PROCEDURES FOR DETERMINING AND ADMINISTERING QUALIFIED DOMESTIC RELATIONS ORDERS

LOCAL NO. 1 PENSION PLAN (Effective July 1, 2019)[1]

In the case of any Domestic Relations Order ("DRO") received by the Local No. 1 Pension Trust Fund ("Fund") that relates to a Participant's benefits under the Local No. 1 Pension Plan (the "Plan"), as administered by the Board of Trustees of the Fund, its status as a Qualified Domestic Relations Order ("QDRO") under the Internal Revenue Code of 1986, as amended (the "Code"), and the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), shall be determined in the discretion of the Trustees in accordance with the following procedures:[2]

Introduction:

A DRO is any judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or marital property rights to a spouse (including a same-sex spouse), a child or other dependent of the Participant, made under a state domestic relations law (including a community property law), which grants to such "Alternate Payee" the right to receive all or a portion of the Participant's benefit from the Trust Fund in accordance with the terms of the Plan.

A QDRO is a DRO that has been "qualified" by the Plan. A DRO is not enforceable against the Plan (even if executed by a judge) until such DRO has been qualified by the Plan.

There are two acceptable methods of assigning a portion of a Participant's benefit to an Alternate Payee under the terms of the Plan. The first is to award the Alternate Payee a shared interest in the Participant's monthly pension payments received from the Plan. The second is to award the Alternate Payee a separate interest in the Participant's accrued benefit under the Plan. If the Participant is currently in pay status, however, the shared interest method is the only method that may be specified in a DRO.

Finally, if a DRO is qualified prior to the Participant's retirement, then any beneficiary designation on file with the Fund is revoked to the extent that the QDRO is inconsistent with the beneficiary designation. However, the QDRO may specifically name the Alternate Payee as the designated beneficiary. The DRO must separately name the Alternate Payee as the designated beneficiary for purposes of the retirement benefit, the pre-retirement death benefit and the post-retirement death benefit. If a DRO is qualified after the Participant's retirement, and then the beneficiary designation on file with the Fund will remain in effect unless changed by the DRO.

a. Shared Interest Method.

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[1] These Procedures assume that a Participant is a "he" and an Alternate Payee is a "she." Since this may not always be the case, substitute masculine/feminine where and when appropriate.

[2] These Procedures have been incorporated by reference into the terms of the Plan. However, should the terms of these Procedures be inconsistent with the terms of the current Plan document, the terms of the Plan shall always take precedence in determining the rights of the parties.

Under the shared interest method, the DRO grants to the Alternate Payee a share of the monthly benefits that are currently being paid to the Participant or are to be paid to the Participant on a date to be elected by the Participant on or after the Participant's earliest retirement age, as defined below.

If the Alternate Payee predeceases the Participant before or after his benefit commencement date under the Plan, the amount awarded to the Alternate Payee under the DRO shall revert to the Participant

If the Participant predeceases the Alternate Payee prior to or after his benefit commencement date, then no benefits will be payable under the DRO, or continue to be payable pursuant to a DRO, to the Alternate Payee, unless the DRO specifically designates the Alternate Payee as the surviving spouse for purposes of any survivor benefits under the Plan; provided, however, that the Alternate Payee was married to the Participant for at least one year prior to the date of divorce.

If the Participant's benefit is already in pay status under a joint and survivor annuity option and the Alternate Payee is designated and entitled to the surviving spouse benefits, the Alternate Payee shall remain the surviving spouse regardless of whether the Participant remarries at a date after the DRO is qualified.

b. Separate Interest Method.

Under the separate interest method, the DRO awards to the Alternate Payee a portion of the Participant's accrued benefit under the Plan, to be paid to the Alternate Payee as her own separate benefit, on or after the date that the Participant attains his earliest retirement age, as defined below. In other words, the Plan Administrator shall calculate a separate benefit for the Alternate Payee based upon the terms of the DRO, which shall be administered separately from the Participant's remaining benefit under the Plan. Under this separate interest method, the Alternate Payee's assigned benefit will be paid to the Alternate Payee upon written request and will commence on or after the date that the Participant attains his earliest retirement age regardless of (i) when the Participant elects to retire, (ii) the manner in which the Participant elects to receive his remaining benefits under the Plan, or (iii) the date of the Participant's death. Thus, the valuation date that is specified in a DRO to be used to determine the Alternate Payee's assigned benefit must be determinable as of the earlier of the Alternate Payee's effective date (i.e., the Participant's earliest retirement age) or the Participant's benefit commencement date.

The earliest retirement age, as defined in Code Section 414(p)(4)(B) and ERISA Section 206(d)(3)(E)(ii), is the earlier of: (i) the date on which the Participant is entitled to receive a distribution under the Plan, (ii) the later of either the date the Participant reaches age 50, or the earliest date on which the Participant could begin receiving benefits under the Plan if the Participant separated from service with his employer; or (iii) the date the Participant becomes disabled under the terms of the Plan and is entitled to a disability retirement benefit.

The DRO may allow the Alternate Payee to elect any form of benefit payment allowed under the Plan except in the form of a joint and survivor annuity pension providing the Alternate Payee's subsequent spouse survivor benefits. The portion of the Participant's benefit that is awarded to the Alternate Payee will be actuarially adjusted to take into account the Alternate Payee's date of birth and the date that she elects to commence payment of her assigned benefit.

If the Actuarial Present Value (as defined under the Plan) of the Alternate Payee's Pension benefit is less than $5,000 but more than $1,000, the Alternate Payee may elect to receive either a Pension in the form of an annuity or a lump sum amount that represents the actuarial equivalent of the present value of the Pension benefit. If the Actuarial Present Value of the Alternate Payee's Pension is $1,000 or less, then the Alternate Payee will receive a lump sum amount that represents the actuarial equivalent of the present value of that Pension benefit either paid directly to the Alternate Payee or transferred to an eligible retirement plan as that term is defined in Code Section 402(c)(8)(B). The provisions of this paragraph shall not apply to the payment of an Alternate Payee's benefit, once such benefit, or any part of it, has commenced distribution.

If the Participant dies prior to reaching his earliest retirement age, then no survivor benefits will be payable under the DRO, unless the DRO specifically designates the Alternate Payee as the surviving spouse for purposes of any survivor benefits under the Plan. If the Alternate Payee dies before commencing benefits, the amount awarded to the Alternate Payee under the DRO shall revert to the Participant. If the Alternate Payee dies after her benefits commence, no further benefit payments shall be made unless and in accordance with the terms of the Plan and the form of benefit elected by the Alternate Payee.

The DRO should also clearly state whether or not the Alternate Payee is to be designated as the Participant's Beneficiary for purposes of the lump sum death benefit available under Section 3.16 of the Plan, which the Participant may be eligible for if he had monthly contributions made for him under the Plan in the month of his death and in the two months immediately preceding his death.

The Plan's Procedures for Reviewing Domestic Relations Orders

1. To be qualified by the Plan, the Participant, Alternate Payee, or one of their legal representatives must submit a copy of the DRO to the Plan. Immediately upon receipt of a DRO, the Plan Administrator shall:

a. Send the Participant and the Alternate Payee and/or their respective designated legal counsel a notice stating that it has received the DRO together with a copy of these Procedures. If, at the time the Plan receives a DRO with respect to a Participant, there is a QDRO already on file with the Fund Office awarding a portion of that Participant's benefits to another Alternate Payee, then the Plan Administrator shall send the first Alternate Payee a copy of the notice sent with respect to the subsequent DRO.

b. Place a hold on payment of the Participant's benefits under the Plan or, if determinable, amounts that would have been payable to the Alternate Payee for the time period during which a determination would be made as to whether the DRO was a QDRO in accordance with ERISA § 206(d)(3)(H)(i). However, no such hold shall last longer than 18 months. The 18-month period begins on the first date on which a payment would be required to be made under the DRO following receipt of the DRO by the Plan. This is known as the 18-month Protection Period.

Once the Plan receives notice that the Participant is in divorce proceedings and before a DRO is received by the Plan, the Plan Administrator may, in its discretion, place a hold on the payment of Participant's benefits until such time as it is determined whether such benefits could be subject to a DRO in accordance with such divorce proceedings. This hold period may run concurrently with the 18-month Protection Period.

2. The Plan Administrator will determine the "qualified" status of the DRO. A DRO must meet all of the following requirements in order to be qualified as a QDRO:

a. The following identifying information must be included:

- The full and accurate name of the Plan;
- The name, date of birth, social security number and last known mailing address of the Participant;
- The name, date of birth, social security number and current mailing address of the Alternate Payee(s);
- The number of payments or the period to which the DRO applies.

b. The DRO may not:

- Require the Plan to provide any type or form of benefit, or any payment option not otherwise provided under the Plan;
- Require the Plan to provide increased benefits;
- Require the Plan to pay benefits to an Alternate Payee in the form of a qualified joint and survivor annuity for the lives of the Alternate Payee and her subsequent spouse; or
- Require the payment of benefits in a manner which is inconsistent with a previously issued QDRO.

c. The DRO must clearly state the amount of the benefit to be paid to the Alternate Payee. This requirement may be met by: (1) specifying a fixed amount, (2) specifying a percentage of the Participant's benefit, or (3) providing a formula by which the Plan Administrator can determine the amount due to the Alternate Payee as of the Participant's earliest retirement age, if using the separate interest method. Only vested benefits may be assigned to an Alternate Payee.

d. The DRO must clearly state when the Alternate Payee's benefits may commence.

Under the shared interest method, if the Participant is in pay status, the Alternate Payee may begin to receive her assigned benefits as soon as administratively feasible after the DRO is qualified by the Plan. If the Participant is not in pay status and the shared interest method is applied, the Alternate Payee will begin to receive her assigned benefits upon the date that the Participant elects to begin receiving his benefits under the Plan.

Under the separate interest method, the Alternate Payee's assigned benefits may commence on or after the date of the Participant's attainment of his earliest retirement age (as defined above) or such later date as the Alternate Payee may elect, but no later than the Participant's Required Beginning Date (as defined under the Plan).

e. The DRO must clearly state the period of time that the order will remain in effect.

Under the shared interest method, distribution of the benefits assigned to the Alternate Payee shall be made in the same periodic intervals as payments are being made, or will be made, to the Participant. Distribution of benefits assigned shall be made in accordance with the terms of the DRO. For example, the DRO could be drafted to provide the Alternate Payee with a benefit to cover a specific purpose (e.g., child care payments) for a set period (e.g., five years) or until a set date.

Under the separate interest method, the period of time that the DRO is in effect is determined by the form in which the Alternate Payee's benefit is payable under the terms of the DRO. The DRO may permit the Alternate Payee to elect any form of benefit permitted by the Plan, except a joint and survivor annuity pension. Generally, the only other form of benefit payment available is a monthly benefit for life, or a small lump sum cash-out, if applicable.

3. If the Plan Administrator determines that the DRO is qualified, it will notify the Participant and the Alternate Payee (or their designated representatives) of this determination and the manner in which the Plan will apply the QDRO.

If the DRO is determined not to be a QDRO, the Plan Administrator shall notify both the Participant and the Alternate Payee (or their designated representatives) of this determination. This notice will provide the reason why the order is not a QDRO, references to the Plan provisions on which the determination was made, and a description of any additional material information or modifications necessary for the DRO to be a QDRO.

In order for the Participant and/or the Alternate Payee to designate a representative to receive notifications on his or her behalf, the Fund must receive written notice of such designation by the Participant and/or the Alternate Payee.

4. In the event that the Plan receives a court-entered DRO pertaining to a Participant who is in pay status, the Plan Administrator will withhold from the Participant's benefit and segregate the amounts that the DRO states shall be awarded to the Alternate Payee for up to 18 months from the date the first payment would be required to be made under the DRO pending

determination of the "qualified" status of the DRO. The Plan Administrator, however, will only withhold and segregate amounts that can be reasonably ascertained from the DRO and the segregation of which would not violate the terms of the Plan or applicable law. The Participant and the Alternate Payee, or their designated representatives, shall be advised of this action on the initial notice provided for in paragraph 1 of these Procedures.

If the DRO is determined to be a QDRO, any withheld amounts will be released to the Alternate Payee and/or Participant upon qualification of the DRO and after receipt of a certified copy of the QDRO, and upon proper written application to the Fund for benefits by the Alternate Payee and/or Participant. If the DRO is determined not to be a QDRO, the Plan Administrator will continue to withhold the Alternate Payee's portion for up to 60 days after notice is given to the parties that the DRO is not qualified. If, within this 60-day period, the parties submit a revised DRO and the Plan Administrator determines that it is qualified, the withheld amounts will be released as provided above. If the parties, within the 60-day period, do not submit a revised DRO or submit a DRO that is determined not to be qualified, the withheld amounts will be released to the Participant upon the earlier of (1) the date the subsequent DRO is determined not to be a QDRO or (2) the expiration of the 60-day period. If the qualified status of a DRO has not been determined within 18 months of the date on which the first payment would be required to be made under DRO, then any amounts withheld pursuant to this paragraph will be released to the Participant. If a modified DRO is received by the Plan after the 60-day period specified above, the Plan Administrator shall send the Participant and the Alternate Payee a notice of the receipt of the order and shall proceed in accordance with these Procedures (starting with paragraph 1 above).

5. In order to commence receiving benefits after a DRO has been entered by a court and qualified by the Plan Administrator, and upon the Participant's attainment of his earliest retirement age (as defined above), the Alternate Payee must request from and submit to the Plan Administrator an application for benefits. The Plan will provide the Alternate Payee an application for distribution when the DRO is "qualified" and again when the Participant either attains his earliest retirement age or applies for benefits, if applicable.

6. In the case of an Alternate Payee who elects to commence her benefit on or following a Participant's Disability Pension commencement date, if the Participant ceases to be totally and permanently disabled in accordance with the terms of the Plan, any benefit being paid to the Alternate Payee shall continue to be paid to her as though the Participant remained totally and permanently disabled.

7. The present value of all benefits will be calculated using the applicable interest rates set forth in the Plan.

8. Notwithstanding anything to the contrary, if any provision in these Procedures is inconsistent with a provision of the Plan, the provision of the Plan shall control.

9. All determinations relating to distributions of benefits under a QDRO, including, but not limited to actuarial equivalence, present value and interest shall be made by the Trustees in a uniform and non-discriminatory manner based upon factors applicable at the time of the determination. The Trustees or, where Trustee responsibility has been delegated to others, such other persons shall, subject to the requirements of the law, be the sole judges of the qualification

of a DRO and the application and interpretation of the Plan, and decisions of the Trustees or their delegates shall be final and binding on all parties.

10. Upon the entry of an order for the dissolution of marriage, the Alternate Payee will no longer be considered the Spouse for purposes of benefits under the Plan and any designation of the Alternate Payee as a Beneficiary of the Participant shall automatically be revoked unless the QDRO specifically provides otherwise.

11. The Plan provides a model QDRO. This model is provided as a sample only. It is intended to assist attorneys in expediting the QDRO approval process. This model does not contain all of the options that may be available and is not intended to suggest or approve any particular division of benefits or form of payment. It is the responsibility of attorneys for the Participant and the Alternate Payee to modify the provisions of this model QDRO to the extent necessary to conform to the intent of the parties and the judgment entered, including the negotiated terms of any settlement agreement.

12. Parties are strongly encouraged to submit proposed DROs to the Plan Administrator for preliminary review before submitting the order to the court for approval. The Plan is not required to administer any DRO until qualified under these Procedures.

13. The Trustees do not sign the DRO. Correspondence from the Plan to the Participant and Alternate Payee regarding the qualification of the DRO shall suffice. Any correspondence from the Plan to a party to the DRO will be copied to the other party and/or their legal representatives.

14. The Trustees would not have any control over a qualified domestic relations order that is transferred to a successor plan. In addition, the Trustees are not aware of any predecessor plans that have been transferred into the Plan.

4831-1129-5647.v1