

BOSTON SHIPPING ASSOCIATION
INTERNATIONAL LONGSHOREMEN'S ASSOCIATION
PENSION PLAN

COMPLETE RESTATEMENT AS OF OCTOBER 1, 2014

BSA-ILA PENSION PLAN

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ARTICLE I

ESTABLISHMENT OF PLAN

- 1.1 On January 1, 1950, the employer-members of the BOSTON SHIPPING ASSOCIATION ("BSA") and the INTERNATIONAL LONGSHOREMEN'S ASSOCIATION ("ILA") FOR THE PORT OF GREATER BOSTON AND VICINITY established a Pension Plan for the benefit of employees working under a collective bargaining agreement between employer-members of the BSA and ILA for the Port of Greater Boston and Vicinity. The Pension Plan was also established for the benefit of Union Representatives. The Plan was completely amended and restated effective October 1, 1976, October 1, 1986, October 1, 2000, and October 1, 2009.
- 1.2 The EMPLOYER-MEMBERS of the BOSTON SHIPPING ASSOCIATION and the INTERNATIONAL LONGSHOREMEN'S ASSOCIATION FOR THE PORT OF GREATER BOSTON AND VICINITY hereby adopt the following restatement to the BOSTON SHIPPING ASSOCIATION INTERNATIONAL LONGSHOREMEN'S ASSOCIATION PLAN effective October 1, 2014.

ARTICLE II

NAME

The PENSION PLAN set forth herein shall continue to be known as the "BOSTON SHIPPING ASSOCIATION – INTERNATIONAL LONGSHOREMEN'S ASSOCIATION PENSION PLAN."

ARTICLE III

DEFINITIONS

In this Plan, masculine gender shall include the feminine (and vice versa) and the singular shall include the plural, unless the context otherwise requires, and the following words shall have the following meanings:

- 3.1 "Accrued Benefit" shall mean the amount computed under Section 6.1 considering the Participant's Years of Service at the date of determination.
- 3.2 "Actuarial Value" shall mean determinations under the Plan of "actuarial equivalents," "actuarial reductions," "actuarial value," and the like, made by the Board upon the advice of the actuary and based on the following interest and mortality tables:

Interest:	6% compounded annually
Mortality:	1951 Group Annuity Table, projected by Scale C to 1970

- 3.3 "Anniversary Date" shall mean the first day of October, 1976 and each October 1st thereafter.
- 3.4 "Bargaining Committees" shall mean those representatives of the BSA and the Union responsible for negotiating contracts.
- 3.5 "Board" or "Board of Trustees" shall mean the Board of Trustees provided for in Article XIII.
- 3.6 "Break in Service" shall be deemed to have occurred with respect to a Participant if for three (3) consecutive Plan Years such Participant is credited with less than four hundred (400) Hours of Service in each of such three (3) years; PROVIDED, HOWEVER, a Break in Service shall not be deemed to have occurred if a Participant is not credited with four hundred (400) Hours of Service because he is absent from employment during three (3) consecutive Plan Years by reason of service in the armed forces of the United States, if such Employee is re-employed by the Employer within four (4) months after his discharge or release from such service in the armed forces. Further provided, a Break in Service shall not be incurred if the Participant is on a "maternity or paternity leave of absence."

A "maternity or Paternity leave of absence" shall mean, for Plan Years beginning after December 31, 1984, an absence from work for any period by reason of the Employee's pregnancy, birth of the Employee's child, placement of a child with the Employee in connection with the adoption of such child, or any absence for the purpose of the adoption of or caring for such child for a period immediately following such birth or placement. For this purpose, Hours of Service shall be credited for the computation period in which the absence from work begins, only if credit therefor is necessary to prevent the Employee from incurring a Break in Service, or in any other case, in the immediately following computation period. The Hours of Service credited for a "maternity or paternity leave of absence" shall be those that would normally have been credited but for such absence, or, in any case in which the Board is unable to determine such hours normally credited, eight (8) Hours of Service per day. The total Hours of Service required to be credited for a "maternity or paternity leave of absence" shall not exceed four hundred one (401).

- 3.7 "BSA" shall mean the Boston Shipping Association.
- 3.8 "Custodial Trust Agreement" shall mean a trust established by the Trustees with a bank to hold the funds under the Plan.
- 3.9 "Custodian" shall mean the individual or individuals, or the bank or trust company, or any combination thereof, appointed to hold all or part of the Trust Fund pursuant to Article XII, and includes any successor custodian.
- 3.10 "Effective Date" shall mean October 1, 2014.

- 3.11 "Eligible Spouse" shall mean the Spouse of the Participant only if the Participant and such Spouse have been married throughout the one (1)-year period ending on the earlier of the date the Participant commences to receive benefits under the Plan or his death, except that if a retired Participant marries at least one (1) year prior to such Participant's death and the Participant remains married throughout such one (1)-year period, the Participant's Spouse shall be treated as an "Eligible Spouse."
- "Spouse" shall mean an individual who is lawfully married to a Participant. Effective June 26, 2013, the term "Spouse" shall include an individual of the same sex as the Participant to whom the Participant is legally married under the laws of the state in which the marriage was celebrated.
- 3.12 "Employee" shall mean (a) each individual who now or hereafter is employed as a Longshoreman, Clerk, or Linehandler in the industry, and is a member of the ILA, and for whom an Employer is required to make contributions to the Trust Fund, and (b) a Union Representative. Effective October 1, 2009, "Employee" shall mean (a) any individual who was an "Employee" at any time on or before September 30, 2009, (b) an individual who is employed as a Longshoreman, Clerk, or Linehandler in the industry, and is a member of the bargaining unit represented by the ILA for whom an Employer is required to make contributions to the Trust Fund under the terms of a collective bargaining agreement, and (c) a Union Representative.
- 3.13 "Employer" shall mean an employer-member of the BSA obligated under the terms of a collective bargaining agreement with the Union, or if required for application of the provisions of Article XVIII, a member of a controlled group of Employers as defined in IRC §414. "Employer" shall also mean the Board of Trustees, union fringe benefit fund, and/or Union where applicable.
- 3.14 "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.
- 3.15 "Entry Date" shall mean the first day an Employee completes an Hour of Service.
- 3.16 "Fiduciary" shall mean the Board.
- 3.17 "Hour of Service" shall mean:
- (a) Each hour for which an Employee is directly or indirectly paid or entitled to payment for the performance of duties as an Employee for the Employer. These hours shall be credited to the Employee for the computation period in which the duties are performed; and
 - (b) Each hour for which an Employee is directly or indirectly paid or entitled to payment by the Employer because of a period of time during which no duties are performed (irrespective of whether the employment relationship was terminated)

due to vacation, holiday, illness, incapacity (including disability), lay-off, jury duty, or leave of absence; provided, however, that

- (i) no more than four hundred one (401) Hours of Service are required to be credited under this subsection for any single continuous period (whether or not the period occurs in a single computation period). These hours shall be credited to the Employee for the computation period or periods in which the non-performance of duties occurs; and
- (ii) an hour for which an Employee is directly or indirectly paid, or entitled to payment, on account of a period during which no duties are performed shall not be credited to the employee if such payment is made or due under a plan maintained solely for the purposes of complying with applicable workers' compensation, or unemployment compensation, or disability insurance laws; and
- (iii) Hours of Service shall not be credited for a payment that solely reimburses the Employee for medical or medically-related expenses incurred by the Employee.

For purposes of this subsection (b), a payment shall be deemed to be made or due from an Employer regardless of whether such payment is made or due from the Employer directly, or indirectly through, among others, a trust fund or insurer to which the Employer contributes or pays premiums regardless of whether contributions made or due to the trust fund, insurer, or other entity are for the benefit of particular employees, or on behalf of a group of employees in the aggregate; and

Hours under subsections (a) and (b) above shall be calculated and credited pursuant to §2530.200b-2(b) and (c) of the Department of Labor Regulations, which are incorporated herein by this reference; and

- (c) Each hour for which back-pay is either awarded or agreed to by the Employer without regard to mitigation of damages. The same Hours of Service shall not be credited both under subsection (a) or subsection (b), as the case may be, and this subsection (c). These hours shall be credited to the Employee for the computation period or periods to which the award or agreement or payment pertains.

3.18 "ILA" or "Union" shall mean the International Longshoremen's Association, AFL-CIO, or a Local Union of the ILA, AFL-CIO.

3.19 (a) "Joint and Survivor Annuity" shall mean an annuity for the life of the Participant with a survivor annuity for the life of the Participant's Eligible Spouse that is equal to one-half (1/2) of the amount of the annuity payable to the Participant.

(b) For a Participant who retires on or after September 15, 1999, "Joint and Survivor Annuity" shall mean an annuity for the life of the Participant with a survivor

annuity for the life of the Participant's Eligible Spouse that is equal to seventy-five percent (75%) of the amount of the annuity payable to the Participant.

3.20 "Leave of Absence" shall mean any leave of absence granted by an Employer without pay in accordance with reasonable standards and policies adopted by the Board and uniformly observed and consistently applied, and shall include, by way of illustration and not limitation, leaves of absence granted because of illness of the Employee or his family member(s), vacations, and pursuit of education or vocational study.

3.21 "Normal Retirement Age" shall mean the later of age sixty-five (65) and the fifth (5th) anniversary of the date the Participant commenced participation in the Plan.

"Normal Retirement Date" shall mean the first day of the month coincident with or next following a Participant's Normal Retirement Age.

Effective October 1, 2009, "Early Retirement Age" shall mean the later of age sixty-two (62) and the completion of twenty-five (25) Years of Service.

Effective October 1, 2009, "Early Retirement Date" shall mean the first day of the month coincident with or next following a Participant's Early Retirement Age.

3.22 "Participant" shall mean an Employee who has met the requirements of eligibility to participate in the Plan.

3.23 "Plan" shall mean the Pension Plan, described herein.

3.24 "Plan Administrator" shall mean the Board.

3.25 "Plan Year" shall mean a 12-month period beginning each October 1.

3.26 On or after October 1, 2000, "Qualified Pre-Retirement Survivor Annuity" shall mean an annuity in an amount equal to 75% of the Participant's Accrued Benefit, payable for the life of the Participant's Eligible Spouse, commencing on the Participant's Normal Retirement Date.

3.27 "Trust Agreement" shall mean the Agreement and Declaration of Trust of the Boston Shipping Association – International Longshoremen's Association Pension Plan as restated effective September 5, 2007 and as from time to time amended.

3.28 "Trust Fund" shall mean a fund held by the Board of Trustees to which the Employers will make regular deposits as provided hereunder.

3.29 "Union Representative" shall mean a member of the ILA, who at some time has performed an Hour of Service for an Employer, serving as a Delegate, Business Agent, or Representative, or as an employee of a union fringe benefit fund.

3.30 "Year of Service" shall with respect to a Participant mean (a) on or after October 1, 1976, any Plan Year during which such Participant has completed at least seven hundred (700) Hours of Service as a Longshoreman, Clerk, Linehandler, or Union Representative, (b) prior to October 1, 1976, any year of continuous service credited to such Participant by the Pension Board under the provisions of the prior Plan in existence as of October 1, 1976, PROVIDED, HOWEVER, a Year of Service shall also mean any Plan Year during which such a Participant has completed at least four hundred (400) Hours of Service as a Longshoreman, Clerk, or Linehandler only if the following conditions shall be met:

- (i) The Participant shall average at least seven hundred (700) Hours of Service as a Longshoreman, Clerk, or Linehandler for each Plan Year that the Participant is covered under the Plan; and
- (ii) The Participant shall have been covered under the Plan for at least twenty-five (25) Plan Years.

Notwithstanding the above, a Participant accruing less than seven hundred (700) Hours of Service as a Longshoreman, Clerk, or Linehandler, but at least one thousand (1,000) Hours of Service as an Employee, shall be credited with a pro-rata portion of a Year of Service based on his number of Hours of Service during a Plan Year as a Longshoreman, Clerk, or Linehandler divided by seven hundred (700).

3.31 "Year of Vesting Service" shall with respect to a Participant mean any Plan Year during which such Participant has completed either (a) at least four hundred (400) Hours of Service, or (b) for a Participant with at least one (1) Hour of Service on or after October 1, 1996, at least one thousand (1,000) Hours of Service.

3.32 Notwithstanding anything in the Plan to the contrary, effective December 12, 1994, Years of Vesting Service and Years of Service for benefit accrual purposes, with respect to qualified military service, will be provided in accordance with §414(u) of the Internal Revenue Code, and in accordance with the Uniformed Services Employment and Re-employment Rights Act of 1994. In addition, Participants who die on or after January 1, 2007, while performing qualified military service shall be credited with Years of Vesting Service (but not Years of Service for purposes of benefit accrual) for the period of such qualified military service, as required under §401(a)(37) of the Internal Revenue Code.

ARTICLE IV

PURPOSE

4.1 The purpose of this Plan is to provide retirement benefits for the Participants. It is intended that the Plan will be for the exclusive benefit of Participants and their Eligible Spouses. It is further intended that the Plan will constitute a qualified Pension Plan within the meaning of §401 of the Internal Revenue Code of 1954, as amended, and such intention shall be given great weight and consideration in the interpretation and construction of the provisions hereof.

- 4.2 All monthly retirement benefits which are either being paid or are vested prior to October 1, 2014, shall continue to be payable in accordance with their terms.

ARTICLE V

ELIGIBILITY

- 5.1 An Employee shall be eligible for participation in the Plan on his Entry Date. For new Participants, effective October 1, 2009, an Employee may become a Participant upon completion of no fewer than four hundred (400) Hours of Service in a Plan Year.
- 5.2 Each Employer shall advise the Board as to the Employees who are eligible to participate in the Plan. In the event that any question arises as to the eligibility of any Employee, the decision of the Board as to such Employee's eligibility shall be binding upon the Employers, the Employees, the Participants, the Eligible Spouses, and any and all other persons having an interest hereunder.
- 5.3 Each Participant shall furnish to the Board all pertinent information required for the administration of the Plan. The Board shall rely upon all such information so furnished.

ARTICLE VI

RETIREMENT BENEFITS

- 6.1 A Participant who retires on his Normal Retirement Date on or after September 30, 2000, or on his Early Retirement Date on or after October 1, 2009, shall be entitled to receive a monthly normal retirement benefit or early retirement benefit commencing on his Normal Retirement Date or Early Retirement Date, as applicable, equal to One Hundred Thirty Dollars (\$130) multiplied by the number of Years of Service credited to such Participant for each year subsequent to October 1, 1949, up to a maximum of forty-five (45) years. A Participant shall be One Hundred Percent (100%) vested upon attainment of his Normal Retirement Age.

With respect to a Participant who retires on or after September 15, 1998, and who has been credited with sufficient Years of Vesting Service to earn a vested right to a pension as described at Section 9.1(a), the monthly amount of the retirement benefit the Participant shall be entitled to receive commencing on his Normal Retirement Date (or Early Retirement Date, if applicable), shall total no less than Four Hundred Fifty-Five Dollars (\$455).

- 6.2 (a) In the event any Participant who is eligible to receive a normal retirement benefit under Section 6.1 of this Plan remains an Employee after his Normal Retirement Date, the commencement of payment of his normal retirement benefit, except as provided in Section 10.4, shall also be deferred until the first day of the month next following the date on which he actually retires. The monthly amount of the

retirement benefit receivable by the Participant shall be no greater than the amount he would have received had he retired on his Normal Retirement Date plus an amount equal to One Hundred Thirty Dollars (\$130) for each Year of Service credited to him after his Normal Retirement Date up to the maximum of forty-five (45) years, as set forth in Section 6.1.

- (b) Subject to Section 9.4, a Participant who: i) has become eligible to receive a normal retirement benefit or early retirement benefit under Section 6.1 of the Plan; and ii) has elected to begin the receipt of his normal retirement benefit or early retirement benefit, as applicable; and iii) has subsequently returned to active employment with an Employer, shall, upon his retirement from such reemployment, receive a monthly retirement benefit equal to the sum of:
- i) the amount of the monthly retirement benefit received by the Participant at the time of his initial election to begin receipt of his normal retirement benefit or early retirement benefit, as applicable; plus
 - ii) an amount equal to the monthly retirement benefit amount stated in Section 6.1 of the Plan as of his retirement date following his return to active employment multiplied by the number of Years of Service credited to the Participant for each year subsequent to his return to active employment.

Nothing in this subsection shall have the effect of reducing the monthly benefit payable to the Participant below the monthly benefit in effect prior to the Participant's reemployment date.

6.3. For purposes of determining a Participant's retirement benefit in accordance with this Article, the following rules shall apply in computing a Participant's Years of Service when the Participant has incurred a Break in Service:

- (a) If a Participant is vested in his Accrued Benefit as of the commencement of his Break in Service, then his Years of Service prior to his Break in Service and his Years of Service after such a Break in Service shall be aggregated in computing a Participant's benefit.
- (b) If the Participant has no vested interest in his Accrued Benefit as of the commencement of his Break in Service, then his Years of Service prior to such Break in Service and his Years of Service after such Break in Service shall be aggregated only if the period of such Break in Service is less than the greater of five (5) years or the aggregated number of his Years of Service prior to such Break in Service. If such Break in Service equals or exceeds the greater of five (5) years or his prior Years of Service, such prior Years of Service shall be disregarded in computing a Participant's benefit.

6.4 In addition to any other limitation set forth in the Plan, and notwithstanding any Plan provisions to the contrary, effective for Limitation Years beginning on or after October 1, 2007, benefits under the Plan shall be limited in accordance with §415 of the Internal Revenue Code ("Code"), as amended, and the Treasury Regulations thereunder, in accordance with this Section. This Section 6.4 incorporates the requirements of §415 of the Code by reference, except as otherwise specified herein.

(a) Definitions: For purposes of this Section 6.4, the following terms shall have the following meanings:

(i) "415 Compensation" shall mean, for Limitation Years beginning on or after October 1, 2007, remuneration received from the Employer during the Limitation Year, as defined in Treasury Regulation 1.415(c)-2(d)(4). 415 Compensation shall also be subject to the following rules:

(A) 415 Compensation must be paid within the Limitation Year, and paid or treated as paid before Severance from Employment in accordance with Treasury Regulation 1.415(c)-2(e)(1).

(B) 415 Compensation must include amounts paid by the later of 2½ months after Severance from Employment or the end of the Limitation Year that includes the date of Severance from Employment in accordance with Treasury Regulation 1.415(c)-2(e)(3)(i). Such post-severance compensation includes regular pay as defined in Treasury Regulation 1.415(c)-2(e)(3)(ii), but not other post severance payments as defined in Treasury Regulation 1.415(c)-2(e)(3)(iv).

(C) The 415 Compensation for a Participant for any Limitation Year shall in no event exceed the dollar limit specified in §401(a)(17) of the Code, as adjusted for cost-of-living increases in accordance with Code §401(a)(17)(B).

(D) Treatment of Military Differential Wage Payments: Effective for years beginning after December 31, 2008, 415 Compensation shall include military differential wage payments (as defined in §3401(h) of the Internal Revenue Code).

(ii) "Limitation Year" shall mean the Plan Year.

- (iii) "Plan Benefit" shall mean, as of any date, the amount of a Participant's benefit, as determined under the applicable provisions of the Plan before the application of the limits in Section 6.4.
- (iv) "Severance from Employment" shall refer to any time at which a Participant is no longer employed by any Employer maintaining the Plan.
- (b) Maximum Benefit: For Limitation Years beginning on or after October 1, 2007, in no event shall a Participant's benefit accrued, distributable, or payable under the Plan for a Limitation Year exceed the annual dollar limit determined in accordance with §415 of the Code and the Treasury Regulations thereunder (the "annual dollar limit") for that Limitation Year. If a Participant's accrued Plan Benefit for a Limitation Year beginning on or after October 1, 2007, would exceed the annual dollar limit for that Limitation Year, that Accrued Benefit (but not the Plan Benefit) shall be frozen or reduced so that the Accrued Benefit does not exceed the annual dollar limit for that Limitation Year. If the benefit distributable or otherwise payable in a Limitation Year would exceed the annual dollar limit for that Limitation Year, that benefit shall be reduced so that the benefit distributed or otherwise paid does not exceed the annual dollar limit for that Limitation Year.
- (c) Adjustment for Benefits Subject to Code §417(e)(3): For purposes of adjusting any benefit under §415(b)(2)(B) of the Code for any form of benefit subject to the present value rules of Code §417(e)(3), the Plan shall use the mortality assumption prescribed by Code §415(b)(2)(E)(v).
 - (i) Effective for Annuity Starting Dates in years beginning on and after January 1, 2006, for purposes of adjusting any benefit under §415(b)(2)(B) of the Code for any form of benefit subject to Code §417(e)(3), the interest rate assumption shall be not less than the greatest of:
 - (A) the interest rate specified in Section 3.2 of the Plan;
 - (B) five and one-half percent (5.5%); and
 - (C) the interest rate that produces a benefit of not more than one hundred five percent (105%) of the benefit that would be provided using the "applicable interest rate" (as defined in Code §417(e)(3)).
 - (ii) Effective for Annuity Starting Dates in Plan Years beginning on and after January 1, 2004, and ending December 31, 2005, for

purposes of adjusting any benefit under §415(b)(2)(B) of the Code for any form of benefit subject to Code §417(e)(3), the interest rate assumption shall be not less than the greater of:

(A) the interest rate specified in Section 3.2 of the Plan; and

(B) five and one-half percent (5.5%).

- (d) **Plan Aggregation:** For purposes of applying the limits of this Section 6.4, if a Participant also participates in another tax-qualified defined benefit plan of any Employer that is not a multiemployer plan, only the benefits under this Plan that are provided by that Employer are aggregated with the benefits under such other plan. In the event that the aggregate benefit accrued by a Participant in any Plan Year exceeds the limits under §415 of the Code and the Treasury Regulations thereunder as a result of the mandatory aggregation of the benefits under this Plan with the benefits under another plan maintained by an Employer, the benefits of that Plan shall be reduced to the extent necessary to comply with §415 of the Code and the Treasury Regulations thereunder.
- (e) **General:**
- (i) To the extent that a Participant's benefit is subject to provisions of §415 of the Code and the Treasury Regulations thereunder that have not been set forth in the Plan, such provisions are hereby incorporated by reference into this Plan and for all purposes shall be deemed a part of the Plan.
- (ii) This Section 6.4 is intended to satisfy the requirements imposed by §415 of the Code and the Treasury Regulations thereunder, and shall be construed in a manner that will effectuate such intent. This Section 6.4 shall not be construed in a manner that would impose limitations that are more stringent than those required by §415 of the Code and the Treasury Regulations thereunder.
- (iii) If and to the extent that the rules set forth in this Section 6.4 are no longer required for qualification of the Plan under §401(a) and related provisions of the Code and the Treasury Regulations thereunder, they shall cease to apply without the necessity of an amendment to the Plan.
- (iv) The terms used in this Section 6.4 that are not otherwise expressly defined for this Section shall be defined as provided elsewhere in the Plan or, if not defined anywhere in the Plan, shall be defined interpreted and applied

for purposes of this Section 6.4 as prescribed in §415 of the Code and the Treasury Regulations thereunder.

- 6.5 The following provisions shall apply only for Plan Years in which the Plan is a Top-Heavy Plan, as defined in §416 of the amended Internal Revenue Code.
- (a) The benefits provided to "Key Employees", as described in §416(i)(1) of the Code, shall be restricted in accordance with §416 of the amended Internal Revenue Code.
 - (b) The minimum accrual of benefits and minimum vesting percentages set forth in the Code shall apply for all non-Key Employees.
- 6.6 Notwithstanding any provision of this Section to the contrary, effective October 1, 2004, a Participant who: i) retires on or before March 31, 2005; and ii) has attained age fifty-eight (58); and iii) has been credited with at least twenty-five (25) Years of Service, shall be entitled to elect to receive a monthly early retirement benefit equal to One Hundred Forty Dollars (\$140) multiplied by the number of Years of Service credited to such Participant for each year subsequent to October 1, 1949 up to a maximum of forty-five (45) years. A Participant who elects to receive said early retirement benefit under this Section shall be One Hundred Percent (100%) vested upon satisfaction of the eligibility requirements stated in this Section. No election to receive an early retirement benefit under this Section shall be valid if such election is made after March 31, 2005.

ARTICLE VII

DEATH BENEFITS

- 7.1 In the event of the death of a Participant before such Participant has completed either (a) for a Participant with at least one (1) Hour of Service on or after October 1, 1996, but before October 1, 2009, four (4) Years of Vesting Service at one thousand (1000) Hours of Service, or (b) for a Participant who commences service on or after October 1, 2009, and has at least one (1) Hour of Service thereafter, five (5) Years of Vesting Service at one thousand (1,000) Hours of Service, or (c) for any Participant with at least one (1) Hour of Service on or after October 1, 1976, ten (10) Years of Vesting Service at four hundred (400) Hours of Service, there shall be no death benefit payable under the Plan.
- 7.2 In the event of the death of a Participant after such Participant has completed either (a) for a Participant with at least one (1) Hour of Service on or after October 1, 1996, but before October 1, 2009, four (4) Years of Vesting Service at 1000 Hours of Service, or (b) for a Participant who commences service on or after October 1, 2009, and has at least one (1) Hour of Service thereafter, five (5) Years of Vesting Service at one thousand (1,000) Hours of Service, or (c) for any Participant with at least one (1) Hour of Service on or after October 1, 1976, ten (10) Years of Vesting Service at four hundred (400) Hours of Service, but prior to the date on which the Participant would have completed

fifteen (15) Years of Service, there shall be paid to such Participant's Eligible Spouse a lifetime survivorship benefit, commencing on the later of the first month following the Participant's death, or such Participant's Normal Retirement Date. The amount of the survivorship benefit shall be equal to the monthly benefit payable to an Eligible Spouse under the Qualified Pre-Retirement Survivor Annuity, determined as of the date on which payments commence but based upon the Participant's actual Years of Service under the Plan, multiplied by the benefit rate in effect on the date of the Participant's death.

- 7.3 Commencing on September 15, 2000, in the event of the death of a Participant after such Participant has completed fifteen (15) Years of Service, there shall be paid to such Participant's Eligible Spouse, commencing on the first day of the month following the Participant's death, a monthly benefit equal to seventy-five percent (75%) of the Participant's Accrued Benefit as of his date of death. Payment of such benefit will continue for the lifetime of the Eligible Spouse unless such Eligible Spouse remarries prior to the Participant's Normal Retirement Date. Upon remarriage of an Eligible Spouse prior to the Participant's Normal Retirement Date, the monthly amount payable to such Eligible Spouse shall be suspended, and shall recommence only on or after the Participant's Normal Retirement Date, provided such Eligible Spouse is alive, and shall continue for such Eligible Spouse's lifetime.
- 7.4 If, on the date of death of a Participant who is eligible for survivor benefits in accordance with Section 7.2 or 7.3 above, a Participant is not married to an Eligible Spouse, no death benefit will be payable from this Plan.
- 7.5 With respect to a Participant who dies on or after September 15, 1998, the survivor benefit payable to the Participant's Eligible Spouse under Section 7.2 or 7.3 above shall total no less than Four Hundred Fifty-Five Dollars (\$455) per month.

ARTICLE VIII

DISABILITY BENEFITS

- 8.1 In the event that a Participant who has completed fifteen (15) Years of Service becomes totally and permanently disabled while engaged in covered employment, such Participant shall be entitled to a disability benefit which shall commence on the first day of the month following the Board's determination that the Participant is totally and permanently disabled from his/her covered employment. The monthly amount of the disability benefit shall be equal to the Participant's Accrued Benefit.

"Covered employment" means, for purposes of this Section, being actively employed by one or more of the Employers within the Boston Shipping Association as a Longshoreman, Clerk, or Linehandler, or being actively employed as a Union Representative under the terms of a Participation Agreement. A Participant whose total and permanent disability arises after his/her termination of/separation from employment is not eligible for disability benefits under this Section.

Except as otherwise provided by ERISA or this Plan, the Board, upon competent medical evidence, shall be the sole judge of whether a Participant is disabled. This determination shall be made in accordance with the claim denial and review procedures outlined in Section 13.11.

- 8.2 (a) In the event that a disabled Participant who is receiving a benefit under Section 8.1 had an Eligible Spouse upon the date that payment of his disability benefit commenced and if the Eligible Spouse survives said disabled Participant, there shall be paid to the Eligible Spouse a monthly benefit of fifty percent (50%) of the amount that had been paid to the disabled Participant until the Eligible Spouse's death or remarriage.

If the disabled Participant did not have an Eligible Spouse, there shall be no death benefit.

- (b) In the event that a disabled Participant who begins to receive a benefit under Section 8.1 on or after September 15, 1999 had an Eligible Spouse upon the date that payment of his disability benefit commenced and if the Eligible Spouse survives said disabled Participant, there shall be paid to the Eligible Spouse a monthly benefit of seventy-five percent (75%) of the amount that had been paid to the disabled Participant until the Eligible Spouse's death or remarriage.

If the disabled Participant did not have an Eligible Spouse, there shall be no death benefit.

- 8.3 In the event a Participant incurs a sickness or injury arising out of and in the course of Employment for which the Participant receives compensation benefits for temporary disability, the Board shall award a pro-rata credit based on seven hundred (700) hours in a Plan Year for the period of total disability for up to three (3) such years.

If the period of total disability exceeds three (3) years, the Board in its discretion, may extend the period of credit.

The Board in exercising its powers under this Section 8.3 shall do so in a non-discriminatory manner.

- 8.4 In the event a Participant who has attained age forty-five (45) and completed fifteen (15) Years of Service at the time of disability incurs a temporary sickness or injury outside the course of Employment, the Board may award a pro-rata credit based on seven hundred (700) hours in a Plan Year for the period of disability for up to three (3) such years.

If the period of total disability exceeds three (3) years, the Board in its discretion, may extend the period of credit.

The Board in exercising its powers under this Section 8.4 shall do so in a non-discriminatory manner.

ARTICLE IX

TERMINATION OF EMPLOYMENT

- 9.1 (a) A terminated Participant who shall have been credited with either (a) for a Participant with at least one (1) Hour of Service on or after October 1, 1996, but before October 1, 2009, four (4) Years of Vesting Service at one thousand (1000) Hours of Service, or (b) for a Participant who commences service on or after October 1, 2009 and has at least one (1) Hour of Service thereafter, five (5) Years of Vesting Service at one thousand (1,000) Hours of Service, or (c) for any Participant with at least one (1) Hour of Service on or after October 1, 1976, ten (10) Years of Vesting Service at four hundred (400) Hours of Service, shall be entitled to a deferred vested benefit, payment of which shall commence on the first day of the month following the Participant's sixty-fifth (65th) birthday.
- (b) A terminated Participant who reaches Early Retirement Age shall be entitled to a deferred vested benefit, which shall commence on the first day of the month following the Participant's sixty-second (62nd) birthday, or the date the Participant completes twenty-five (25) Years of Service, whichever is later.
- (c) If a Participant has been credited with less than either (a) for a Participant with at least one (1) Hour of Service on or after October 1, 1996 but before October 1, 2009, four (4) Years of Vesting Service at one thousand (1000) Hours of Service, or (b) for a Participant who commences service on or after October 1, 2009 and has at least one (1) Hour of Service thereafter, five (5) Years of Vesting Service at one thousand (1,000) Hours of Service, or (c) for any Participant with at least one (1) Hour of Service on or after October 1, 1976, ten (10) Years of Vesting Service at four hundred (400) Hours of Service, at his termination of employment, he shall not be entitled to any benefit under this Plan.
- (d) The monthly amount of the deferred vested benefit shall be equal to the Participant's Accrued Benefit as of the date of termination of Employment.
- 9.2 A Participant's Years of Vesting Service prior to a Break in Service shall be aggregated with his Years of Vesting Service after such Break in Service only if the period of such Break in Service is less than the greater of five (5) years or the aggregate number of his Years of Vesting Service prior to such Break in Service, and if the Participant has at least one (1) Year of Vesting Service after such Break in Service. If such period of Break in Service equals or exceeds the greater of five (5) years or the aggregate number of the Participant's prior Years of Vesting Service, such prior Years of Vesting Service shall be disregarded in computing his vested interest.
- 9.3 If a Participant who has incurred a Break in Service after becoming eligible for a deferred vested benefit in accordance with Section 9.1, returns to employment as an Employee, such Participant shall have his Accrued Benefit and Years of Service prior to such Break

in Service reinstated as of the date such Participant is credited with at least one (1) Year of Vesting Service subsequent to the Break in Service.

- 9.4 If a retired Participant is receiving benefits under any provision of this Plan and is later re-employed by an Employer, or an active Participant continues his employment beyond his Normal Retirement Date, for a calendar month in which forty (40) or more Hours of Service are performed, benefit payments he is then receiving or is entitled to receive will be suspended.

ARTICLE X

PAYMENT OF BENEFITS

- 10.1 (a) If on the date a Participant's retirement benefits commence he has been married to an Eligible Spouse, then such benefits shall be paid in the form of a Joint and Survivor Annuity. Under the Joint and Survivor Annuity, the Participant shall be paid a retirement benefit for his lifetime; thereafter the Eligible Spouse, if such Spouse shall survive the Participant, shall be paid a lifetime survivorship benefit in a monthly amount equal to fifty percent (50%) of the monthly amount which had been paid to the Participant. The last payment of the Joint and Survivor Annuity shall be made as of the first day of the month on which the death of the last to survive of the Participant and the Eligible Spouse has occurred.
- (b) Commencing on or after September 15, 1999, if on the date a Participant's retirement benefits commence he has been married to an Eligible Spouse then, such benefit shall be paid in the form of a Joint and Survivor Annuity. Under the Joint and Survivor Annuity, the Participant shall be paid a retirement benefit for his lifetime; thereafter the Eligible Spouse, if such Spouse shall survive the Participant, shall be paid a lifetime survivorship benefit in a monthly amount equal to seventy-five percent (75%) of the monthly amount which had been paid to the Participant. The last payment of the Joint and Survivor Annuity shall be made as of the first day of the month in which the death of the last to survive of the Participant and the Eligible Spouse has occurred.
- (c) If a Participant does not have an Eligible Spouse on the date his benefit payments commence, he shall receive his benefit for the duration of his lifetime.
- 10.2 Plan benefits shall commence, unless the Participant elects otherwise, no later than the sixtieth (60th) day after the latest of the close of the Plan Year in which (a) the Participant attains the earlier of age sixty-five (65) or the Plan's Normal Retirement Age, (b) occurs the tenth (10th) anniversary of the year in which the Participant commenced participation under the Plan, or (c) the Participant terminates his service with the Employer.
- 10.3 The Joint and Survivor Annuity requirements provided for in Section 10.1 shall apply only to Participants who are credited with an Hour of Service on or after August 23,

1984. Former Participants who are not credited with an Hour of Service on or after August 23, 1984 shall have the right to have Joint and Survivor Annuities provided to them in accordance with the terms of this Plan in effect prior to the Effective Date of this amendment and restatement and in accordance with the provisions of §303(e)(1) of the Retirement Equity Act of 1984.

10.4 Notwithstanding any provision in this Plan to the contrary, the provisions of this Section 10.4 shall apply for purposes of determining required minimum distributions for calendar years beginning on or after January 1, 2006.

- (a) All distributions required under this Section 10.4 shall be determined and made in accordance with §401(a)(9) of the Internal Revenue Code (including the incidental death benefit requirement of §401(a)(9)(G)), the Treasury Regulations thereunder, and any applicable guidance issued by the IRS; though, notwithstanding any other provision in this Section 10.4, distributions may be made under a designation made before January 1, 1984, in accordance with §242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to TEFRA §242(b)(2).
- (b) A Participant's benefits shall be distributed to him, or begin to be distributed to him, no later than April 1 of the calendar year following the calendar year in which he reaches age seventy and one-half (70½), and will be paid over the life of the Participant (or the lives of the Participant and his Eligible Spouse) or the life expectancy of the Participant (or the joint life expectancy of the Participant and his Eligible Spouse).
- ✓ (c) If a Participant dies before distributions have begun, his entire interest shall be distributed as provided in Article VII.
- (d) If a Participant dies after distributions have begun, his entire interest shall be distributed as provided in Section 10.1.

ARTICLE XI

CONTRIBUTIONS

- 11.1 The Employers and the Union with respect to its Union Representatives shall pay the full cost of the Plan. Each Employer shall contribute to the Fund, in intervals and amounts determined from time to time by the Bargaining Committee.
- 11.2 All amounts contributed by Employers and the Union shall be irrevocable. Under no circumstances whatsoever shall any part of the Trust Fund be used for, or diverted to,

purposes other than for the exclusive benefit of the Participants and their Eligible Spouses as herein provided.

- 11.3 The benefits of the Plan shall be provided in accordance with the level established by a valuation performed and certified by an Enrolled Actuary based on contributions of the Employer in accordance with the applicable collective bargaining agreement and any writings incorporated therein.

ARTICLE XII

TRUST FUND

- 12.1 A Custodian shall be appointed by the Board to hold and administer the Trust Fund. The Custodian so appointed shall serve at the pleasure of the Board and shall have such rights, powers, and duties as are set forth in the Custodial Trust Agreement. The Custodial Trust Agreement, when entered into, shall form a part of the Plan.
- 12.2 At no time prior to the satisfaction of all liabilities of the Plan with respect to the Participants and their Eligible Spouses, shall any part of the corpus or income of the Trust Fund be used for or diverted to any purpose other than their exclusive benefit.
- 12.3 The Board shall have such control over the investment of the Trust Fund as is provided in the Trust Agreement.

ARTICLE XIII

ADMINISTRATION OF THE PLAN

- 13.1 The Plan shall be administered by a Board of Trustees, seven (7) members of which shall be appointed by the employer-members of the BSA, and seven (7) members of which shall be appointed by the ILA. These members shall serve without compensation from the Fund, but shall be reimbursed for all reasonable and necessary expenses which they incur in the performance of their duties as members of the Board. In the event of a deadlock on any question before the Board including a question of the amendment of the Plan pursuant to Section 14.1 and 14.2, an impartial umpire shall be selected by the mutual agreement of the BSA and ILA members of the Board to cast the deciding vote on such questions.
- 13.2 Either the BSA for the employer-members or the ILA at any time may remove a member appointed by it and may appoint a member to fill any vacancy, whether due to death, resignation, removal, or any other cause, among the members appointed by it. Both the BSA and ILA shall notify each other and each member of the Board in writing of the members respectively appointed by them, and upon such notice any such appointments shall be effective.

13.3 The Board shall have such powers as are necessary and proper for the administration of the Plan, including but not limited to the following:

- (a) To make and enforce by-laws for its own government and such rules and regulations as it shall deem necessary and proper for the efficient operation of the Plan, and to decide such questions as may arise in connection with the operation of the Plan;
- (b) To demand, collect, and receive all Employer contributions and to hold the same until applied to the ultimate purposes herein provided for and to take such steps, including the institution and prosecution of, or the intervention in, any proceeding at law or in equity or in bankruptcy as may be necessary or desirable to effectuate the collection of such employer contributions;
- (c) To adopt a policy and method of collection of delinquent Employer contributions, which policy and method are to be deemed a part of this Plan and to be binding on all Employers participating hereunder;
- (d) To prescribe procedures to be followed by Employees in filing applications for benefits, and for the furnishing and verification of evidence necessary to establish Employees' rights to benefits under the Plan;
- (e) To make determinations as to the rights of any Employee applying for pension benefits;
- (f) To develop procedures for the establishment, compilation, tabulation, and analysis of employment records and for the determination, in accordance with the provisions of the Plan, of the number of Hours of Service credited to Employees;
- (g) To obtain from any Employer, the BSA, the Union, any Employee or former Employee, any government agency, or any other person or body, such information as shall be necessary for proper administration of the Plan;
- (h) To authorize and to make payments from the Fund to persons entitled to pension benefits under the Plan;
- (i) To prepare and distribute in such a manner as the Board determines to be appropriate information explaining the Plan;
- (j) To furnish the BSA and the ILA, upon request, such reports with respect to the administration of the Plan as are reasonable and appropriate;

- (k) To obtain and analyze reports on receipts and disbursements of the Fund; to keep books of account and records of all transactions of the Board and the members of the Board acting as such; and to provide for such actuarial evaluations of the Plan as the Board shall deem desirable;
- (l) To pay from the Fund all reasonable expenses of collecting the Employer contributions and administering the Plan, including, but not limited to, all expenses which may be incurred in connection with the establishment of the Plan, the purchase or lease of such office space, materials, supplies, and equipment, and the employment of such administrative, legal, expert, and clerical assistance as the Board, in its discretion, finds necessary or appropriate in the performance of its duties;
- (m) To designate the depositories in which the Fund or any part thereof shall be deposited.
- (n) To require that the Union, Employers, and Employees supply any eligibility and employment information necessary for Plan administration within 30 days of the request for such information or data by the Board.

- 13.4 The Board shall have the books of account and records of the Plan audited by a certified public accountant from time to time as the Board shall determine, but at least annually. A statement of the results of such audit shall be available for inspection by interested parties at such office or offices as the Board shall establish.
- 13.5 The Board shall have power to set up such reserves as it may deem wise for the effectuation of the purpose of the Plan.
- 13.6 To constitute a quorum for the transaction of business, there shall be required to be present at any meeting of the Board eight (8) members of which there must be at least four (4) ILA members of the Board and four (4) BSA members of the Board. At all meetings of the Board, the BSA members shall have an equal total of seven (7) votes and the ILA members shall have a total of seven (7) votes; the votes of any absent member being divided equally between the members present appointed by the same party. Decisions of the Board shall be by a majority of the votes cast.
- 13.7 The Board and any of its members shall be entitled to rely upon the correctness of any information furnished by the BSA, the Union, and any Employer.
- 13.8 Neither the Board nor any of its members, nor the Union, nor any officer or any other representative of the Union, nor the BSA, nor any officer or other representative of the BSA, nor any Employer, nor any officer or other representative of an Employer, shall be liable to any person whatsoever because of any act or failure to act on the part of the Board, or any of its members, except that nothing herein shall be deemed to relieve any such individual from liability for his own fraud or bad faith.

Neither any Employer, the BSA, nor the Union shall be liable in any respect for any of the obligations of the members of the Board because such members are officers of, or in any way associated with such Employer, the BSA, or the Union, it being understood that each of the members of the Board designated as a representative either of the Employers or of the Union acts as a representative in a statutory sense only and not as agent of any person, firm, corporation, or organization.

- 13.9 The Board may delegate any of its ministerial powers or duties to any agent or employee engaged by the Board or to any one or more of the members of the Board.
- 13.10 Except as provided by ERISA, all decisions of the Board, including all those made in the interpretation and administration of the Plan, shall be conclusive, final, and binding.
- 13.11 Any Participant or Eligible Spouse ("Claimant") may make a request for benefits by delivering a written notice to the Board of Trustees in which a claim for benefits is made. The notice shall set forth the name of the Claimant, and the type of benefit for which the claim is made. Initial review of a claim for disability benefits as described in Article VIII of the Plan will first be directed to the Fund Administrator, not the Board of Trustees.

The Plan must inform the Claimant of whether the claim will be satisfied or wholly or partially denied within ninety (90) days of receiving the written notice. If the Plan determines that an extension is needed, written notice of the extension (not to exceed ninety (90) days) shall be furnished to the Claimant, which indicates the special circumstances requiring the extension and the date by which a decision is expected to be made. If the Fund Administrator denies a claim for disability benefits, as described in Article VIII of the Plan, however, it must inform the Claimant of the denial within forty-five (45) days of receiving the written notice of claim. This period may be extended by up to thirty (30) days if the Fund Administrator determines that the extension is necessary and notifies the Claimant, before the end of the initial forty-five (45)-day period, of the circumstances requiring the extension and the date by which a decision is expected to be made.

If the Plan decides to deny a claim, the notice of denial shall set forth the following:

- (a) The specific reason or reasons for the denial.
- (b) Specific reference to the pertinent Plan provisions on which the denial is based.
- (c) A description of any material or information necessary to perfect the claim and an explanation of why such material or information is necessary.
- (d) An explanation of the Plan's claim review procedure, including applicable time limits, and the Claimant's right to bring a civil action following an adverse decision on review.

A notice of denial of a claim for disability benefits shall also set forth the following:

- (e) If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse decision, either: the rule, guideline, protocol, or other similar criterion; or a statement that such rule, guideline, protocol, or other similar criterion will be provided to the Claimant free of charge upon request; or
- (f) If the adverse decision is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the decision, applying the terms of the Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request.

Review of a Claim Denial

For all claims except those for disability benefits, as described in Article VIII of the Plan, within sixty (60) days of receiving a notice denying a claim wholly or partially, the Claimant may appeal such denial to the Board for review. Within one hundred eighty days (180) of receiving a notice denying a claim for disability benefits wholly or partially, the Claimant may appeal such denial to the Board of Trustees for review.

The request for a review must be in writing and contain the reasons for which such claim is made. The Claimant shall be required to submit all evidence in support of such claim, whether or not such proof had previously been submitted, and in no event later than the time at which the Board renders a decision on the appeal. The Board shall review the appeal of the Claimant and, if necessary, hold a hearing at which the Claimant may present his reasons for objecting to the denial of the claim.

Such review will 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 determination. A Claimant will also be provided, upon written 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. The Claimant may submit written comments, documents, records, and other information relating to the claim for benefits.

The decision by the Board with respect to review shall be made at their next meeting following receipt of the request for review unless (i) the request is filed within thirty (30) days of such meeting, in which case a decision shall be made no later than the second meeting following receipt of the request, or (ii) special circumstances require an extension of time for processing the appeal, such as the need for a hearing, in which case 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 the Claimant prior to the commencement of the extension.

With respect to a review of a denial of a disability benefits claim: (1) the Board's review will not afford deference to the initial adverse benefit determination and will be conducted by an appropriate named Fiduciary of the Plan who is neither the individual who made the adverse benefit decision that is the subject of the appeal, nor a subordinate of that individual; (2) in deciding a claim 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; (3) medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the adverse decision will be identified, without regard to whether the advice was relied on in making the decision; (4) the health care professional engaged for purposes of a consultation will be a person who is neither the individual who was consulted in connection with the adverse decision that is the subject of the appeal, nor a subordinate of that person; and (5) there will be an expedited review process in the case of a claim involving urgent care, which permits an oral or written request for an expedited appeal and provides for transmission of all necessary information by telephone, facsimile, or other similarly expeditious method.

The decision of the Board shall be written in a manner calculated to be understood by the Claimant and shall include:

- (a) The specific reason or reasons for the denial.
- (b) Specific references to the pertinent Plan provisions on which the denial 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.
- (g) A statement describing any voluntary appeal procedures offered by the Plan and the Claimant's right to obtain information about such procedures, and a statement of the Claimant's right to bring an action under §502(a) of ERISA.

A notice of denial on review of a claim for disability benefits shall also include the following:

- (h) If an internal rule, guideline, protocol, or other similar criterion was relied upon in making the adverse decision, either: the rule, guideline, protocol, or other similar criterion; or a statement that such rule, guideline, protocol, or other similar criterion will be provided to the Claimant free of charge upon request.
- (i) If the adverse decision is based on a medical necessity or experimental treatment or similar exclusion or limit, either an explanation of the scientific or clinical judgment for the decision, applying the terms of the

Plan to the Claimant's medical circumstances, or a statement that such explanation will be provided free of charge.

The decision of the Board on review shall be final and binding on all interested persons. The decision will be sent to the Claimant as soon as possible and within five (5) days of the date the decision is rendered.

Should any notice sent by the Plan not be received in the time set forth in this Article, the claim shall be deemed denied, and the Claimant may proceed to the next step in the appeal process. Each Participant or Eligible Spouse shall be required to exhaust all remedies provided under the Plan before seeking further appeal.

ARTICLE XIV

AMENDMENTS AND DURATION OF PLAN

- 14.1 It is the intention of the BSA and the ILA that this Plan shall be and remain qualified under §401(a) of the Internal Revenue Code. The Board may authorize any modification or amendments of this Plan, which may be retroactive, deemed necessary or appropriate in its opinion to qualify or maintain the Plan as a plan meeting the requirements of §401(a) of the Internal Revenue Code, as now in effect or hereafter amended, and the regulations issued thereunder.
- 14.2 The Board reserves the right to amend or modify this Plan, in whole or in part, at any time and from time to time. No such amendment shall have the effect of vesting in any Employer or the ILA any right, title, or interest to any assets held under the Trust Fund or of diverting such assets to purposes other than for the exclusive benefit of Participants and their Eligible Spouses. No amendment shall cause the reduction of a Participant's Accrued Benefit except as provided by the Internal Revenue Code of 1954, as amended. For this purpose, an amendment which has the effect of reducing an early retirement benefit or a retirement-type subsidy shall be treated as reducing Accrued Benefits. In the case of a retirement-type subsidy, the preceding sentence shall apply only with respect to a Participant who satisfies (either before or after the amendment) the pre-amendment conditions for the subsidy.
- 14.3 This Plan is adopted pursuant to the collective bargaining agreement between the Employers and the ILA in effect on October 1, 1976 and successor agreements.

ARTICLE XV

MERGER OR CONSOLIDATION OF PLANS

- 15.1 In the event of any merger or consolidation of the Plan with, or transfer in whole or in part of the assets and liabilities of the Trust Fund to another trust fund held under any other plan of deferred compensation maintained or to be established for the benefit of all

or some of the Participants of this Plan, the assets of the Trust Fund allocable to such Participants shall be transferred to the other trust fund only if:

- (a) Each Participant would receive a benefit immediately after the merger, consolidation, or transfer which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation, or transfer; and
- (b) Such other plan and trust is qualified under §§401(a) and 501(a) of the Internal Revenue Code.

ARTICLE XVI

NON-ALIENATION OF BENEFITS

- 16.1 All amounts payable hereunder shall be paid only to the person or persons entitled thereto, and said payments or any interest therein shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution, or levy of any kind, either voluntary or involuntary, prior to actually being received by the person or persons entitled thereto. Any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, or otherwise dispose of any right to amounts payable hereunder shall be void. Neither the Board nor the Trust Fund shall be liable in any manner for, or subject to, the debts, contracts, liabilities, engagements, or torts of any person entitled to benefits hereunder.
- 16.2 Section 16.1 shall not apply to a “qualified domestic relations order” defined in Code §414(p), and those other domestic relations orders permitted to be so treated by the Board under the provisions of the Retirement Equity Act of 1984. The Board shall establish a written procedure to determine the qualified status of domestic relations orders and to administer distributions under such qualified orders. Further, to the extent provided under a “qualified domestic relations order,” a former Spouse of a Participant shall be treated as the Participant’s Spouse or surviving Spouse for all purposes under the Plan.
- 16.3 Section 16.1 above shall not prevent the Plan from adhering to the terms of a Qualified Offset Order. A “Qualified Offset Order” means a Qualified Order which expressly provides for the offset, of all or part of the amount ordered or required to be paid to the Plan by such Qualified Order, against a Participant’s benefits provided under the Plan. A “Qualified Order” means (1) a judgment of conviction for a crime involving the Plan, (2) a civil judgment (including a consent order or decree) entered by a court in an action brought in connection with a violation (or alleged violation) of Part 4 of Title I of ERISA, or (3) a settlement agreement between the Secretary of Labor and a Participant in connection with a violation (or alleged violation) of Part 4 of Title I of ERISA by a fiduciary or any other person; provided, however, that such judgment, order, or decree was issued, or such settlement agreement entered into, on or after August 5, 1997.

ARTICLE XVII

TERMINATION OF PLAN AND TRUST

- 17.1 The BSA and ILA reserve the right to terminate the Plan at any time. Subject to the applicable requirements of ERISA, if any, governing termination of employee pension plans, the Board shall direct and require the Custodian to liquidate the Trust Fund, or the applicable portion thereof, in accordance with the provisions of this Article.
- 17.2 Upon termination or partial termination of the Plan, each affected Participant's Accrued Benefit, based on his Years of Service prior to the date of termination, shall become fully vested and non-forfeitable; provided, however, no Participant or other individual shall have recourse other than from the Trust Fund or the Pension Benefit Guaranty Corporation. The assets of the Trust Fund shall be liquidated (after provision is made for the expenses of liquidation) by the payment or provisions for the payment of benefits in the following order of preference:

(a) Certain Benefits Payable Three (3) Years Prior to Termination:

The available assets of the Fund shall first be allocated to provide pensions that became payable three (3) or more years before the effective date of Plan termination, or that could have become payable at the beginning of such three (3)-year period had the Participant not deferred the commencement of his pension by failing to elect earlier commencement, or that could have become payable had a Participant's retirement occurred prior to the beginning of such three-year period, provided that:

- (i) The portion of the benefit payable to a Participant or his Eligible Spouse (or that could have been payable) shall be based on the provisions of the Plan in effect five (5) years prior to the effective date of Plan termination, and for this purpose, the first Plan Year in which an amendment became effective, or was adopted, if later, shall constitute the first year an amendment was in effect; and further provided that:
- (ii) If the benefit payable under the Plan had been reduced, either by amendment or due to the form in which the benefit was being paid, during the three-year period ending on the effective date of Plan termination, then the lowest benefit in pay status during such three-year period shall be considered the benefit in pay status for purposes of this category (a).

(b) Other Benefits Eligible for Termination Insurance:

To the extent that the amount of a benefit has not been provided in the foregoing category (a), the remaining assets shall be allocated to provide any benefit provided under the Plan for a Participant whose employment terminated prior to the effective date of Plan termination, or any immediate or deferred benefit that would have been payable to or on behalf of a Participant had his employment terminated for a reason other than death on

the effective date of Plan termination, provided that the amount of a benefit to be provided under this category (b) shall be determined as follows:

- (i) The portion of the benefit payable to a Participant or his Eligible Spouse (or that could have been payable) shall be based on the provisions of the Plan in effect five (5) years prior to the effective date of Plan termination; and for this purpose, the first Plan Year in which an amendment became effective, or was adopted, if later, shall constitute the first year an amendment was in effect.
- (ii) The portion of the benefit payable to a Participant or his Eligible Spouse which would have been included in (i) above had the Plan or a Plan amendment been in effect five (5) years prior to the effective date of Plan termination, shall be determined as follows: twenty percent (20%) for each Plan Year less than five (5) that the Plan or an amendment thereto was in effect, multiplied by the amount that would have been included under paragraph (i) for such Participant or Eligible Spouse had the Plan or the amendment been in effect for five (5) Plan Years as of the effective date of Plan termination provided that:
- (iii) No benefit payable under this category (b) to a Participant or his Eligible Spouse shall exceed an amount with an actuarial value of a monthly benefit in the form of a life-only annuity commencing at age sixty-five (65) equal to Seven Hundred Fifty Dollars (\$750), multiplied by a fraction, the numerator of which is the contribution and benefit base determined under §230 of the Social Security Act in effect at the effective date of Plan termination and the denominator of which is such contribution and benefit base in effect in calendar year 1974.

(c) Other Vested Benefits:

To the extent that the amount of a benefit has not been provided in the foregoing categories (a) and (b), the remaining assets shall be allocated to provide the benefit payable under the Plan to or on behalf of a Participant whose employment terminated prior to the effective date of Plan termination, or that would have been payable to or on behalf of a Participant had his employment terminated for a reason other than death on the effective date of Plan termination.

(d) Other Benefits:

To the extent that the amount of a benefit has not been provided in the foregoing categories (a), (b), and (c), the remaining assets shall be allocated to provide the Accrued Benefits under the Plan, without regard to the satisfaction of the vesting requirements of the Plan, with respect to each Participant whose employment had not terminated as of the effective date of Plan termination, according to the respective actuarial value of each such Participant's Accrued Benefit.

If the assets of the Fund applicable to any of the above categories are insufficient to provide full benefits for all persons in such group, the benefits otherwise payable to such persons shall be reduced proportionately. The actuary shall calculate the allocation of the assets of the Fund in accordance with the above priority categories, and certify his calculations to the Board. No liquidation of assets and payment of benefits (or provisions thereof) shall actually be made by the Custodian until after they are advised by the Board in writing that applicable requirements of ERISA, if any, governing termination of employee benefit plans, have been, or are being, complied with or that appropriate authorizations, waivers, exemptions, or variances have been, or are being, obtained.

- 17.3 Subject to the foregoing provisions of this Article XVII, any distribution after termination of the Plan may be made, in whole or in part, to the extent that no discrimination in value results, in cash, in securities or other assets in kind, or in non-transferable annuity contracts, as the Board in its sole discretion shall determine.
- 17.4 In no event shall any Employer receive any amounts from the Fund upon termination of the Plan.

ARTICLE XVIII

EMPLOYER WITHDRAWAL LIABILITY

- 18.1 The amount of unfunded vested liability attributable to an Employer that withdraws from the Plan shall be determined under the modified presumptive method of ERISA §4211(c) and equal the sum of (a) and (b) below.
- (a) The Plan's remaining unfunded vested liabilities as of September 30, 1979, reduced as if that amount were being amortized in level annual installments over the next fifteen (15) Plan Years; multiplied by a fraction, the numerator of which is an amount equal to total contributions required of the withdrawing Employer for the last five (5) Plan Years ending on September 30, 1979; and the denominator of which is specified in paragraph (1).
- (1) Total Employer contributions made by all Employers for the same five (5) Plan Years reported for minimum funding standards or reported on Form 5500 line 14(c), less contributions included in such total made by Substantial Employers, as defined in paragraph (2), who were not obligated to contribute to the Plan during the period April 29, 1980 through September 30, 1980, or who had withdrawn from the Plan prior to April 29, 1980.
- (2) "Substantial Employer" for purposes of paragraph (1) shall mean either (A) an Employer that contributed, in any of the five (5) Plan Years ending on September 30, 1979, at least one percent (1%) of total Employer contributions to the Plan for such year, or, if lower, \$250,000; or (B)

Employers who are members of any employer association, a group of Employers covered by a single collective bargaining agreement, or a group of Employers covered by agreements with a single labor organization, if the required contributions of all members of the association or group ceased in a Plan Year and the association's or group's aggregate contributions are more than one percent (1%) of the total Employer contributions reported to the Plan for any of the five (5) Plan Years prior to the Plan Year of withdrawal, or, if lower, \$250,000.

- (b) An amount of equal to (1) less the sum of (2) and (3), with such resulting amount multiplied by (4):
- (1) the amount of the Plan's unfunded vested liability on the last day of the Plan Year preceding the Plan Year of withdrawal.
 - (2) the actuarial value on the last day of the Plan Year preceding the Plan Year of withdrawal of all outstanding claims for withdrawal liability which can be reasonably expected to be collected from Employers who withdrew before such date.
 - (3) the remaining portion on the last day of the Plan Year preceding the Plan Year of withdrawal of the Plan's unfunded vested liability on September 30, 1979, as if that amount were being amortized in level annual installments over fifteen (15) years.
 - (4) a fraction, the numerator of which is specified in (A) and the denominator of which is specified in (B).
 - (A) Total contributions required of the withdrawing Employer for the last five (5) Plan Years preceding the Plan Year of withdrawal.
 - (B) Total Employer contributions reported for minimum funding standards or reported on Form 5500 line 14(c) for the five (5) Plan Years ending on the September 30 prior to withdrawal, less contributions included in such total made by Substantial Employers, as defined in subparagraph (i) below, less contributions made by any other Employer to whom a notice of withdrawal liability was sent by the Plan during such five (5) Plan Years.
 - (i) "Substantial Employer" for purposes of (B) shall mean either (I) an Employer that contributed, in any of the five (5) Plan Years ending on the last day of the Plan Year preceding the Plan Year of withdrawal, at least one percent (1%) of total Employer contributions to the Plan for such year, or, if lower, \$250,000; or (II) Employers who are members of a group of Employers covered by a single

collective bargaining agreement, or a group of Employers covered by agreements with a single labor organization, if the required contributions of all members of the group ceased in a Plan Year and the group's aggregate contributions are more than one percent (1%) of the total Employer contributions reported to the Plan during any of the five (5) Plan Years preceding the Plan Year of withdrawal, or, if lower, \$250,000.

- 18.2 The Employer withdrawal liability to be assessed by the Plan's Board of Trustees, as determined under Section 18.1 shall be reduced by the smaller of an amount determined under (a) or (b), with such smaller amount reduced by the amount, if any, by which the unfunded vested liability allocable to the Employer exceeds \$100,000. In no event shall such reduction result in an amount less than zero.
- (a) three-quarters of one percent (0.75%) of the Plan's unfunded vested liability determined as of the last day of the Plan Year preceding the Plan Year of withdrawal.
 - (b) \$50,000.
- 18.3 Determination of the Employer's annual payment amount and schedule, as well as procedures for notification of collection, shall be made in accordance with applicable law.
- 18.4 In the event that the Plan's Board of Trustees assesses withdrawal liability against an Employer and such Employer again makes contributions to the Plan, either one of the following procedures shall be applicable.
- (a) The Employer shall continue to make payments in satisfaction of its withdrawal liability.
 - (b) The Employer shall apply to the Board of Trustees for an abatement of the previously assessed withdrawal liability. Upon the furnishing of such information as required by the Board of Trustees and applicable law and regulations and the furnishing of a bond or an escrow account in an amount at least equal to 70% of the withdrawal liability payments otherwise due, the Board of Trustees shall abate the payment of the Employer's withdrawal liability while the Employer is making contributions to the Plan.
- 18.5 In the event that an Employer again withdraws from the Plan, its withdrawal liability shall be determined in accordance with the provisions of Section 18.1 and the applicable regulations.

ARTICLE XIX

GOVERNING LAW

This Plan shall be governed, construed, and administered according to the laws of the Employee Retirement Income Security Act.

The Board now serving, having reviewed the provisions of the Plan in accordance with Section 14.2, and having adopted and made the changes in the Plan in the form above set forth, have executed this instrument this ____ day of _____, 20__.

MEMBERS OF BOARD OF TRUSTEES

BSA MEMBERS

ISA MEMBERS

SUMMARY OF MATERIAL MODIFICATIONS

THE BOSTON SHIPPING ASSOCIATION – INTERNATIONAL LONGSHOREMEN'S ASSOCIATION PENSION PLAN

This notice, called a "Summary of Material Modifications," advises you of changes in the information present in your Summary Plan Description (sometimes called an "SPD" or "Descriptive Booklet") with respect to the Plan. Please do three things: (1) Read this notice and, if you have any questions, contact the Plan Administrator, (2) Keep this notice with your Summary Plan Description, and (3) Mark the sections of your Summary Plan Description that are affected by this notice so that when you look at those sections of your Summary Plan Description, you will be reminded that the changes described in this notice have occurred.

Effective October 1, 2016, the following changes were made to the Plan:

1. The monthly amount of the retirement benefit for any Participant shall not be less than Six Hundred and Fifty Dollars (\$650.00).
2. In the event of the death of a Participant after the Participant has completed fifteen (15) years of service the Eligible Spouse shall receive one hundred percent (100%) of the Participant's accrued benefit as of the date of his/her death but, in no event, less than Six Hundred and Fifty Dollars (\$650.00) per month.
3. A Participant who retires between October 1, 2016 and May 31, 2017 and who has attained the age of sixty-two (62) and has been credited with at least twenty-five (25) Years of Service shall be entitled to receive a monthly early retirement benefit equal to One Hundred and Fifty Dollars (\$150.00) times the Years of Service credited to the Participant. This election is not valid if the early retirement election is made before October 1, 2016 or on or after June 1, 2017.

The name, address and business telephone number of your Plan Administrator are:

The Boston Shipping Association – International Longshoremen's Association Pension Plan
197 8th Street, Ste. 775
Charlestown, MA 02129-4208
(617) 242-3303

Dated: March 1, 2017