Plan Administrator may make a reasonable charge for copies.

- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each Participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a benefit at Normal Retirement Age (age 65) and if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to get a right to a benefit. This statement must be requested in writing and is not required to be given more than once a year. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently, and in the interest of you and other Plan Participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a benefit is denied in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance With Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest

office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

SOME ADDITIONAL FACTS YOU SHOULD KNOW ABOUT YOUR RETIREMENT ACCOUNT PLAN

Plan Number - 001

Employer Identification Number - 04-2034907

Plan Year - October 1 through September 30

Plan Funding

Your Pension Fund is a separate trust fund established for the sole purpose of providing benefits under the Plan. Benefits are provided from the Pension Fund's assets, which are accumulated under the provisions of Collective Bargaining Agreements between the Boston Shipping Association and the International Longshoremen's Association, AFL-CIO, Participation Agreements, and the Trust Agreement.

The funds received by the Board of Trustees are initially held in a Contribution Accumulation Account and are then allocated to individual Participant Retirement Accounts at Fidelity Investments within 90 days of the end of each calendar quarter, or, at the latest, within 90 days after the end of the Plan Year.

Plan Administration

The Plan is administered by a Board of Trustees comprising fourteen members. Seven members are appointed by the Boston Shipping Association's Participating Employers and the other seven are appointed by the Union. The Trustees may be contacted by writing to them at Charlestown Navy Yard, 197 8th Street, Suite 775, Charlestown, MA 02129. The telephone number for the BSA ILA Retirement Plan is (617) 242-3303.

Board of Trustees

Boston Shipping Association Trustees

William C. Eldridge
Mediterranean Shipping Co. Boston
8 Essex Center Drive, 3rd Floor
Peabody, MA 01960

Michael Meyran
Massport
1 Harborside Drive, Suite 200
East Boston, MA 02128

Richard F. Meyer
Boston Shipping Association, Inc.
197 Eighth Street, Suite 775
Charlestown, MA 02129

David Powell
C.H. Powell Company
75 Shawmut Road
Canton, MA 02021

Stefan Palmer
Moran Shipping Agencies, Inc.
11 Elkins Street, Suite 240
South Boston, MA 02127

William Weigele
Columbia Coastal Transport
95 Fargo Street
South Boston, MA 02210

Ryan Cox
Boston Line & Service
One Black Falcon Avenue
Boston, MA 02210

International Longshoremen's Association Trustees

William McNamara
ILA Vice President
Boston Fish Pier, Suite 304A, West Bldg.
Boston, MA 02110

Bernard O'Donnell
ACD V.P.
Boston Fish Pier, Suite 304A, West Bldg.
Boston, MA 02110

William Sullivan, (Local 799)
International Longshoremen's Association
496 Summer Street
Boston, MA 02110

George McEvoy III, (Local 800)
International Longshoremen's Association
496 Summer Street
Boston, MA 02100

Donald Portalla Jr., (Local 805)
International Longshoremen's Association
496 Summer Street
Boston, MA 02110

Robert Walsh, (Local 1066)
P.O. Box 62
Charlestown, MA 02129

Anthony Farmusa, (Local 1604)
300 Terminal Street
Charlestown, MA 02129

All Plan records are maintained by the Fund Office staff at the Charlestown Navy Yard, 197 8th Street, Suite 775, Charlestown, MA 02129. Records are kept on a fiscal year basis, with the last day of the Plan Year falling on each September 30.

Legal Process

Legal process may be served upon a Plan Trustee, or upon the full Board of Trustees as the Plan Administrator at the address below:

BSA-ILA Retirement Account Plan Board of Trustees
Charlestown Navy Yard 197 8th Street, Suite 775
Charlestown, MA 02129

Plan Continuation and Termination

The Board of Trustees, the Participating Employers and the Union hope and expect to continue the Plan indefinitely. The right is necessarily reserved by the Board of Trustees to amend and modify the Plan at any time. The Participating Employers, the Union, and Board of Trustees also reserve the right to terminate the Plan. Such action can only be taken jointly by all three bodies.

Plan Benefits Not Covered by Pension Benefit Guaranty Corporation

Since this is a defined contribution plan, the Plan's benefits are not insured by the Pension Benefit Guaranty Corporation under Title IV of ERISA.