

**RULES AND REGULATIONS OF THE RESTATED
NATIONAL AUTOMATIC SPRINKLER METAL TRADES PENSION PLAN**

EFFECTIVE JANUARY 1, 2014

(Incorporating all Five Amendments to the Plan Restated through August 2009)

**ARTICLE 1
Definitions**

Section 1.01. Actuarial Equivalent.

“Actuarial Equivalent” means a benefit of equal Actuarial Present Value.

Section 1.02. Actuarial Present Value.

- (a) For Calendar Years beginning before January 1, 2000. The “Actuarial Present Value” of a benefit is determined on the basis of the 1971 Group Annuity Mortality Table with a two-year setback. The interest assumption is equal to the rate promulgated by the Pension Benefit Guaranty Corporation, effective as of the beginning of the Calendar year in which the payment is due to be made, for the valuation of immediate annuities in terminated non-multiemployer pension plans that do not close out under a Notice of Sufficiency.
- (b) Effective on or after January 1, 2000. The “Actuarial Present Value” of a benefit is determined based on the “Applicable Interest Rate” and the “Applicable Mortality Table” as set forth below:
- (1) The “Applicable Mortality Table” for use in the calendar year which contains the Annuity Starting Date is the mortality table described in Revenue Ruling 95-6 or such other table prescribed by the Secretary of the Treasury in accordance with Treas. Reg. §417(e)-1(d)(2). Effective January 1, 2003, the reference to mortality table prescribed in Revenue Ruling 95-6 is to be construed as a reference to the mortality table prescribed in Revenue Ruling 2001-62 for all purposes under the Plan. Effective January 1, 2009, the “Applicable Mortality Table” shall be the mortality table, modified as appropriate by the Secretary of the Treasury, based on the mortality table specified for the Plan Year under subparagraph (A) of Code §430(h)(3) (without regard to subparagraph (C) or (D) of such Section).
- (2) The “Applicable Interest Rate” as defined in Internal Revenue Code §417(e)(3)(A)(ii)(II) is the annualized rate of interest on 30-year Treasury Securities during the month of August preceding the Calendar year that includes the Effective Date of Pension. For purposes of determining the Applicable Interest Rate, the “Stability Period” is the Calendar Year and the “Look Back Period” is five (5) months.
- (c) Transitional Rules. Notwithstanding Section 1.02(a) and (b):
- (1) First Transition Rule.
For the period from January 1, 2000 through October 31, 2000, the “Actuarial Present Value” of a defined benefit is determined based on—
- (A) the assumptions specified in Section 1.02(a);

- (B) the assumptions specified in Section 1.02(b); or
- (C) the Applicable Mortality Table specified in Section 1.02(b)(1) and the annual rate of interest on 30-year Treasury Securities during December 1999 as published by the IRS, whichever set of assumptions would result in the greatest benefit.

(2) Second Transition Rule.

For the period from November 1, 2000 through October 31, 2001, the “Actuarial Present Value” of a benefit is determined based on:

- (A) the assumptions specified in Section 1.02(b); or
- (B) the Applicable Mortality Table in Section 1.02(b)(1) and the annual rate of interest on 30-year Treasury Securities (as published by the IRS) during the month of December preceding the Plan Year when such benefit is payable,

whichever set of assumptions would result in the greater benefit.

Section 1.03. Beneficiary.

“Beneficiary” means a person (other than a Pensioner) who is receiving benefits under this Plan because of his or her designation for such benefits by a Participant or the terms of the Plan. For purposes of Internal Revenue Code §401(a)(9), a “Designated Beneficiary” is an individual who is designated as a Beneficiary in accordance with this Plan and otherwise satisfies the requirements of Internal Revenue Code §401(a)(9) and §1.401(a)(9)-4 of the Treasury Regulations.

Section 1.04. Calendar Year.

“Calendar Year” means the period from January 1 to the next December 31. For purposes of ERISA regulations, the Calendar Year is the vesting computation period, the benefit accrual computation period and, after the initial period of employment, the computation period for eligibility to participate in the Plan.

Section 1.05. Collective Bargaining Agreement.

“Collective Bargaining Agreement” or “Agreement” means any written labor contract by and between a Contributing Employer and the Union which provides for contributions to this Pension Fund with any and all extensions or renewals thereof and successor agreements thereto.

Section 1.06. Continuous Employment.

Two periods of employment are continuous if there is no quit, discharge or other termination of employment between the periods.

Section 1.07. Contributing Employer.

“Contributing Employer” or “Employer” means an “Employer” as defined in the Trust Agreement provided that the Trustees have not, by resolution, terminated the employer’s status as a “Contributing Employer” pursuant to Section 7.04 because the employer has failed, for period of 90 days after the due date, to make contributions to the Fund as provided for in its Agreement.

An employer is not deemed a Contributing Employer simply because it is part of a controlled group of corporations or of a trade or business under common control, some other part of which is a Contributing Employer. In the case of any Employer having more than one place of business, the term “Contributing

Employer” applies only to the place of business specifically covered by the Collective Bargaining Agreement requiring contributions to the Pension Fund.

Section 1.08. Contribution Date.

The term “Contribution Date” means the first date for which a Contributing Employer was or shall be obligated by a Collective Bargaining Agreement to make contributions to the Pension Fund. The “Contribution Date” to be applied to each covered Employee shall be the one applicable to the first Contributing Employer who makes contributions on behalf of the Employee.

Section 1.09. Contribution Period.

“Contribution Period” means the period during which the employer is a Contributing Employer with respect to a unit or classification of employment.

Section 1.10. Covered Employment.

“Covered Employment” means employment of an Employee by an Employer in a category covered by a Collective Bargaining Agreement or other agreement for which the Employer is obligated to contribute to the Fund.

“Covered Employment” does not include employment by an employer after termination, for failure to pay contributions due, of that employer’s status as a Contributing Employer, pursuant to the provisions of Section 7.04.

Section 1.11. Employee.

“Employee” means a person who is an “Employee” as defined in the Trust Agreement. The term “Employee” does not include any self-employed person, sole proprietor or owner of an unincorporated business organization that is a Contributing Employer. The term “Employee” may include a person who is an officer, stockholder, or who is otherwise involved in the management of an Employer if such person performs any work regularly performed by Employees covered by a Collective Bargaining Agreement.

Section 1.12. ERISA

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

Section 1.13. Hour of Service.

An “Hour of Service” is each hour for which an Employee is paid, or entitled to payment, by the Employer(s), directly or indirectly including payments for disability from the National Automatic Sprinkler Metal Trades Welfare Fund, but excluding any time compensated under a worker’s compensation or unemployment compensation law or plan pursuant to a mandatory disability benefits law and excluding any hours of non-work time in excess of 501 in any one continuous period. Two periods of paid non-work time shall be deemed continuous if they are compensated for the same reason (e.g., disability) and are not separated by at least ninety days. (Hours of Service shall be computed and credited in accordance with DOL Regulation §2530.200b).

Section 1.14. Normal Retirement Age.

“Normal Retirement Age” means age 65 or, if later, the age of the Participant on the fifth anniversary of his participation. Participation before a Permanent Break in Service is not counted.

Section 1.15. Participant.

“Participant” means a Pensioner or an Employee who meets the requirements for participation in the Plan set forth in Article 2, or a former Employee who has acquired a right to a pension under this Plan.

Section 1.16. Pension Fund.

“Pension Fund” or “Fund” means the National Automatic Sprinkler Metal Trades Pension Fund established under the Trust Agreement.

Section 1.17. Pension Plan or Plan.

“Pension Plan” or “Plan” means this document as adopted by the Trustees and as thereafter amended by the Trustees.

Section 1.18. Pensioner.

“Pensioner” means a person to whom a pension under this Plan is being paid or to whom a pension would be paid but for time for administrative processing or suspension of benefits.

Section 1.19. Trust Agreement.

“Trust Agreement” means the Agreement and Declaration of Trust establishing the National Automatic Sprinkler Metal Trades Pension Fund made and entered into on November 19, 1973, and as thereafter amended and restated.

Section 1.20. Trustees.

“Trustees” means the individuals serving as members of the Board of Trustees as established and constituted from time to time in accordance with the Trust Agreement.

Section 1.21. Union.

The term “Union” or “Local Union” means a “Union” as defined in the Trust Agreement.

Section 1.22. Other Terms.

Other terms are specifically defined as follows:

<u>Term</u>	<u>Section(s)</u>
(a) Break in Continuity	6.06(c)
(b) Break in Service (One-Year Break in Service, Permanent Break in Service)	4.06
(c) Collectively Bargained Employee	10.01(a)
(d) Compensation	6.18(k)
(e) Date of Disability	3.09(d)
(f) Determination Date	11.02(c)
(g) Disability Pension	3.09
(h) Direct Rollover	6.05(j)(4)
(i) Disqualifying Employment	6.08(a)(1), (b)(1)
(j) Distributee	6.05(j)(3)
(k) Early Retirement Pension	3.05, 3.06
(l) Effective Date	3.09(e), 6.05(b)

(m)	Election Period	6.05(b)
(n)	Eligible Retirement Plan	6.05(j)(2)
(o)	Eligible Rollover Distribution	6.05(j)(1)
(p)	Highly Compensated Employee	10.01(d)
(q)	Husband-and-Wife Pension	5.01
(r)	Key Employee	11.02(a)
(s)	Limitation Year	6.18(j)
(t)	Non-Collectively Bargained Employee	10.01(b)
(u)	Non-Key Employee	11.02(b)
(v)	Partial Pension	8.01, 8.02
(w)	Pension Credit	4.02, 4.04
(x)	Permissive Aggregation Group	11.02(e)
(y)	Preretirement Surviving Spouse Pension	5.03
(z)	Qualified Spouse	5.01(d)
(aa)	Regular Pension	3.03; 3.04
(bb)	Required Aggregation Group	11.02(d)
(cc)	Required Beginning Date	6.17(a)(1)(D)
(dd)	Retired or Retirement	6.07
(ee)	Spouse	5.01(c)
(ff)	Top Heavy Compensation	11.02(f)
(gg)	Top Heavy Group	11.02(h)
(hh)	Top Heavy Plan	11.02(g)
(ii)	Totally and Permanently Disabled	3.09(d)
(jj)	Vested Pension	3.07; 3.08
(kk)	Vested Status	6.10
(ll)	Year of Vesting Service	4.05

ARTICLE 2 Participation

Section 2.01. General.

The Pension Plan was established to provide retirement benefits for Employees who are represented for the purpose of collective bargaining by the Union. The participation by Employees of an Employer becomes effective when the group is accepted for participation by the Trustees.

Section 2.02. Participation.

An Employee who is engaged in Covered Employment during the Contribution Period becomes a Participant in the Plan following acceptance of the Contributing Employer by the Trustees and completion of a 12 consecutive month period during which the Participant completed at least 950 hours in Covered Employment. Once an Employee becomes a Participant, the provisions of this Plan give him credit in accordance with the rules of the Plan for some or all of his service before he became a Participant.

The required hours may also be completed with any Hours of Service in other employment with an Employer if that other employment is Continuous with the Employee's Covered Employment with that Employer.

Section 2.03. Termination of Participation.

A person who incurs a One-Year Break in Service (defined in Section 4.06) ceases to be a Participant as of the last day of the Calendar Year that constituted the One-Year Break, unless such Participant has the right to an immediate or deferred pension (other than for disability).

Section 2.04. Reinstatement of Participation.

An Employee who has lost his status as a Participant in accordance with Section 2.03 becomes a Participant again by meeting the requirements of Section 2.02 in any period of 12 consecutive months on the basis of Hours of Service after the Calendar Year during which his participation terminated. However, in the case of a non-vested Employee who has not had a Permanent Break in Service under Section 4.06(c), that Employee becomes a Participant again when he completes at least 950 hours of Covered Employment within a consecutive 12-month period measured from the date of his re-employment in Covered Employment. Participation will be retroactive to the date of the Employee's re-employment in Covered Employment.

ARTICLE 3
Pension Eligibility and Amounts

Section 3.01. General.

This Article sets forth the eligibility conditions and benefit amounts for the pensions provided by this Plan. The accumulation and retention of Pension Credits for eligibility are subject to the provisions of Article 4. The benefit amounts are subject to reduction on account of the Husband-and-Wife Pension (Article 5). Entitlement of an eligible Participant to receive pension benefits is subject to his Retirement and application for benefits, as provided in Article 6.

Eligibility depends on Pension Credits, which are defined in Section 4.02 and 4.04, (and are based on creditable service both before and after the Contribution Date) or Years of Vesting Service, which are defined in Section 4.05. The amount of a Participant's pension is computed in accordance with Section 6.06.

Section 3.02. Benefit Plan A and Plan B.

(a) The following Plans of benefits are established:

Plan A: Applies to Employees of Contributing Employers as of January 1, 1979, who were accepted by the Board of Trustees into the Plan prior to January 1, 1979.

Plan B: Applies to Employees of Employers who were accepted or re-accepted by the Board of Trustees into the Plan on or after January 1, 1979.

(b) Plan Transfers - Effective January 1, 1982, Employees of Employers contributing to Plan B as of that date who had been accepted or re-accepted by the Board of Trustees into Plan B prior to January 1, 1981 are transferred to Plan A.

Plan Transfers - Effective January 1, 1984, Employees of Employers contributing to Plan B as of that date who had been accepted or re-accepted by the Board of Trustees into Plan B prior to January 1, 1983 are transferred to Plan A.

(c) At Retirement, an Employee's Pension Credit is determined as follows:

(1) All Pension Credit earned with an Employer who is contributing to Plan A or who last contributed to Plan A, will be determined under the provisions of Plan A at the time of the last contribution on the Employee's behalf.

(2) All Pension Credit earned with an Employer who is contributing to Plan B or who last contributed to Plan B, will be determined under the provisions of Plan B at the time of the last contribution on the Employee's behalf.

These provisions are subject to the calculation rules in Section 6.06. Pension Credits cannot be downgraded from Plan A to Plan B if Pension Credits were earned under Plan A.

(d) Effective January 1, 1995, if the contributions requirement established by the Trustees for Plan A is increased, Employees of each Plan A Employer will thereafter accrue benefits under Plan B unless and until the Collective Bargaining Agreement of the Employee's Employer is amended to provide for the required Plan A contribution. Where an Employer's Collective Bargaining Agreement is not amended to provide for payment of the required Plan A contributions, that Employer will automatically become a Contributing Employer in Plan B. Each Employee will retain all benefits

accrued during participation in Plan A, including the early retirement eligibility requirements and adjustment factor on those benefits.

Section 3.03. Regular Pension - Eligibility.

A Participant may Retire on a Regular Pension if he meets the following requirements:

- (a) he has attained age 65; and
- (b) he has at least ten (10) Pension Credits, three (3) of which are during the Contribution Period.

Section 3.04. Regular Pension – Amount.

The amount of the Regular Pension for a Participant will be the sum of the amounts under plan A and Plan B as follows, subject to the provisions of Sections 3.02 and 6.06:

(a) Plan A

- (1) Effective January 1, 1990, for all Pension Credits earned under Plan A, the amount will be \$23.00 for each Pension Credit earned prior to the Contribution Date and \$24.44 for each Pension Credit earned on or after the Contribution Date and prior to January 1, 1990. The amount will be \$20.50 for each Pension Credit earned on or after the Contribution Date and on or after January 1, 1990.
- (2) For all Participants who earned at least 2/10 of a Pension Credit after December 31, 1996, but did not earn at least 2/10 of a Pension Credit after December 31, 1997, the amount of the Pension Credits earned under Plan A on or after the Contribution Date and prior to January 1, 1997 will be \$24.44. The amount will be \$20.50 for each Pension Credit earned on or after the Contribution Date and on or after January 1, 1997.
- (3) For all Participants who earned at least 2/10 of a Pension Credit after December 31, 1997, the amount of the Pension Credits earned under Plan A on or after the Contribution Date and prior to January 1, 1998 will be \$34.44. The amount will be \$20.50 for each Pension Credit earned on or after the Contribution Date and on or after January 1, 1998.
- (4) For all Participants who earned at least 2/10 of a Pension Credit after December 31, 1998, the amount of the Pension Credits earned under Plan A on or after the Contribution Date and prior to January 1, 1999 will be \$39.00. The amount will be \$20.50 for each Pension Credit earned on or after the Contribution Date and on or after January 1, 1999.

(b) Plan B

- (1) Effective January 1, 1988, for all Pension Credits earned under Plan B, the amount will be \$13.00 for each Pension Credit earned prior to the Contribution Date and \$13.30 for each Pension Credit earned on or after the Contribution Date and prior to January 1, 1990. The amount will be \$12.00 for each Pension Credit earned on or after the Contribution Date and on or after January 1, 1990.
- (2) For all Participants who earned at least 2/10 of a Pension Credit after December 31, 1996, but did not earn at least 2/10 of a Pension Credit after December 31, 1997, the amount of the Pension Credits earned under Plan B on or after the Contribution Date and prior to January 1, 1997 will be \$13.30. The amount will be \$12.00 for each Pension Credit earned on or after

the Contribution Date and on or after January 1, 1997.

- (3) For all Participants who earned at least 2/10 of a Pension Credit after December 31, 1997, the amount of the Pension Credits earned under Plan B on or after the Contribution Date and prior to January 1, 1998 will be \$20.30. The amount will be \$12.00 for each Pension Credit earned on or after the Contribution Date and on or after January 1, 1998.
- (4) For all Participants who earned at least 2/10 of a Pension Credit after December 31, 1998, the amount of the Pension Credits earned under Plan B on or after the Contribution Date and prior to January 1, 1999 will be \$23.00. The amount will be \$12.00 for each Pension Credit earned on or after the Contribution Date and on or after January 1, 1999.

(c) Benefit rates for terminated Employees are stated in the Summary Plan Description.

Section 3.05. Early Retirement - Eligibility.

A Participant may Retire on an Early Retirement Pension if he meets the following requirements:

- (a) he has attained age 55; and
- (b) he has at least ten (10) Pension Credits, three (3) of which are during the Contribution Period.

Section 3.06. Early Retirement Pension – Amount.

The monthly amount of the Early Retirement Pension is the amount of the Regular Pension reduced as follows:

- (a) For pension benefits earned under Plan A, the amount of the reduction will be one-fourth of one percent (1/4 of 1%) for each month by which the commencement of the pension precedes the month the Participant will attain age 62.
- (b) For amounts of pension benefit earned under Plan B, the amount of the reduction will be one half of one percent (1/2 of 1%) for each month by which the commencement of the pension precedes the month the Participant will attain age 65.

Section 3.07. Vested Pension - Eligibility.

A Participant has the right to a Vested Pension at his Normal Retirement Age if he has credit for at least ten (10) years of Vesting Service during the Contribution Period.

Effective January 1, 1989, for Participants who earn one or more Hours of Service on or after January 1, 1989 in Covered Employment not covered by a Collective Bargaining Agreement, a Participant will have the right to a Vested Pension at his Normal Retirement Age if he has credit for at least five (5) years of Vesting Service during the Contribution Period which has not been canceled by a Permanent Break in Service.

Effective January 1, 1997, an individual who completes more than one Hour of Service on or after January 1, 1997 has the right to a vested Pension at his Normal Retirement Age after he completes at least five (5) Years of Vesting Service during the Contribution Period, excluding Years of Service that are not taken into account because of a Permanent Break in Service determined after the application of this provision.

Section 3.08. Vested Pension - Amount.

The amount of Vested Pension is the same as the Regular Pension.

Section 3.09. Disability Pension - Eligibility and Commencement.

A Participant may Retire on a Disability Pension if:

- (a) he has at least ten (10) Pension Credits, three (3) of which are during the Contribution Period, and
- (b) he becomes Permanently and Totally Disabled as defined in (d) below, and
- (c) he worked in Covered Employment for at least 950 total hours in the period that consists of the Calendar Year in which he became Permanently and Totally Disabled and the previous Calendar Year.
- (d) A Participant is Permanently and Totally Disabled upon determination by the Social Security Administration that he is entitled to a Social Security Disability benefit under Title II of the Social Security Act (Federal Old Age, Survivor's and Disability Insurance Benefits) for a permanent disability. The Date of Disability for purposes of this Plan shall be the Date of Entitlement stated on the Participant's Social Security Award. The Trustees may periodically require the Participant to provide evidence of his continued entitlement to Social Security Disability Benefits for a permanent disability.
- (e) The Effective Date of the Disability Pensions is the first day of the month following the receipt of the Participant's Application.

Section 3.10. Disability Pension and Early Retirement Pension.

A Participant who has made application for a Disability Pension and who is awaiting determination of his total and permanent disability by the Social Security Administration may make application for an Early Retirement Pension and, if otherwise eligible, begin receiving an Early Retirement Pension. If the Participant subsequently receives a Social Security Award of Total and Permanent Disability with an entitlement date within two years of the Effective Date of the Early Retirement Pension, forwards the Social Security Award to the Fund office within ninety (90) days of receipt, and otherwise qualifies for a Disability Pension, the Participant will be entitled to the difference between the amount of the Disability Pension payable from this Fund and the benefits received, beginning as of the later of the effective date of the Social Security Award or the date of application for a Disability Pension.

Section 3.11. Disability Pension - Amount.

- (a) The monthly amount of the Disability Pension is the same as the Regular Pension. A Disability Pension is determined based on the Plan in effect on the last day of Covered Employment. Any periods of Covered Employment after the Effective Date (but prior to approval of the benefit by the Trustees), which constitute Pension Credit under the terms of this Plan, is counted for eligibility and benefit purposes; however, no payment will be made for any month after the Effective Date during which the Participant engaged in Covered Employment. The provisions of Section 6.06 will apply to the calculation of any benefit.
- (b) Where the Date of the Entitlement to Social Security Benefits is prior to the Effective Date of the Disability Pension, the benefit payment for the first month of the pension will be equal to the monthly benefit amount stated above in this Section 3.11 plus an additional amount equal to the monthly benefit amount times the number of months between the Effective Date and the Date of Entitlement; provided, however, that if the Pension Application is received by the Plan more than 60 days after the receipt by the Participant of the Social Security Disability Award, the additional amount added to the first monthly benefit will not exceed the monthly benefit amount multiplied by nine (9).

Section 3.12. Termination of Disability Pension.

- (a) A Disability Pension will terminate before age 62:
 - (1) if a Disability Pensioner loses entitlement to Social Security Disability benefits or recovers from a disability. The Disability Pensioner must report his recovery or loss of entitlement in writing to the Trustees within 21 days of either the date of his recovery or the date he receives notice from the Social Security Administration concerning his loss of entitlement;
 - (2) if the Disability Pensioner engages in any regular gainful occupation or employment for remuneration or profit except such employment as is determined by the Trustees to be for purposes of rehabilitation. The Trustees may temporarily terminate the benefit of a Disability Pensioner for up to three (3) months to enable the Pensioner to return to any employment, whether or not for purposes of rehabilitation, on a trial basis. Any provisions of the pension regarding benefits following the death of the Pensioner remain effective until notification by the Trustees of the permanent termination of disability benefits.
 - (3) if the Trustees determine on the basis of a medical examination that the Disability Pensioner has sufficiently recovered to return to any gainful employment; or
 - (4) if the Disability Pensioner refuses to undergo a medical examination ordered by the Trustees.
- (b) In the event a Disability Pension is terminated, the former Disability Pensioner may, if otherwise eligible, convert the pension to an Early, Regular or Vested Pension. In this event, no options other than those already chosen are available; the Single Life Pension with 36 Month Guarantee in Section 5.07 applies, if applicable, based upon all payments made after the original Effective Date of the Disability Pension. Any percentage increases in Pensioner benefits granted during the period while receiving a Disability Pension will be applied to the recomputed benefit. The Early Retirement reduction under Section 3.06 in effect when the pension is converted will apply. Such conversion rights will apply until such time as one (1) additional Year of Vesting Service is earned under Covered Employment.

Section 3.13. Non-Duplication of Pensions.

A person is entitled to only one pension under this Plan, except that a Disability Pensioner who recovers may be entitled to a different type of pension. A Pensioner also may receive a pension as the Spouse of a deceased Pensioner.

ARTICLE 4
Pension Credits and Years of Vesting Service

Section 4.01. Purpose.

The purpose of this Article is to define the basis on which Employees accumulate Pension Credit and Vesting Service toward eligibility for a pension. This Article also defines the basis on which Pension Credit and Vesting Service, once accumulated, may be canceled.

Section 4.02. Credit for Employment before the Contribution Period (Past Service Credit).

- (a) Two-year test rule: In order to qualify for Past Service Credit for any years of employment prior to the Contribution Date, an Employee must have earned, from a Contributing Employer, an amount equal to the lesser of 25% of the Social Security base earnings or \$5,000 in each of the two Calendar Years immediately prior to the Calendar Year of the applicable Contribution Date.

However, an Employee who proves, on the basis of medical evidence satisfactory to the Trustees, that his failure to earn the required amount during one of the two Calendar Years was due to total disability need not meet the requirements of this rule; provided, that such Employee had earned the required amount in the other Calendar Year under the conditions set forth above.

In addition, an Employee will not be required to satisfy the two-year test rule if he left employment with a Contributing Employer to enter military service during the two Calendar Years immediately prior to the Calendar Year of his Employer's Contribution Date.

- (b) An Employee who qualifies for Past Service Credit under subsection (a) will be given one year of Past Service Credit for each year of Covered Employment with that first Contributing Employer prior to the Contribution Date in which he earned an amount equal to the lesser of 25% of Social Security base earnings in those years or \$5,000. The maximum of such Past Service Credit for an Employee will be twenty (20).
- (c) As many Collective Bargaining Agreements provide that the first contribution to the Pension Fund will commence on the date other than January 1st, there may be instances when, for the Calendar Year in which the contributions start, the Employee would be entitled to partial Past Service Credit and partial Future Service Credit. For the first Calendar Year in which employer contributions commence on a date other than January 1st, if the Employee earned the lesser of 25% of Social Security base earnings of or \$5,000, he will be given sufficient Past Service Credit so that, together with Future Service Credit for each year, he will receive full credit for the year.
- (d) In making the necessary determination as to Past Service Credit, the Trustees may, in their absolute discretion, consider and rely upon relevant and material evidence, including but not limited to the following:
- (1) Records of employers or the Fund Office.
 - (2) Records of the Social Security Administration.

Section 4.03. Breaks in Employment Prior to the Contribution Date (Past Service).

- (a) General Rule: If an Employee's employment with a first Contributing Employer during the period prior to his Contribution Date was interrupted by two consecutive Calendar Years in which the Employee failed to earn an amount equal to the lesser of 25% of Social Security base earnings or

\$5,000 in each of the two consecutive years, it will be considered a Break in Past Service, and the period preceding such break will not be credited.

(b) Exception on Account of Disability or Military Service:

- (1) An Employee is permitted a grace period if his failure to earn an amount equal to 25% of Social Security base earnings or \$5,000 in a year is due to total disability or service in any of the Armed Forces of the United States, provided the Employee makes himself available for Covered Employment within the time period required under applicable federal law. This grace period is to consist of up to two consecutive Calendar Years if such failure is caused by total disability, during which the Employee failed to earn an amount equal to the lesser of 25% of Social Security base earnings or \$5,000 in a year.
- (2) This grace period is not intended to add to the Pension Credit of the Employee unless otherwise required by the terms of the Plan or applicable federal law. Rather it is a period which is to be disregarded in determining whether there was a period of two consecutive Calendar Years during which the Employee failed to earn an amount equal to the lesser of 25% of Social Security base earnings or \$5,000 in any one of the two consecutive years.
- (3) The Trustees, in their sole discretion, determine whether periods of disability claimed as grace periods hereunder should be granted.

Section 4.04. Credit for Employment during the Contribution Period.

For periods during the Contribution Period, a Participant will be credited with Pension Credits (or Future Service Credit) on the basis of his Hours of Service in Covered Employment on which contributions to the Pension Fund were required to be made in accordance with the following schedule:

<u>Hours</u>	<u>Years of Future Service</u>
Less than 350	None
350 – 549	.2
550 – 749	.3
750 – 949	.4
950 – 999	.5
1000 – 1199	.6
1200 - 1399	.7
1400 – 1549	.8
1550 – 1699	.9
1700 or more	1.0

Section 4.05. Years of Vesting Service.

(a) General Rule.

A Participant will be credited with one (1) Year of Vesting Service for each Calendar Year during the Contribution Period (including periods before he became a Participant) in which he completed at least 950 hours of Service in Covered Employment. This rule is subject to the following subsections.

(b) Additions.

If a Participant works for a Contributing Employer in a job not covered by this Plan and such employment is Continuous with his Employment with that Employer in Covered Employment, His hours of Service in such non-covered job during the Contribution Period after December 31, 1975 shall be counted toward a Year of Vesting Service.

A Participant will not be entitled to credit toward a Year of Vesting Service for years preceding a Permanent Break in Service as defined in Section 4.06.

Section 4.06. Breaks in Service.

(a) General Rule.

If a person has a Break in Service before he has earned Vested Status as defined in Section 6.10 it has the effect of canceling his Plan participation, his previously credited Years of Vesting Service, and his previous Pension Credits. However, a Break in Service may be temporary, subject to repair by a sufficient amount of subsequent service. A longer Break in Service may be a Permanent Break in Service.

(b) One-Year Break in Service.

A person has a One-Year Break in Service if, after any January 1 coincident with or next following his Contribution Date, he fails to earn two-tenths (0.2) of a Pension Credit during a Calendar Year.

(c) Permanent Break in Service after 1975.

(1) A person has a Permanent Break in Service if he has consecutive One-Year Breaks in Service, including at least one (1) after 1975, that equal or exceed the number of years of Vesting Service with which he has been credited.

(2) However, an Employee will not have a Permanent Break in Service after December 31, 1985 until he has at least five (5) consecutive One-Year Breaks in Service.

(3) A person who had accumulated any Future Service Credit before June 1, 1974, but who incurred a Permanent Break in Service, will not lose his Future Service Credit if he earns at least two-tenths (.2) Pension Credits before January 1, 1976, through employment with a Contributing Employer. After January 1, 1976, subsection (b) will be applicable to these Employees.

(d) Leave Under the Family and Medical Leave Act.

An Employee who takes a leave of absence under the terms of the Family and Medical Leave Act will have that period of leave credited towards Vesting Service to the extent required under that Act. Periods of leave provided under the Family and Medical Leave Act will not be counted towards a Break in Service.

(e) Disability Periods.

A person will not incur a Permanent Break in Service during periods for which he supplies evidence of disability to the satisfaction of the Trustees.

(f) Future Service Credit for Non-Working Periods.

An Employee will receive Future Service Credit for certain periods when the Employee is not actually at work in Covered Employment. Periods of absence from Covered Employment are to be credited as if they were periods of work in Covered Employment and at the rate of 35 hours a week for each week an Employee receives a Workers Compensation benefit under a state system up to a maximum of 1,700 hours in any one year and a maximum of 1,700 hours during an Employee's lifetime.

- (g) Solely for the purpose of determining whether a One-Year Break in Service has occurred, the absence of an Employee from Service by reason of (1) her pregnancy, (2) birth of a child of the Employee, (3) placement of a child with the Employee in connection with his or her adoption of the child, or (4) care for such child for a period beginning immediately after such birth or placement, will be credited as hours of Service to the extent that hours of Service would have been credited but for such absence (or, where that cannot be determined, eight hours of Service per day of absence) to a maximum of 501 hours for each such pregnancy, childbirth, or placement. The hours so credited will be applied to the Calendar Year in which such absence begins, if doing so will prevent the Employee from incurring a One-Year Break in Service in that Calendar Year; otherwise they will be applied to the next Calendar Year. The Trustees may require, as a condition for granting such credit, that the Employee establish in a timely fashion and to the satisfaction of the Trustees that the Employee is entitled to such credit. This subsection applies only to absences that begin after December 31, 1985.

Section 4.07 Military Service.

Periods of military service in any of the Armed Forces of the United States will be credited for purposes of this Plan to the extent required under the Military Selective Service Act, as amended, and any other applicable law.

An Employee or former Employee shall be deemed to be working under Covered Employment during a period of qualified military service, within the meaning of Section 414(u) of the Internal Revenue Code, if he returns to Covered Employment within the period specified in those provisions. Based on the duration of the period of military service, and notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Internal Revenue Code and the Uniformed Services Employment and Reemployment Rights Act (USERRA).

For purposes of Section 5.03 (Pre-Retirement Surviving Spouse Pension) an Employee or former Employee who dies as a result of qualified military service on or after January 1, 2007, shall be treated as having died while actively engaged in Covered Employment. The designated Beneficiary or surviving Qualified Spouse shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan determined as if the Employee or former Employee had resumed working in Covered Employment and then terminated Covered Employment on account of death.

ARTICLE 5
Husband-and-Wife Pension and Other Forms of Benefits

Section 5.01. Husband-and-Wife Pension: General.

- (a) If the Effective Date of a pension payable to a married Participant is after December 31, 1984, the benefit is to be paid as a Husband-and-Wife Pension unless:
 - (1) the Participant and Spouse elect otherwise in accordance with Section 5.02(e); or
 - (2) the Spouse is not a Qualified Spouse as defined below; or
 - (3) the benefit is payable only in a single sum, under Section 6.05(a).
- (b) A Preretirement Surviving Spouse Pension is payable as described in this Article when a married Participant (1) dies after August 22, 1984 but before his pension payments have started, (2) has attained Vested Status, and (3) has at least one (1) Hour of Service (including paid leave) after August 22, 1984.
- (c)
 - (i) For purposes of this Plan, a Spouse is a person to whom a Participant is considered married under applicable law and, if and to the extent provided in a Qualified Domestic Relations Order as defined in ERISA, a Participant's former Spouse. Notwithstanding the foregoing and applicable law, an individual of the same sex as a Participant shall not be treated as the Participant's spouse for the purposes of this Plan.
 - (ii) Effective June 26, 2013, for purposes of this Plan, a Spouse is a person to whom a Participant is considered married under applicable law or, if and to the extent provided by a Qualified Domestic Relations Order as defined in ERISA, a Participant's former Spouse. An individual of the same sex as a Participant will be considered the Participant's Spouse for purposes of this Plan if the marriage was legally performed in a jurisdiction that recognizes same-sex marriage.
- (d) To be eligible to receive the survivor's pension in accordance with a Husband-and-Wife Pension or a Preretirement Surviving Spouse Pension, the Spouse must be a "Qualified Spouse". A Spouse is a Qualified Spouse if the Participant and Spouse were married throughout the year ending with the date the Participant's pension payments start or, if earlier, the date of death. A spouse is also a Qualified Spouse if the Participant and Spouse became married within the year immediately preceding the date the Participant's pension payments start and they were married for at least a year before his death.

A former spouse is a "Qualified Spouse" if the couple has divorced after being married for at least twelve months and the former spouse is required to be treated as a Spouse or a surviving Spouse under a Qualified Domestic Relations Order.

Section 5.02. Husband-and-Wife Pension at Retirement.

- (a) Effective January 1, 1985, the pension of a Participant who is married to a Qualified Spouse on the date his pension payments start will be paid in the form of a Husband-and-Wife Pension, unless a valid waiver of that form of payment has been filed with the Plan. This includes a Disability Pension that is payable.
- (b) A Husband-and-Wife Pension means that the Participant will receive an adjusted monthly amount for life and, if the Participant dies before his Qualified Spouse, the latter will receive a monthly benefit for her lifetime of 50% of the Participant's adjusted monthly amount. The Participant's monthly amount

will be a percentage of the full monthly amount otherwise payable as a single life pension (after adjustment, if any, for early retirement) as follows:

- (1) If the Participant's pension is not a Disability Pension, the percentage will be 89% plus 0.4% for each full year that the Spouse is older than the Participant and minus 0.4% for each full year that the Spouse is younger than the Participant; provided, however, that the resulting percentage may not be greater than 99%.
 - (2) If the Participant's pension is a Disability Pension, the percentage will be 79% plus 0.4% for each full year that the Spouse is older than the Participant and minus 0.4% for each full year that the Spouse is younger than the Participant; provided, however, that the resulting percentage may not be greater than 88%.
- (c) A Husband-and-Wife Pension, once payments have begun, may not be revoked nor the Pensioner's benefits increased by reason of subsequent divorce or death of the Spouse before that of the Participant.
- (d) A retiring Participant and Spouse shall be advised by the Trustees of the effect of payment on the basis of the Husband-and-Wife Pension, including a comparison of the full single life pension amount and of the adjusted amount.
- (e) The Husband-and-Wife Pension may be rejected in favor of another form of distribution (or a previous rejection may be revoked) only as follows:
- (1) The Participant must file the rejection in writing in such form as the Trustees may prescribe. The Participant's Spouse must acknowledge the effect of the rejection and must consent to it in writing. The Spouse must also consent to a specified Beneficiary or Beneficiaries and to a specified optional benefit form. The Spouse's consent must be witnessed by a Notary Public. The Participant may not subsequently change the designated Beneficiary or Beneficiaries or the optional benefit form without the consent of the Spouse, or
 - (2) The Participant must establish to the satisfaction of the Trustees that a rejection is not required because:
 - (A) the Participant is not married;
 - (B) the Spouse whose consent would be required cannot be located; or
 - (C) consent of the Spouse cannot be obtained because of extenuating circumstances, as provided in IRS regulations.
 - (3) To be timely, a rejection of the Husband-and-Wife Pension and any required consent must be filed within the Election Period defined in Section 6.05(b). To be valid, such a rejection must be made after the Participant and Spouse have been provided with information which includes a general explanation of the Husband-and-Wife Pension, the circumstances in which it will be provided unless the Participant and Spouse elect otherwise, the availability of such an election, the estimated effect of the Husband-and-Wife Pension and the eligibility conditions and other material features of the optional forms of benefits provided under the Plan including the relative values of the optional forms. The Participant and Spouse may revoke a previous rejection or file a new rejection at any time during the Election Period and after the receipt of the information referred to in this subsection.

- (4) A Spouse's consent to a rejection shall be effective only with respect to that Spouse.
- (f) If the Husband-and-Wife Pension would be payable except for the fact that the Spouse is not a Qualified Spouse on the date the Participant's pension payments start because the Participant and Spouse have not been married for at least a year at that time, pension payments to the Participant shall be made in the amount adjusted for the Husband-and-Wife Pension and if the Participant and Spouse have not been married to each other for at least a year before the death of the Participant, the difference between the amounts that had been paid and the amounts that would have been paid if the monthly amount had not been adjusted shall be paid to the Spouse, if then alive, and otherwise to the Participant's designated Beneficiary.

Section 5.03. Preretirement Surviving Spouse Pension.

- (a) If a Participant who has a Qualified Spouse dies before his pension payments start but at a time when he had attained Vested Status, a Preretirement Surviving Spouse Pension will be paid to his surviving Qualified Spouse.
- (b) A Spouse is a Qualified Spouse for the purposes of this Section if the Participant and Spouse have been married to each other throughout the year immediately before his death, or if the couple were divorced and the former spouse is required to be treated as a Spouse or surviving Spouse under a Qualified Domestic Relations Order.
- (c) If the Participant described in (a) above died on or after age 55, the surviving Qualified Spouse will be entitled to a lifetime Surviving Spouse Pension determined in accordance with the provisions of Section 5.02 as if the Participant had Retired the day before he died.
- (d) If the Participant in (a) above died before age 55, the surviving Qualified Spouse will be entitled to a Preretirement Surviving Spouse Pension determined as if the Participant had left Covered Employment on the date of his death (or the date he last worked in Covered Employment, if earlier), survived to age 55, Retired at age 55 on a Husband-and-Wife Pension (Section 5.02) and died the next day. The Preretirement Surviving Spouse Pension begins when the Participant would have attained age 55 had he lived.
- (e) A Qualified Spouse may elect in writing, filed with the Trustees, and on whatever form they may prescribe, to defer commencement of the Preretirement Surviving Spouse Pension until a specified date that is the later of the December 31st of the Calendar Year immediately following the Calendar Year in which the Participant died, the December 31st of the Calendar Year in which the Employee would have attained age 70 ½, or as soon as practicable after the Trustees learn of the death. The amount payable at that time will be determined under subsections (c) and (d) of this Section, except that the benefit will be paid in accordance with the terms of the Plan in effect when the Participant last worked in Covered Employment (unless otherwise specified) as if the Participant had Retired with a Husband-and-Wife Pension on the date before the surviving Spouse's payments are scheduled to start, and died the next day.

Section 5.04. Trustees' Reliance.

The Trustees are entitled to rely on written representations, consents, and revocations submitted by Participants, Spouses or other parties in making determinations under this Article and, unless such reliance is arbitrary or capricious, the Trustees' determinations will be final and binding, and will discharge the Fund and

the Trustees from liability to the extent of the payments made. This means that, unless the Plan is administered in a manner determined to be inconsistent with the fiduciary standards of Part 4 of Title I of ERISA, the Fund will not be liable under this Article for duplicate benefits with respect to the same Participant, or for surviving Spouse benefits in excess of the Actuarial Present Value of the benefits described in this Article, determined as of the Effective Date of the Participant's pension or, if earlier, the date of the Participant's death.

Section 5.05. Continuation of Husband-and-Wife Pension Form.

The monthly amount of the Husband-and-Wife Pension, once it has become payable, will not be increased if the Spouse is subsequently divorced from the Pensioner or if the Spouse predeceases the Pensioner.

Section 5.06. Single Life Pension with 36-Month Guarantee ("Single Life Pension").

- (a) The normal form of benefit payment for unmarried Pensioners is a monthly amount payable for the remainder of the Pensioner's life terminating with the payment for the month in which the Pensioner dies provided that if the Pensioner dies before receiving 36 monthly payments, monthly benefits will continue to be paid to his designated Beneficiary, if any, until 36 total payments have been made to the Pensioner and Beneficiary combined. An unmarried Participant who becomes entitled to receive a pension benefit will receive it in the normal form unless the Participant has filed a timely rejection of that form of payment.
- (b) To be timely, a rejection of the normal form of payment for a single Participant must be filed within the Election Period defined in Section 6.05(b). To be valid, such a rejection must be made after the Participant has been provided with information which includes a general explanation of the normal form of payment, the circumstances in which it will be provided unless the Participant elects otherwise, the availability of such an election, the estimated effect of the normal form of payment and the eligibility conditions and other material features of the optional forms of benefits provided under the Plan including the relative values of the optional forms. The Participant may revoke a previous rejection or file a new rejection at any time during the Election Period and after the receipt of the information referred to in this subsection.
- (c) An unmarried Participant who has rejected the normal form in accordance with subsection (b) shall be entitled to elect to receive his pension benefit in accordance with optional forms of benefits provided in this Article subject to the limitations herein.

Section 5.07. Other Options - General.

For single Participants who formally reject the Single Life Pension with 36 Month Guarantee and those married Participants who formally reject the Husband-and-Wife Pension and in lieu of the amount and form of benefits otherwise commencing at or after the Participant's Effective Date, a Participant and Spouse may elect in writing an optional form of payment as is further provided in the Sections that follow. Each Participant and Spouse will be provided a notification that will include a general description of the eligibility conditions and other material features of the optional forms of benefits provided under the Plan including the relative values of the optional forms in a manner that would satisfy the notice requirements of Code §417(a)(3) and Treas. Reg. §1.417(a)(3)-1. An election of an optional form of payment can only be made if the Husband-and-Wife Pension is rejected by the Participant and Spouse in accordance with Section 5.02(e).

Section 5.08. Joint-Life and Survivorship Option.

(a) 100% Joint Life and Survivorship Option

- (1) An Employee eligible to receive a Regular or Early Retirement benefit may designate a Beneficiary and may elect by written application filed with the Trustees, a Joint-Life and Survivorship Pension providing a reduced monthly retirement benefit to be paid as long as the Employee lives after the Effective Date of his pension, with the further provision that 100% of such reduced monthly retirement benefit will be continued after his death to his surviving Beneficiary during the latter's remaining lifetime. The right to elect this option will not apply to an Employee who Retires on a monthly Disability Benefit provided under Section 3.09.

The election of this option will not be effective until the later of 12 months after the month it is filed with the Trustees or the Effective Date of the Pension. Pension payments may commence prior to the date the option is effective. The reduced benefit will apply as of the Effective Date of the option.

If the Employee or Beneficiary dies before the election becomes effective, the election will be void and the Employee will be treated as though he made no election. The election will remain in effect if the Beneficiary dies after the Effective Date of the option. Once an election has been made and accepted by the Trustees, it cannot be changed or revoked without the consent of the Trustees.

The election of this option automatically waives the payment guarantee provided for in Section 5.07, as of the Effective Date of the option.

- (2) The Participant's monthly amount under this option will be a percentage of the full monthly amount otherwise payable as a Single Life Pension (after adjustment, if any, for early retirement) as follows: 80% minus .6 percentage points for each full year that the Beneficiary's age is less than the Participant's age or plus .6 percentage points for each full year that the Beneficiary's age is greater than the Participant's age; provided, however that the resulting percentage will not be greater than 96 percent.

(b) 75% Joint Life and Survivorship Option (Qualified Optional Survivor Annuity).

- (1) Effective January 1, 2008, an Employee eligible to receive a Regular, Early Retirement or Disability Pension may elect by written application filed with the Trustees, a Joint-Life and Survivorship Pension providing a reduced monthly retirement benefit to be paid as long as the Employee lives after the Effective Date of his pension, with the further provision that 75% of such reduced monthly retirement benefit will be continued after his death to his surviving Qualified Spouse during the latter's remaining lifetime.

- (2) The Participant's monthly amount under this option will be a percentage of the full monthly amount otherwise payable as a Single Life Pension (after adjustment, if any, for early retirement) as follows:

- (A) If the Participant's pension is not a Disability Pension, the percentage will be 84% plus 0.5% for each full year that the Spouse is older than the Participant and minus 0.5% for each full year that the Spouse is younger than the Participant; provided,

however, that the resulting percentage may not be greater than 97%.

- (B) If the Participant's pension is a Disability Pension, the percentage will be 71% plus 0.5% for each full year that the Spouse is older than the Participant and minus 0.5% for each full year that the Spouse is younger than the Participant; provided, however, that the resulting percentage may not be greater than 83%.
- (3) Once payments have begun, the 75% Joint Life and Survivorship Option may not be revoked nor the Pensioner's benefits increased by reason of subsequent divorce or death of the Spouse before that of the Participant.

Section 5.09. 10-Year Guarantee Option.

- (a) Under this option, a Participant eligible to receive a Regular or Early Retirement benefit may elect to receive payment for life in a reduced monthly amount, with the provision that if he dies before receiving 120 monthly payments, payments will be continued to his Beneficiary at such reduced amount until a total of 120 monthly payments has been paid.
- (b) The Participant's monthly amount under this option will be a percentage of the full monthly amount otherwise payable as a Single Life Pension (after adjustment, if any, for early retirement) as follows: 92% plus .5 percentage points for each full year the Participant is younger than age 65 when the pension is first payable or minus 1.0 percentage points for each full year the Participant is older than 65 when the pension is first payable.

ARTICLE 6
Applications, Benefit Payments, Retirement, and
Benefit Suspensions

Section 6.01. Applications.

Except as required by law, as a condition for payment of any benefit from this Plan, an application for the benefit must be made in writing in the form and manner required by the Trustees. Benefit payments will begin as of the "Effective Date" of a pension as defined in Section 6.05(b). An application may be withdrawn at any time before payments begin.

Section 6.02. Information and Proof.

Every claimant for benefits shall furnish, at the request of the Trustees, any information or proof reasonably required to determine his benefit rights. If the claimant makes a willfully false statement material to his application or furnishes fraudulent information or proof material to his claim, benefits not Vested under this Plan (as defined in Section 6.10) may be denied, suspended, or discontinued. The Trustees shall have the right to recover, through legal proceedings, any benefits paid in reliance on any false statement, information, or proof submitted by a claimant (including withholding of material fact) plus interest and costs without limitation by recovery through offset of benefit payments as permitted by this Article. If a Participant is otherwise entitled to benefits despite any false statement, any amounts paid in reliance on the false statements shall be deemed as an advance of future benefits, and shall be recoverable through offset of benefits which become payable in the future, including any benefits payable to a Participant's Beneficiary or estate.

Section 6.03. Action of Trustees.

The Trustees shall, subject to the requirements of the law, be the sole judges of the standard of proof required in any case and the application and interpretation of this Plan, and decisions of the Trustees shall be final and binding on all parties.

Wherever in the Plan the Trustees are given discretionary powers, the Trustees shall exercise such powers in a uniform and nondiscriminatory manner. The Trustees shall process a claim for benefits as speedily as is feasible, consistent with the need for adequate information and proof necessary to establish the claimant's benefit rights and to commence the payment of benefits.

Section 6.04. Right to Appeal.

- (a) A Participant whose application for benefits under this Plan has been denied, in whole or in part, or who has received a ruling concerning benefits, Pension Credits or any other matter concerning application of this Plan, is to be provided with adequate notice in writing setting forth the specific reasons for such denial or interpretation, and shall have the right to appeal the decision, by written request filed with the Trustees within 180 days after receipt of such notice. The appeal shall be considered by the Trustees or by a person or committee designated by the Trustees.
- (b) All questions or controversies, of whatsoever character, arising in any manner or between any parties or persons, in connection with this Pension Plan or the administration thereof, whether as to any claim for any benefits preferred by an Employee, Beneficiary or any other person, or whether as to the construction or the language or meaning of the Pension Plan or the Trust Agreement, or as to any writing, decision, instrument or accounts in connection with the operation of the Pension Plan or otherwise, shall be submitted to the Trustees; and the decision of the Trustees shall be binding upon

all persons dealing with the Pension Plan or claiming benefits under the Pension Plan.

Section 6.05. Benefit Payments Generally.

- (a) A Participant who is eligible to receive benefits under this Plan, who Retires as defined in Section 6.07 and who submits an application in accordance with the rules of the Plan will be entitled to receive the pension benefits provided subject to the provisions of the Plan. If the present value of the pension payable is more than \$5000, the Participant will be entitled to receive monthly benefits for the remainder of his life. If the present value of the pension is \$5000 or less, the Participant will receive his benefit as a lump sum payment in lieu of a monthly pension.
- (b) (1) Election Period. For purposes of this Section and Section 5.02, the consent of the Participant and the Participant's Spouse, if applicable, must be in writing and within the "Election Period". The "Election Period" begins 180 days before the Pension Effective Date and, except as provided in (4) below, ends on the Effective Date and after the explanation of the optional forms of benefit and other information has been provided to the Participant and Spouse, if applicable, in accordance with Section 6.05(a)(2). In the case of a Retroactive Effective Date, the Election Period begins 180 days before the actual date of distribution of benefits and ends on the actual date of distribution of benefits and after the explanation of the optional forms of benefit and other information has been provided to the Participant and Spouse, if applicable, in accordance with Section 6.05(a) or 5.02 (e)(3).
- (2) Effective Date. The Effective Date of a Participant's Pension is the first day of the first calendar month beginning after the Participant has fulfilled all the conditions for entitlement to benefits including receipt by the Trustees of a written application for benefits in accordance with Section 6.01. The Effective Date will not be later than the Required Beginning Date. Benefits will be paid as of the Effective Date. Except as provided in (4) below, the Effective Date will be no sooner than thirty (30) days after the applicable information is supplied to the Participant and Spouse, if applicable.
- (3) Retroactive Effective Date. Notwithstanding any other provision of this Plan to the contrary, the applicable information may be supplied after the Effective Date with payments made as of a Retroactive Effective Date subject to the following requirements:
- (A) The Retroactive Effective Date is not before the date on which the Participant could otherwise have started receiving benefits under this Plan;
 - (B) The Retroactive Effective Date used to calculate the retroactive benefit payment will not precede the actual date of distribution by more than six months;
 - (C) A Retroactive Effective Date will not be used to calculate a lump sum distribution or other optional form of benefit that is subject to the present value calculation requirements under §417(e)(3) of the Internal Revenue Code;
 - (D) A Participant eligible for a retroactive benefit payment under this section, must elect to have his or her benefit calculated as of the Retroactive Effective Date, subject to any applicable limitations, instead of the Effective Date;
 - (E) The Participant's Spouse, if applicable must consent to the election of the Retroactive Effective Date to the extent required by §417 of the Internal Revenue

Code and any regulations thereunder. The Participant's Spouse for purposes of consent to this election will be the Spouse on the actual date of distribution of benefits and the consent of the spouse as of the Retroactive Effective Date, if different, will not be required unless otherwise provided in a Qualified Domestic Relations Order;

- (F) A Participant who elects to receive benefits based on a Retroactive Effective Date will receive future benefit payments that are the same as the future benefit payments that would have been paid had the payments actually commenced on the Retroactive Effective Date. In addition, the Participant will receive a make-up payment to reflect any missed payments for the period from the Retroactive Effective Date to the date of the make-up payment plus interest from the date the missed payment(s) would have been made to the date of the actual make-up payment.

Except as provided in (4) below, in the case of a Retroactive Effective Date, the actual date of distribution of benefits will be no sooner than thirty (30) days after the applicable information is supplied to the Participant and Spouse, if applicable.

- (4) The Effective Date, or in the case of a Retroactive Effective Date, the actual date of distribution of benefits may be before the end of the thirty (30) day period after the applicable information is supplied if all of the following requirements are met:

- (A) The Participant and Spouse, if applicable, are provided with information about their right to have at least thirty (30) days to consider the available payment options and whether to consent to payment;
- (B) The Participant and Spouse, if applicable, are permitted to revoke any election until the Effective Date of Benefits, or if later, at any time prior to the expiration of the seven (7) day period that begins the day after the explanation of available payment options and other information is provided to the Participant, and Spouse, if applicable, provided that such information is provided before the Effective Date;
- (C) In the case of a Retroactive Effective Date, the Participant and Spouse, if applicable, are permitted to revoke any election at any time prior to the expiration of the seven (7) day period that begins the day after the explanation of available payment options and other information is provided to the Participant, and Spouse, if applicable;
- (D) The actual date of distribution of benefits does not begin before the expiration of the seven (7) day period that begins the day after the explanation of the available benefit payment options is provided to the Participant and Spouse, if applicable; and
- (E) The Participant and Spouse, if applicable, consent in writing to the commencement of payments before the end of that thirty (30) day period.

- (c) A Participant may elect in writing signed by the Participant and filed with the Trustees to receive benefits first payable for a later month, provided that no such election filed on or after January 1, 1984 may postpone the commencement of benefits to a date later than the April 1st following the Calendar Year in which the Participant will reach age 70 ½ unless the Participant remains in Covered

Employment until a later date.

No election filed on or after January 1, 1989 may postpone the commencement of benefits to a date later than the April 1st following the Calendar Year in which the Participant will reach age 70 ½ subject to the rules of §401(a)(9) of the Internal Revenue Code and related regulations.

- (d) Benefit payments will be made as soon as practical after the Participant's Effective Date but, unless the Participant elects otherwise as provided in Section 6.05(b), the payment of benefits will begin no later than the 60th day after the later of the end of the Calendar Year:
 - (1) in which the Participant attains Normal Retirement Age, or
 - (2) in which the Participant terminates his Covered Employment and Retires as that term is defined in Section 6.07 of this Article, or
 - (3) the date the Participant makes a proper application.

However, the Trustees need not make payment before they are first able to ascertain entitlement to, or the amount of, the pension.

- (e) Payment of benefits will include retroactive payment for any months for which the pension is due and payable in accordance with this Section or Section 3.09 of this Plan.
- (f) A pension is payable up to and including the month in which the Pensioner dies unless the pension is being paid in a form that provides for a survivor's pension or for payments to a Beneficiary after the death of the Pensioner.
- (g) Notwithstanding any other provision of this Plan, if the Actuarial Present Value of a benefit payable under the Plan is \$5,000 or less as of the date payment would start, the benefit will be paid in a single sum equal to that value. For this purpose, Actuarial Present Value is determined in accordance with Section 1.02. This subsection does not apply after payment of the Participant's pension has begun.
- (h) A Pensioner or Beneficiary who is entitled to make payments to the National Automatic Sprinkler Metal Trades Welfare Fund for coverage by that plan may authorize in writing a deduction from his monthly pension check of the amount required for medical coverage. Such authorizations are strictly voluntary and may be revoked at any time. Such authorizations shall not be an assignment of benefits in that the Welfare Fund shall have no right enforceable against this Fund to any part of the monthly pension benefit. The Welfare Fund must acknowledge in writing that transfer of these kinds of deductions create no enforceable right in or to any benefit payment, or portion thereof, from this Fund. The deduction and transfer will only be made when or after the money would otherwise be payable to the Pensioner or Beneficiary. These deductions cannot be made unless the Welfare Fund reimburses this Fund the costs of the deductions and transfers.
- (i) Payment of benefits under this Plan to a Beneficiary other than a surviving Spouse that become payable because of a Participant's death will begin no later than one (1) year from the date of death, or if later, as soon as practical after the Trustees learn of the death.
- (j) Notwithstanding any provisions of the Plan to the contrary that would otherwise limit a distributee's election under this Paragraph, a distributee may elect, at the time and in the manner prescribed by the Trustees, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

Effective for survivor benefit applications mailed from the Fund Office on or after September 1, 2007, a Participant's non-spouse Beneficiary may elect, at the time and manner prescribed by the Trustees, to have any portion of an otherwise eligible rollover distribution paid directly to an inherited individual retirement plan as prescribed in paragraph (5) below.

- (1) "Eligible Rollover Distribution":
 - (A) In general, an eligible rollover distribution is any distribution of all or any portion of the benefit of the distributee, except that an eligible rollover distribution does not include any distribution that is one in a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated Beneficiary, or for a specified period of ten (10) years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and the portion of any distribution that is not includible in gross income.
 - (B) Effective for survivor benefit applications mailed from the Fund Office on or after September 1, 2007, and notwithstanding any other provision of this paragraph (1), a distribution described in paragraph (5) shall be an eligible rollover distribution.
- (2) "Eligible Retirement Plan": An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code (including a non-spouse beneficiary's inherited individual retirement plan described in paragraph (5) below), an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code that accepts the distributee's eligible rollover distribution.

Effective for distributions occurring after December 31, 2001, an eligible retirement plan shall also mean an annuity contract described in Section 403(b) of the Code and an eligible plan under Section 457(b) of the Code which is maintained by a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. In addition, this definition of Eligible Retirement Plan shall apply in the case of a distribution to a surviving Spouse or to a Spouse or former Spouse who is the Alternate Payee under a Qualified Domestic Relations Order.

- (3) "Distributee": A distributee includes a Participant or former Participant. In addition, the Participant's or former Participant's surviving Spouse and the Participant's or former Participant's Spouse or former Spouse who is the alternate payee under a Qualified Domestic Relations Order, as defined by section 414(p) of the Code, are distributees with regard to the interest of the Spouse or former Spouse. Effective for non-spouse beneficiary applications

received on or after September 1, 2007, a distributee may be a non-spouse beneficiary who applies for a distribution as described in Section 6.05(j)(1)(B) above.

- (4) “Direct Rollover”: A direct rollover is a payment by the Plan to the Eligible Retirement Plan specified by the distributee.
- (5) Distribution to an inherited individual retirement plan of a deceased Participant’s non-spouse Beneficiary: Effective for survivor benefit applications mailed from the Fund Office on or after July 1, 2009, if, with respect to any portion of a deceased Participant’s distribution from this Plan, a direct trustee-to-trustee transfer is made to an individual retirement plan described in Code Section 408(a) or 408(b) (other than an endowment contract) established for the purposes of receiving the distribution on behalf of an individual who is a designated Beneficiary (as defined by Code Section 401(a)(9)(E)) of the Participant and who is not the surviving Spouse of the Participant—
 - (A) the transfer shall be treated as an eligible rollover distribution;
 - (B) the individual retirement plan shall be treated as an inherited individual retirement account or individual retirement annuity (within the meaning of Code Section 408(d)(3)(C)); and
 - (C) Code section 401(a)(9)(B) (other than clause (iv) thereof) shall apply to such inherited individual retirement plan.

For purposes of this paragraph (5), to the extent provided in rules prescribed by the Secretary of the Treasury, a trust maintained for the benefit of one or more designated Beneficiaries shall be treated in the same manner as a trust of a designated Beneficiary.

- (6) Pursuant to Section 824 of the Pension Protection Act of 2006 and Q&A 1 through 7 of IRS Notice 2008-30 (IRB 2008-12), effective for distributions occurring after December 31, 2007, the Plan will follow a distributee’s election to have an Eligible Rollover Distribution from this Plan paid as a Direct Rollover to a Roth IRA; however, neither the Fund Office nor the Trustees shall be responsible for assuring the distributee is eligible to make a rollover to a Roth IRA under Code Section 408A(c)(3)(B), as amended by Section 824 of the Pension Protection Act of 2006.

Section 6.06. Computation of Benefits.

- (a) The pension to which a Participant is entitled will be determined under the terms of the Plan as in effect at the time the Participant last separates from Covered Employment, subject to Section 6.06(b) and Section 3.09.

A Participant shall be deemed to have separated from Covered Employment on the last day of work which is followed by the failure to earn two-tenths (.2) of credit in one (1) complete Calendar Year.

- (b) The rules of this Section will not apply to changes in the reduction for Early Retirement (Section 3.06) which are determined under the terms of the Plan as in effect on the Effective Date of the pension;

however, a return to Covered Employment by a Pensioner does not change the provisions of Section 3.06 used to calculate benefits attributable to Pension Credits earned prior to the return to Covered Employment.

(c) Break in Continuity.

- (1) If an Employee leaves Covered Employment and incurs a Break in Continuity (i.e., fails to earn two-tenths (.2) of credit during a period of two complete consecutive Calendar Years) and returns to Covered Employment, the portion of his Pension attributable to Covered Employment prior to the Break in Continuity will be computed on the basis of the applicable Rules, Regulations and Rates in effect for Pensioners retiring at the time he left Covered Employment. The portion of his Pension attributable to Covered Employment after the Break in Continuity will be computed on the basis of the Rules, Regulations and Rates in effect at that time.
- (2) A Break in Continuity will occur on the Effective Date of any pension, except that a Disability Pensioner who recovers and, within one year of recovery, returns to Covered Employment prior to his Normal Retirement Age sufficient to earn one additional Year of Vesting Service, will not be considered to have a Break in Continuity.
- (3) A Break in Continuity will not occur during any periods a person is receiving Workers Compensation benefits or periods for which the person supplies evidence of disability to the satisfaction of the Trustees.
- (4) A Break in Continuity will not occur during any periods of service in the Armed Forces of the United States.
- (5) A Break in Continuity will occur for all employees of employers who withdraw from the Plan unless and until they earn sufficient service with another Contributing Employer to cause such Break to be disregarded.

Section 6.07. Retirement.

(a) General Rule.

To be considered Retired, a Participant must have separated from Service with any and all Contributing Employers.

(b) Exception.

A Participant who separates from Service, as provided in subsection (a), will be considered Retired notwithstanding subsequent employment or reemployment after his Normal Retirement Age with a Contributing Employer as long as he works less than 40 hours in any month.

Section 6.08. Suspension of Benefits.

(a) Before Normal Retirement Age.

- (1) A Participant's monthly pension benefit will be suspended for any month in which the Participant is employed in Disqualifying Employment before he has attained Normal Retirement Age. "Disqualifying Employment", for the period before Normal Retirement Age, is any work of the type considered Covered Employment for his Plan, either for a

person, firm or corporation, or employment or self-employment in any category of work in the sprinkler, plumbing or pipefitting industry.

- (2) In addition, a Participant's monthly pension benefit will be suspended for the five (5) consecutive months after any period of one (1) or more consecutive months during which the Participant was engaged in Disqualifying Employment.
- (3) If the Participant fails to notify the Plan of employment that may be the basis for suspension of benefits under paragraph (1), in accordance with the notification requirements of subsection (d), or willfully misrepresents to the Plan with respect to Disqualifying Employment, the Participant's monthly pension benefit will be suspended for an additional period of six (6) months.
- (4) The Trustees may, for good cause, waive either or both of these additional periods of suspension provided for in subparagraphs (2) or (3). However, benefits will not be suspended for any month after the Participant has attained Normal Retirement Age based on the provisions of subparagraphs (2) or (3).
- (5) The benefits of a Disability Pensioner who returns to employment prior to Normal Retirement Age will not be suspended as provided in this Section, but such Disability Pension may be terminated by the Trustees as provided in Section 3.12.

(b) After Normal Retirement Age.

- (1) If the Participant has attained Normal Retirement Age, his monthly pension benefit will be suspended for any month in which he worked or was paid for at least forty (40) hours in Disqualifying Employment. "Disqualifying Employment" means employment or self-employment that is:
 - (A) in an industry covered by the Plan when the Participant's pension payments began,
 - (B) in the geographic area covered by the Plan when the Participant's pension began, and
 - (C) in any occupation in which the Participant worked under the Plan at any time or any occupation covered by the Plan at the time the Participant's pension payments began. However, if a Participant worked in Covered Employment only in a skilled trade or craft, that is, as a metal trades fabricator, employment or self-employment will be disqualifying only if it is in work that involves the skill or skills of that trade or craft directly or, as in the case of supervisory work, indirectly. In any event, work for which contributions are required to be made to the Plan is Disqualifying Employment.
- (2) The term, "industry covered by the Plan," means the Sprinkler Industry and any other industry in which employees covered by the Plan were employed when the Participant's pension began or, but for suspension under this Article, would have begun.
- (3) The geographic area covered by the Plan is the United States of America including Alaska and Hawaii and any other area covered by the Plan when the Participant's pension began or, but for suspension under this Article, would have begun.
- (4) If a Retired Participant re-enters Covered Employment to an extent sufficient to cause a suspension of benefits, and his pension payments are subsequently resumed, the industry and

area covered by the Plan “when the Participant’s pension began” will be the industry and area covered by the Plan when his pension was resumed.

- (5) For purposes of suspension of benefits, hours include Hours of Service under this Plan as well as service with non-contributing employers. Hours include service for which either direct or indirect compensation or benefit is received by the Pensioner.
- (6) Notwithstanding any provision of the Plan to the contrary, a Participant’s benefits will be suspended after Normal Retirement Age if he continues to work in Covered Employment for which employer contributions to the Plan are required or continues to work in Disqualifying Employment. However, no benefits will be suspended after a Participant’s Required Beginning Date, as defined in Section 6.17.

(c) Definition of Suspension.

“Suspension of benefits” for a month means non-entitlement to benefits for the month. If benefits were paid for a month for which benefits were later determined to be suspended, the overpayment may be recovered through deductions from future pension payments, pursuant to subsection (g), and in accordance with Section 6.03.

(d) Notices.

- (1) Upon commencement of pension payments, the Trustees will notify the Pensioner of the Plan rules governing suspension of benefits, including identity of the industries and area covered by the Plan. If benefits have been suspended and payment resumed, new notification shall, upon resumption, be given to the Participant, if there has been any material change in the suspension rules or the identity of the industries or area covered by the Plan.
- (2) A Pensioner must notify the Plan in writing within 21 days after starting any work of any type that is or may be disqualifying under the provisions of the Plan and without regard to the number of hours of such work (that is, whether or not less than 40 hours in a month). The Trustees will inform all retirees at least once every 12 months of the re-employment notification requirements.
- (3) A Participant whose pension has been suspended must notify the Plan in writing when Disqualifying Employment has ended. The Trustees may hold back benefit payments until such notice is filed with the Plan.
- (4) A Pensioner may ask the Plan whether a particular employment will be disqualifying. The Trustees will provide the Pensioner with their determination.
- (5) The Plan will inform a Participant of any suspension of benefits by notice given by personal delivery or first class mail during the first calendar month in which his benefits are withheld. This notice will include a description of the specific reasons for the suspension, a copy of the relevant provisions of the Plan, reference to the applicable regulation of the U.S. Department of Labor, and a statement of the procedure for securing a review of the suspension.

In addition, the notice will describe the procedure for the Participant to notify the Plan when his disqualifying employment ends. If the Plan will recover overpayments by offset under subsection (g)(2), the suspension notice will explain the offset procedure and identify the amount expected to be recovered and the periods of employment to which they relate.

(6) Notice will be given to all Participants who have not Retired at Normal Retirement Age that benefits may be permanently forfeited for periods of work past Normal Retirement Age to the extent that additional credits earned do not increase the eventual benefit paid to the Actuarial Equivalent of the accrued benefit at Normal Retirement Age.

(e) Review.

A Participant is entitled to a review of a determination suspending his benefits by written request filed with Trustees within 180 days of the notice of suspension.

A Participant also is entitled to a review under the same terms, to a determination by or on behalf of the Trustees that contemplated employment will be Disqualifying Employment.

(f) Waiver of Suspension.

The Trustees may, upon their own motion or on request of a Participant, waive suspension of benefits subject to such limitations as the Trustees in their sole discretion may determine, including any limitations based on the Participant's previous record of benefit suspensions or noncompliance with reporting requirements under this Article.

(g) Resumption of Benefit Payments.

(1) Benefits will resume for months after the last month for which benefits are suspended provided the Participant has complied with the notification requirements of subsection (d)(3) above.

(2) Overpayments attributable to payments made for any month or months for which the Participant had disqualifying employment will be deducted from pension payments otherwise paid or payable subsequent to the period of suspension. A deduction from a benefit after the Pensioner attained Normal Retirement Age will not exceed 25% of the pension amount (before deduction), except that the Plan may withhold up to 100% of the first pension payment made upon resumption after a suspension. If a Pensioner dies before recoupment of overpayments has been completed, deductions will be made from the benefits payable to his Beneficiary or Spouse, subject to the 25% limitation on the rate of deduction if applicable.

Section 6.09. Benefit Payments Following Suspension.

(a) The monthly amount of pension when resumed after suspension will be determined under paragraph (1), and adjusted for any optional form of payment in accordance with paragraphs (2) and (3). Nothing in this Section will be understood to extend any benefit increase or adjustment effective after the Participant's initial Retirement to the amount of pension upon resumption of payment, except to the extent that it may be expressly directed by other provisions of the Plan.

(1) The amount of benefit payable prior to suspension, including any retiree increases, will be increased by an amount equal to the reduction for early Retirement for each month benefits are suspended, not to exceed the total reduction used to calculate the benefit at original Retirement. This result will be added to the benefit attributable to Pension Credits earned during the period of suspension, determined as if it were then being determined for the first time using the benefit rates in effect for the calculation of the original benefit. The reduction for early Retirement will be the reduction(s) used to calculate the benefit prior to suspension for the benefit payable prior to suspension, and the reduction specified in Section 3.06 for

Pension Credits earned during the suspension of benefits.

- (2) The amount determined under the above paragraph will be adjusted for the Husband-and-Wife Pension in accordance with which the benefits of the Participant and any contingent annuitant or Beneficiary are payable.
 - (3) The benefit determined under the provisions of paragraphs (1) and (2) will not be adjusted in any event to an extent that would result in forfeiture of the Participant's Regular Retirement Pension at Normal Retirement Age in violation of §203(a)(3)(B) of ERISA. Following Normal Retirement Age, benefits may be permanently forfeited to the extent that additional credits earned do not increase the benefit to the Actuarial Equivalent of the accrued benefit at Normal Retirement Age.
- (b) A Husband-and-Wife Pension in effect immediately prior to suspension of benefits and any other benefit following the death of the Pensioner will remain effective if the Pensioner's death occurs while his benefits are in suspension, except as specified in this subsection. Survivor benefits will be restored in accordance with Section 5.03(c). Guaranteed benefits under Sections 5.07 or 5.09 will not apply after a Participant re-qualifies for benefits under Section 5.03. In all cases of death while benefits are suspended, penalties in Section 6.08(a)(2) will not apply. If a Pensioner has returned to Covered Employment, he will not be entitled to a new election as to the Husband-and-Wife Pension except if, upon such return, he had sufficient Covered Employment to earn at least three consecutive years of Vesting Service. Guarantees under Sections 5.07 or 5.09 will include all payments subsequent to the first Effective Date of any benefit payment under this Plan.
- (c) Additional Benefits Earned Following Suspension.
- (1) Benefit accruals will not cease and the rate of accrual will not be reduced, because a Participant has reached any age and continues to work in Covered Employment.
 - (2) Benefit increases will apply to reemployed Pensioners to the same extent that they apply to any other Participants who have stopped working in covered service under the Plan for a comparable period for reasons other than Retirement.
 - (3) A Participant's benefits accrued after Normal Retirement Age will be reduced, but not below zero, by the Actuarial Equivalent of the benefits paid to the Participant for the periods in which the additional benefits were accrued. The actuarial assumptions specified in Section 1.02 of the Plan will be used for these calculations.
 - (4) Any additional pension amount earned by a Participant in Covered Employment after Normal Retirement Age will be determined at the end of each Calendar Year and will be payable as of the first month following the end of the Calendar Year in which it accrued, provided payment of benefits at that time is not suspended due to the Participant's continued employment.
 - (5) If a Participant Retires at or after Normal Retirement Age and then returns to Covered Employment, any subsequent benefit accrued will be payable in the benefit form selected at Retirement. With respect to the Single Life Pension with 36 Month Guarantee in Section 5.07, payment of any additional benefit amounts earned after Normal Retirement Age will be guaranteed for 36 months from the date payment of such additional amount commences or would have commenced if it had not been suspended due to the Participant's continued

employment.

- (6) If a Participant Retires before Normal Retirement Age and then returns to Covered Employment, any subsequent benefits accrued will be payable in the benefit form selected following the resumption of the Participant's benefit payments. The requirements of Section 6.05 will apply to such additional benefits.
- (7) If benefit payments are suspended pursuant to Section 6.08(b)(6) of the Plan for a Participant who continues in Covered Employment after Normal Retirement Age without a separation and who does not receive a benefit payment, the commencement of benefit payments following such suspension will be the Effective Date.

Section 6.10. Vested Status or Nonforfeitability.

Vested Status is earned as follows:

- (a) A Participant's right to his Regular Pension is nonforfeitable upon his attainment of Normal Retirement Age, except to the extent benefits are canceled, pursuant to Section 7.04, because the Employer has ceased to contribute to the Plan with respect to the employment unit in which the Participant was employed.
- (b) Before January 1, 1997, a Participant acquires Vested Status after completion of ten (10) Years of Vesting Service for Collectively Bargained Employees or five (5) Years of Vesting Service for Non-Collectively Bargained Employees, excluding Years of Service that are not taken into account because of a Permanent Break in Service.

In addition, an individual who completes more than one (1) Hour of Service on or after January 1, 1997, earns Vested Status after he completes at least five (5) Years of Vesting Service during the Contribution Period, excluding Years of Service that are not taken into account because of a Permanent Break in Service determined after the application of this provision.

Section 6.11. Non-duplication with Disability Benefits.

No pension benefits are payable for any month for which the Participant or Pensioner receives wage indemnification for disability from the National Automatic Sprinkler Metal Trades Welfare Fund. However, this provision is subject to the provisions of Section 6.05.

Section 6.12. Incompetence or Incapacity of a Pensioner or Beneficiary.

If the Trustees determine that a Pensioner or Beneficiary is unable to care for his affairs because of a mental or physical incapacity, any payment due may be applied, in the discretion of the Trustees, to the maintenance and support of such Pensioner or Beneficiary; or to a legal guardian, committee, or other legal representative; or, in the absence of any of them, to any relative of blood or connection by marriage who is determined by the Trustees to be equitably entitled thereto. Any such payment will be completely discharge the Trustees' liability with respect to the benefit.

Section 6.13. Non-Assignment of Benefits.

No Participant, or Beneficiary under this Plan will have the right to assign, alienate, transfer, sell, mortgage, encumber, pledge or anticipate any payments. Payments will not in any way be subject to any legal process to levy, execution upon, or attachment or garnishment proceedings for the payment of any claim against the Participant or Beneficiary. Payments will not be subject to the jurisdiction of any bankruptcy court or

insolvency proceedings by operation of law, or otherwise. However, a Participant's or Beneficiary's benefits may be reduced pursuant to a judgment, order, decree or settlement entered into on or after August 15, 1997 where the Participant has committed a breach of fiduciary duty against the Plan or committed a criminal act against the Plan. Payments may be made by the Fund to an Alternate Payee of a Participant in accordance with the terms of a Qualified Domestic Relations Order.

Section 6.14. No Right to Assets.

No person other than the Trustees of the Pension Fund has any rights, title or interest in any of the income, or property of any funds received or held by or for the account of the Pension Fund, and no person has any right to benefits provided by the Pension Plan except as expressly provided herein.

Section 6.15. Mergers.

In the event of any merger or consolidation with or transfer of assets or liabilities to any other plan, each Participant will receive a benefit immediately after the merger, consolidation or transfer that is equal to or greater than the benefit they would have been entitled to receive immediately before the merger, consolidation or transfer.

Section 6.16. Increases to Retirees.

From time to time, the Trustees may increase benefit payments to Pensioners and Beneficiaries, providing such increases are applied in a uniform and nondiscriminatory manner. Such increases apply only to Pensioners and Beneficiaries whose Effective Date is prior to the effective date of the increase and who have not returned to work under Section 6.07.

The Trustees have adopted the following increases for Pensioners and Beneficiaries with an Effective Date before the effective date of the increase:

- (a) Pensioners and Beneficiaries on the rolls as of December 31, 1996, received a pension increase effective January 1, 1997 in the amount of 2% of the pension benefit in effect as of December 31, 1996.
- (b) Pensioners and Beneficiaries on the rolls as of December 31, 1997, received a pension increase effective January 1, 1998 to the pension benefit in effect as of December 31, 1997 in the amount of \$18.00.
- (c) Pensioners and Beneficiaries on the rolls as of December 31, 1998, received an additional pension benefit payment in the amount of \$525.00.
- (d) Pensioners and Beneficiaries on the rolls as of December 31, 1998, received a pension increase effective January 1, 1999 to the monthly pension benefit in effect as of December 31, 1998 in the amount of \$7.50.

Section 6.17. Required Distributions.

- (a) The requirements of this Section 6.17(a) will take precedence over any inconsistent provisions of the Plan. All distributions under this Section will be determined and made in accordance with the Treasury Regulations under §401(a)(9) of the Internal Revenue Code. Further, the provisions of this Section 6.17(a) will apply for determining required minimum distributions for calendar years beginning with the 2003 Calendar year.

- (1) For purposes of this Section 6.17(a), the following definitions will apply:
 - (A) Designated Beneficiary: The individual who is designated as the Beneficiary under Section 1.03 of the Plan and is the Designated Beneficiary under §401(a)(9) of the Internal Revenue Code and Treas. Reg. §1.401(a)(9)-1, Q&A-4.
 - (B) Distribution Calendar Year: A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under paragraph 6.17(a)(2).
 - (C) Life Expectancy: Life expectancy is computed by use of the Single Life Table in Section 1.401(a)(9)(9) of the Treasury Regulations.
 - (D) Required Beginning Date: Subject to the provisions of §401(a)(9) of the Internal Revenue Code and related regulations, the term Required Beginning Date means April 1 of the calendar year following the calendar year in which the Participant attains age 70 ½ or the calendar year in which the Participant retires from employment.
- (2) Time and Manner of Distributions
 - (A) The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.
 - (B) If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:
 - (i) If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, then, except as provided in this Section 6.17(a), distributions to the surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70 ½, if later.
 - (ii) If the Participant's surviving Spouse is not the Participant's sole Designated Beneficiary, then, except as provided in this Section 6.17(a), distributions to the surviving Spouse will begin by December 31 of the calendar year following the calendar year in which the Participant died.
 - (iii) If there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year

following the fifth anniversary of the Participant's death.

- (iv) If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary and the surviving Spouse dies after the Participant but before distributions to the surviving Spouse begin, this Section 6.17(a)(3)(B), other than Section 6.17(a)(3)(B)(i), will apply as if the surviving Spouse were the Participant.

For purposes of this Section 6.17(a)(3)(B), unless Section 6.17(a)(3)(B)(iv) applies, distributions are considered to begin on the Participant's Required Beginning Date. If Section 6.17(a)(3)(B)(iv) applies, distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under Section 6.17(a)(3)(B)(i). If annuity payments irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving Spouse before the date distributions are required to begin to the surviving Spouse under Section 6.17(a)(3)(B)(i)), the date distributions are considered to begin is the date distributions actually commence.

(3) Determination of Amount to be Distributed Each Year

- (A) If the Participant's interest is paid in the form of annuity distributions under the Plan, Payments under the annuity will satisfy the following requirements:
 - (i) the annuity distributions will be in periodic payments made at intervals not longer than one year;
 - (ii) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in Section 6.17(a)(4) or (5);
 - (iii) once payments have begun over a period certain, the period may only be changed in accordance with Treas. Reg. § 1.401(a)(9)-6, Q&A-13;
 - (iv) payments will either be nonincreasing except as otherwise permitted under Treas. Reg. § 1.401(a)(9)-6, Q&A-14.
- (B) The amount that must be distributed on or before the Participant's Required Beginning Date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Section 6.17(a)(2)(B)(i) or (ii)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received. All of the Participant's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's Required Beginning Date.
- (C) Any additional benefits accruing to the Participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

- (4) Requirements for Annuity Distributions that Commence During Participant's Lifetime
- (A) If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a non-Spouse beneficiary, annuity payments to be made on or after the Participant's Required Beginning Date to the Designated Beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Q&A-2 of Section 1.401(a)(9)-6 of the Treasury Regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a non-Spouse Beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the Designated Beneficiary after the expiration of the period certain.
- (B) Unless the Participant's Spouse is the sole Designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in A-2 of Section 1.401(a)(9)-9 of the Treasury Regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's Spouse is the Participant's sole Designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain is permitted to be as long as the joint and life survivor annuity expectancy of the Participant and the Participant's spouse, if longer than the applicable distribution period for the Participant, provided that the period certain is not provided in conjunction with a life annuity pursuant to Treas. Reg. § 1.401(a)(9)-6, Q&A-1(b).
- (5) Requirements for Minimum Distributions Where Participant Dies Before Distributions Begin.
- (A) Except as provided in this Section 6.17(a), if the Participant dies before the date of distribution or his or her interest begins and there is a Designated Beneficiary, the Participant's entire interest will be distributed, beginning no later than the time described in Section 6.17(a)(2)(B)(i) or (ii), over the life of the Designated Beneficiary or over a period certain not exceeding:
- (i) unless the annuity starting date is before the first distribution calendar year, the life expectancy of the Designated Beneficiary determined using the Beneficiary's age as of the Beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or
- (ii) if the annuity starting date is before the first distribution calendar year, the life expectancy of the Designated Beneficiary determined using the

Beneficiary's age as of the Beneficiary's birthday in the calendar year that contains the annuity starting date.

- (B) If the Participant dies before the date distributions begin and there is no Designated Beneficiary as of September 30 of the year following the year in the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (C) If the Participant dies before the date distribution of his or her interest begins, the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, and the surviving Spouse dies before distributions to the surviving Spouse begin, this Section 6.17(a)(5) will apply as if the surviving Spouse were the Participant, except that the time by which distributions must begin will be determined without regard to Section 6.17(a)(2)(B)(i).

Section 6.18. Maximum Benefit Limitation.

- (a)
 - (1) The limitations of this Section shall apply in Limitation Years beginning on or after July 1, 2007, except as provided herein.
 - (2) The application of the provisions of this Section shall not cause the Maximum Permissible Benefit of any Participant to be less than the Participant's accrued benefit under the Plan as of the end of the last Limitation Year beginning before July 1, 2007 under provisions of the Plan that were both adopted and in effect before April 5, 2007. The preceding sentence applies only if the provisions of this Plan that were both adopted and in effect before April 5, 2007 satisfied the applicable requirements of statutory provisions, regulations, and other published guidance relating to Internal Revenue Code §415 in effect as of the end of the last Limitation Year beginning before July 1, 2007, as described in Treas. Reg. §1.415(a)-1(g)(4). For purposes of this Section, "Maximum Permissible Benefit" shall be the Defined Benefit Dollar Limitation as defined in subsection (c) below.
- (b) The Annual Benefit otherwise payable to a Participant under the Plan at any time shall not exceed the Maximum Permissible Benefit. If the benefit the Participant would otherwise accrue in a Limitation Year would produce an Annual Benefit in excess of the Maximum Permissible Benefit, the benefit shall be limited (or the rate of accrual reduced) to a benefit that does not exceed the Maximum Permissible Benefit.
- (c) Annual Benefit.
 - (1) For Limitation Years ending after December 31, 2001, the "Annual Benefit" payable to a Participant under this Plan in any Limitation Year may not exceed the Defined Benefit Dollar Limitation. The Defined Benefit Dollar Limitation is \$160,000, automatically adjusted under Internal Revenue Code §415(d), effective January 1 of each year, as published by the Internal Revenue Service, and payable in the form of a straight life annuity. The new limitation shall apply to Limitation Years ending within the calendar year of the date of the adjustment, but a Participant's benefits shall not reflect the adjusted limit prior to January 1 of that calendar year. The automatic annual adjustment of the Defined Benefit Dollar Limitation shall also apply to Participants who have had a

separation from employment.

- (2) For Limitation Years ending before January 1, 2002, the Annual Benefit payable to a Participant under this Plan shall not at any time within the Limitation Year exceed the lesser of:
 - (A) \$90,000 or such higher amount as adjusted for cost of living increases as permitted by Internal Revenue Regulations, or
 - (B) 100% of the Participant's average compensation for the three consecutive Calendar Years during which the Participant was both an active Participant in the Plan and had the greatest aggregate Compensation from the contributing Employer (Defined Benefit Compensation Limitation). Such amount shall be increased for cost of living adjustments as permitted by Internal Revenue Service Regulations after the Participant terminates employment with the Employer.

Benefit increases resulting from the increase in the limitation of Internal Revenue Code §415(b) made by EGTRRA will be provided to all current and former Participants (with benefits limited by Internal Revenue Code §415(b)) who have an Accrued Benefit immediately prior to January 1, 2002 (other than an Accrued Benefit resulting solely from a benefit increase as a result of the increase in limitations under Internal Revenue Code §415(b))

- (d) The Annual Benefit (without regarding to the age at which benefits commence) payable with respect to a participant under any defined benefit plan is not considered to exceed the limitations on benefits described in subsection (c) above if the benefits payable with respect to the Participant do not exceed \$10,000 and the Participant was never a participant in a defined contribution plan of the Employer. For purposes of this subsection (d), the benefits payable with respect to the Participant for a Limitation Year reflect all amounts payable under the Plan for the Limitation year, and are not adjusted for form of benefit or commencement date.
- (e) Adjustment for Fewer than 10 Years of Participation or Service: If the Participant has fewer than 10 years of participation in the plan, the Defined Benefit Dollar Limitation as defined in paragraph (c)(1) or subparagraph (c)(2)(A) of this Section (whichever is applicable) shall be multiplied by a fraction—(1) the numerator of which is the number of years (or part thereof, but not less than one year) of participation in the Plan, and (2) the denominator of which is 10.

For Limitation Years ending before January 1, 2002, in the case of a Participant who has less than 10 years of service with the Employer, the Defined Benefit Compensation Limitation in subparagraph (c)(2)(B) of this Section shall be multiplied by a fraction—(1) the numerator of which is the number of years (or part thereof, but not less than one year) of service with the Employer, and (2) the denominator of which is 10.
- (f) Adjustment for Defined Benefit Dollar Limitation for Benefit Commencement before Age-62.
 - (1) For Limitation Years ending after December 31, 2001, if the benefit of a Participant begins prior to age-62, the Defined Benefit Dollar Limitation applicable to the Participant at such earlier age is an Annual Benefit payable in the form of a straight life annuity beginning at the earlier age that is the actuarial equivalent of the Defined Benefit Dollar Limitation

applicable to the Participant at age-62 (adjusted under subsection (e) above, if required). The Defined Benefit Dollar Limitation applicable at an age prior to age-62 is determined as the lesser of—

- (A) the actuarial equivalent (at such age) of the Defined Benefit Dollar Limitation computed using the Interest Rate and Mortality Table specified in Section 1.02 of the Plan; or
- (B) the actuarial equivalent (at such age) of the Defined Benefit Dollar Limitation computed using a 5% interest rate and the applicable Mortality Table as defined in Section 1.02 of the Plan.

Any decrease in the Defined Benefit Dollar Limitation determined in accordance with the paragraph shall not reflect a mortality decrement if benefits are not forfeited upon the death of the Participant. If any benefits are forfeited upon death, the full mortality decrement is taken into account.

- (2) For Limitation Years ending before January 1, 2002, if the annual pension benefit of a participant begins before age-62, the \$90,000 limitation set forth in subparagraph (c)(2)(A), or, if applicable, in subsection (e) above will be reduced so that it is the actuarial equivalent to such benefit beginning at age-62. However, the Defined Benefit Dollar Limitation shall not be reduced to less than—
 - (A) \$75,000 if the Annual Benefit begins at or after age-55, or
 - (B) the equivalent Actuarial Present Value of the \$75,000 limitation for age-55 if the Annual Benefit commences before age-55.

(g) Defined Benefit Dollar Limitations after Age-65.

- (1) For Limitation Years ending after December 31, 2001, if the benefit of a Participant begins after the Participant attains age-65, the Defined Benefit Dollar Limitation applicable to the Participant in the later age is the Annual Benefit payable in the form of a straight life annuity beginning at the later age that is actuarially equivalent to the Defined Benefit Dollar Limitation applicable to the Participant at age-65 (adjusted under subsection (e) above, if required). The actuarial equivalent of the Defined Benefit Dollar Limitation applicable at an age after age-65 is determined as the lesser of—
 - (A) The actuarial equivalent (at such age) of the Defined Benefit Dollar Limitation computed using the Interest Rate and Mortality Table specified in Section 1.02 of the Plan, or
 - (B) The actuarial equivalent (at such age) of the Defined Benefit Dollar Limitation computed using a 5% interest rate assumption and the Applicable Mortality Table specified in Section 1.02 of the Plan.
- (2) For Limitation Years ending before January 1, 2002, if a Participant's benefit begins after the Participant's Social Security Retirement Age, the \$90,000 limitation set forth in subparagraph (c)(2)(A) or, if applicable, subsection (e) above will be increased so that it is the actuarial equivalent of the benefit payable at the Participant's Social Security Retirement Age. For purposes of this provision, actuarial equivalence is determined as follows—

- (A) Limitation Years beginning before January 1, 2000. The actuarial equivalent amount is computed using an interest rate assumption that is not greater than the lesser of the rate specified in the Plan or 5% and the 1971 Group Annuity Mortality Table.
- (B) Limitation Years beginning on or after January 1, 2000. The actuarial equivalent amount is computed using an interest rate assumption that is not greater than the lesser of the Plan's later retirement increase factors or 5% interest rate and the Applicable Mortality Table as defined under Section 1.02 of the Plan.

- (h) (1) For purposes of this Section, except as provided below, where a benefit is payable in a form other than a straight life annuity, the benefit shall be adjusted to an actuarially equivalent straight life annuity that begins at the same time as such other form of benefit and is payable on the first day of each month, before applying the limitations of this Section. For a Participant who has or will have distributions commencing at more than one Effective Date of Pension, the Annual Benefit shall be determined as of each such Effective Date of Pension (and shall satisfy the limitations of this Section as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other Effective Date of Pensions. For this purpose, the determination of whether a new starting date has occurred shall be made without regard to Treas. Reg. §1.401(a)-20, Q&A 10(d), and with regard to Treas. Reg. §1.415(b)-1(b)(1)(iii)(B) and (C).

No actuarial adjustment to the benefit shall be made for—

- (A) Survivor benefits payable to a surviving spouse under a qualified joint and survivor annuity to the extent such benefits would not be payable if the participant's benefit were paid in another form;
 - (B) The inclusion in the form of benefit of an automatic benefit increase feature, provided the form of benefit is not subject to Internal Revenue Code §417(e)(3) and would otherwise satisfy the limitations of this Section, and the Plan provides that the amount payable under the form of benefit in any Limitation Year shall not exceed the limits of this Section applicable at the Effective Date of Pension, as increased in subsequent years pursuant to Internal Revenue Code §415(d).
- (2) Effective for distributions in Plan Years beginning on or after December 31, 2003, the determination of actuarial equivalence of forms of benefit other than a straight life annuity shall be made in accordance with subparagraph (2)(A) or (2)(B) below:
- (A) Benefit forms not subject to Internal Revenue Code §417(e)(3).
 - (i) Limitation Years beginning before July 1, 2007. For Limitation Years beginning before July 1, 2007, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing as the same Effective Date of Pension that has the same actuarial present value as the Participant's form of benefit computed using whichever of the following produces the greater annual amount: (I) the Interest Rate and Mortality Table specified in Section 1.02 of the Plan for adjusting benefits in the same form; and (II) a 5% interest rate assumption and the Mortality

Table specified in Section 1.02 of the Plan for that Effective Date of Pension.

(ii) Limitation Years beginning after July 1, 2007. For Limitation Years beginning after July 1, 2007, the actuarially equivalent straight life annuity is equal to the greater of: (I) the annual amount of the straight life annuity payable to the Participant under the Plan commencing at the same Effective Date of Pension as the Participant's form of benefit; and (II) the annual amount of the straight life annuity commencing at the same Effective Date of Pension that has the same actuarial present value as the Participant's form of benefit, computed using a 5% interest rate assumption and the Applicable Mortality Table defined in Section 1.02 of the Plan for that Effective Date of Pension.

(B) Benefit forms subject to Internal Revenue Code §417(e)(3). The straight life annuity that is actuarially equivalent to the Participant's form of benefit shall be determined under this subparagraph (B) if the form of the Participant's benefit is subject to §417(e)(3). In this case, the actuarially equivalent straight life annuity shall be determined as follows:

(i) Effective Date of Pension in Plan Years beginning after 2005. If the Effective Date of Pension of the Participant's form of benefit is in a Plan Year beginning after 2005, the actuarially equivalent straight life annuity is equal to the greatest of:

(I) the annual amount of the straight life annuity commencing at the same Effective Date of Pension that has the same actuarial present value as the Participant's form of benefit, computed using the adjustment factors specified in the Plan for adjusting benefits in the same form;

(II) the annual amount of the straight life annuity commencing at the same Effective Date of Pension that has the same actuarial present value as the Participant's form of benefit, computed using a 5.5% interest rate assumption and the Applicable Mortality Table defined in Section 1.02 of the Plan; or

(III) the annual amount of the straight life annuity commencing at the same Effective Date of Pension that has the same actuarial value as the Participant's form of benefit, computed using the applicable Interest Rate defined in Section 1.02 of the Plan and the Applicable Mortality Table defined in Section 1.02 of the Plan, divided by 1.05.

(ii) Effective Date of Pension in Plan Years beginning in 2004 and 2005. If the Effective Date of Pension of the Participant's benefit is in a Plan Year beginning in 2004 or 2005, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same Effective Date of Pension that has the same actuarial present value as

the Participant's form of benefit, computed using whichever of the following produces the greater annual amount:

- (I) the annual amount of the straight life annuity commencing at the same Effective Date of Pension that has the same actuarial present value as the Participant's form of benefit, computed using the adjustment factors specified in the Plan for adjusting benefits in the same form;
- (II) a 5.5% interest rate assumption and the Applicable Mortality Table defined in Section 1.02 of the Plan.

If the Effective Date of Pension of the Participant's benefit is on or after the first day of the 2004 Plan Year, the application of this clause (ii) shall not cause the amount payable under the Participant's form of benefit to be less than the benefit calculated under the Plan, taking into account the limitations of this Section, except that the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same Effective Date of Pension that has the same actuarial present value as the Participant's form of benefit, computed using whichever of the following produces the greatest annual amount:

- (I) the adjustment factors specified in the Plan for adjusting benefits in the same form;
- (II) the applicable Interest Rate and Mortality Table specified in Section 1.02 of the Plan, and
- (III) the applicable Interest Rate defined in Section 1.02 of the Plan (as in effect on the last day of the last Plan Year beginning before January 1, 2004, under provisions of the Plan then adopted and in effect) and the Applicable Mortality Table defined in Section 1.02 of the Plan.

(i) Aggregation with other Plans.

- (1) Pursuant to Internal Revenue Code §415(f)(3)(B), this Plan shall not be aggregated with other multiemployer Plans for purposes of applying the limits in this Section.
- (2) Where an Employer maintains this Plan and other plans that are not multiemployer plans, only the benefits under this Plan that are provided by the Employer will be aggregated with benefits under the Employer's plans other than multiemployer plans.
- (3) This Plan shall not be aggregated with any other plan for purposes of applying the Defined Benefit Compensation Limit of Internal Revenue Code §415(b)(1)(B) and Treas. Reg. §1.415(b)-1(a)(1)(ii).

(j) For purposes of this Section, "Limitation Year" means the Calendar Year.

(k) For purposes of this Section, "Compensation" means:

- (1) an employee's wages, salaries, fees for professional services, and other amounts received

(without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with an Employer, to the extent that the amounts are includible in gross income (or to the extent amounts would have been received and includible in gross income but for an election under Internal Revenue Code §§125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b)). These amounts include, but are not limited to, commissions paid to salespersons, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a non-accountable plan as described in Treas. Reg. §1.62-2(c).

- (2) For purposes of paragraph (1) above, “wages” includes wages within the meaning of Internal Revenue Code §3401(a) (for purposes of income tax withholding at the source), plus amounts that would be included in wages but for an election under Internal Revenue Code §§125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b). However, any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Internal Revenue Code §3401(a)(2)) are disregarded for this purpose.
- (3) Items not included in “Compensation.” Compensation does not include:
 - (A) Employer contributions (other than elective contributions described in Internal Revenue Code §§ 401(e)(3), 408(k)(6), 408(p)(2)(A)(i) or 457(b)) to a plan of deferred compensation (including a simplified employee pension described in Internal Revenue Code §408(k) or a simple retirement account described in §408(p), and whether or not qualified) to the extent that the contributions are not includible in the gross income of the employee for the taxable year in which contributed. In addition, any distribution from a plan of deferred compensation (whether or not qualified) is not considered as compensation for purposes of this Section, regardless of whether such amounts are includible in the gross income of the employee when distributed.
 - (B) Amounts realized from the exercise of a nonstatutory option (which is an option other than a statutory option as defined in Treas. Reg. §1.421-1(b)), or when restricted stock or other property held by an employee either become freely transferable or is no longer subject to a substantial risk of forfeiture.
 - (C) Amounts realized from the sale, exchange or other disposition of stock acquired under a statutory stock option;
 - (D) Other amounts that receive special tax benefits, such as premiums for group-term life insurance (but only to the extent that the premiums are not includible in the gross income of the employee and are not salary reduction amounts that are described in Internal Revenue Code §125);
 - (E) Other items of remuneration that are similar to any to any of the items listed in (A) through (D).
- (4) For any self-employed individual, Compensation shall mean earned income.

- (5) (A) Except as otherwise provided in this paragraph (5), in order to be taken into account for a Limitation Year, Compensation for purposes of this Section must be actually paid or made available to an employee (or, if earlier, includible in the gross income of the employee) within the Limitation Year. For this purpose, Compensation is treated as paid on a date if it is actually paid on that date or it would have been paid on that date but for an election under Internal Revenue Code §§125, 132(f)(4), 401(k), 403(b), 408(k), 408(p)(2)(A)(i), or 457(b).
- (B) Except as otherwise provided in this paragraph (5), in order to be taken into account for a Limitation Year, Compensation within the meaning of this Section must be paid or treated as paid to the employee (in accordance with the rules of subparagraph (5)(A)) prior to the employee's severance from employment with the Employer.
- (C) Notwithstanding the provisions of subparagraph (5)(D), Compensation for a Limitation Year includes amounts earned during the Limitation Year but not paid during the Limitation Year solely because of the timing of pay periods and pay dates if:
- (i) these amounts are paid during the first few weeks of the next Limitation Year;
 - (ii) the amounts are included on a uniform and consistent basis with respect to all similarly situation employees; and (iii) no Compensation is included in more than one Limitation year.
- (D) Compensation Paid after Severance.
- (i) Any Compensation described in this subparagraph (5)(D) does not fail to be Compensation within the meaning of this Section pursuant to the rule of subparagraph (5)(B) merely because it is paid after the employee's severance from employment with the Employer, provided the Compensation is paid by the later of 2 ½ months after severance from employment with the Employer or the end of the Limitation Year that includes the date of severance from employment with the Employer.
 - (ii) Regular Pay after Severance. An amount is described in this clause (D)(ii) if—
 - (I) The payment is regular Compensation for services during the employee's regular working hours, or Compensation for services outside the employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments; and
 - (II) The payment would have been paid to the employee prior to severance from employment if the employee had continued in employment with the Employer.

- (iii) Any payment that is not described in clause (D)(ii) is not considered Compensation under clause (D)(i) if paid after severance from employment with the Employer, even if it is paid within the time period described in clause (D)(i).
 - (iv) Notwithstanding anything to the contrary in this subparagraph (D), a payment after severance from employment from an Employer for whom services were provided is considered to be Compensation as long as the individual receiving the payment is employed by any Employer maintaining the Plan. Thus, a Participant is treated as having a severance from employment under this subparagraph (D) only when the Participant is no longer providing services to any Employer maintaining the Plan.
- (6) Back pay, within the meaning of Treas. Reg. §1.415(c)-2(g)(8), shall be treated as Compensation for the Limitation Year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included under this definition.
- (7) Only compensation considered for purposes of Internal Revenue Code §401(a)(17) shall be taken into account for purposes of this Section as follows:
 - (A) For Limitation Years beginning on or after January 1, 1989, and before January 1, 1994, the annual compensation of each Participant taken into account for determining all benefits provided under the Plan for any Plan Year shall not exceed \$200,000. This limitation shall be adjusted by the Secretary of the Treasury at the same time and in the same manner as under Internal Revenue Code §415(d), except that the dollar increase in effect on January 1 of any calendar year is effective for Plan Years beginning with such calendar year and the first adjustment to the \$200,000 limitation is effective on January 1, 1990.
 - (B) For Limitation Years beginning on or after January 1, 1994, the annual compensation of each Participant taken into account or determining all benefits provided under the Plan shall not exceed \$150,000, as adjusted for the cost-of-living in accordance with Internal Revenue Code §401(a)(17)(B).
 - (C) For Limitation Years beginning on or after January 1, 2002, the annual compensation of each Participant taken into account for determining all benefits provided under the Plan shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Internal Revenue Code §401(a)(17)(B).
- (l) The Trustees are entitled to rely on a representation by an Employer that the pension payable to a Participant under this Plan to the extent attributable to employment with the Employer, does not, together with any other pension payable to him/her under any other plan maintained by the Employer, whether or not terminated, and to the extent attributable to employment with the Employer, exceed the limitations of Internal Revenue Code §415.
- (m) The benefits paid under this Plan will not exceed the limitations set forth in this Section. If a Participant on his Effective Date of Pension is not eligible for full monthly benefits under this Plan because of the operation of this Section, his/her monthly benefits will be recalculated annually

thereafter until he/she is receiving a full monthly benefit under the Plan's terms without operation of this Section. Each recalculation will be based on this Section with any applicable adjustment to reflect cost of living increases as set forth in subsection (c)(1).

- (n) In calculating the benefit of a participant's surviving Spouse or Beneficiary, the benefit of such Spouse or Beneficiary first shall be calculated based on the amount to which the Participant would have been entitled without regard to the limits imposed by this Section. The limits of this Section then will be applied to the resulting benefit amount.

ARTICLE 7
Miscellaneous

Section 7.01. Non-Reversion.

It is expressly understood that in no event will any of the corpus or assets of the Pension Fund revert to the Employers or be subject to any claims of any kind or nature by the Employers, except for the return of an erroneous contribution within the time limits prescribed by law.

Section 7.02. Limitation of Liability.

This Pension Plan has been established on the basis of an actuarial calculation which has established, to the extent possible, that the contributions will, if continued, be sufficient to maintain the Plan on a permanent basis, fulfilling the funding requirements of ERISA. Nothing in this Plan may be construed to impose any obligation to contribute beyond the obligation of the Employer to make contributions as stipulated in the Collective Bargaining Agreement or Agreements to which the Employer is bound.

There is no liability upon the Trustees individually, or collectively, or upon the Union to provide the benefits established by this Pension Plan, if the Pension Fund does not have assets to make such payments.

Section 7.03. New Employers.

- (a) If an Employer is sold, merged or otherwise undergoes a change of company identity, the successor company will participate as to the Employees theretofore covered in the Pension Plan just as if it were the original company, provided it remains a Contributing Employer as defined in Section 1.07.
- (b) No new employer may be admitted to participate in the Pension Fund except upon approval by the Trustees. A written Notice of Acceptance may be sent by the Trustees to any new Contributing Employer who is accepted for participation in the Fund.
- (c) An Employer may be accepted by the Trustees as a “Contributing Employer” upon application by the Union, if:
 - (1) the Employer, along with the Union, signs the standard language for participation in the Fund, as approved by the Trustees, which sets forth the full details of the basis for contributions to the Fund and the basis for acceptance as a Contributing Employer, and
 - (2) the Employer and Union furnish the name, date of birth, and employment history of each Employee then covered by the Collective Bargaining Agreement between the Union and the new Employer, and
 - (3) such acceptance will not adversely affect the actuarial soundness of the Fund as determined by the Trustees after consultation with the actuaries for the Fund. If the acceptance of an Employer will, in the judgment of the Trustees, adversely affect the actuarial soundness of the Fund, then the Trustees may, as a condition of acceptance, impose any terms and conditions they consider necessary to preserve an equitable relationship between the basis of contributions of all Contributing Employers and the benefits provided for all Employees. Such conditions may include, but may not be limited to, the imposition of special waiting periods before the commencement of benefits to Pensioners and/or the granting of a lower scale of benefits.

Section 7.04. Terminated Employers.

If a Contributing Employer terminates its participation in the Fund with respect to a bargaining unit, the Trustees are empowered to reduce or cancel that part of any pension for which a person was made eligible because of employment in such bargaining unit prior to the Contribution Period with respect to that unit.

Any active Employee of the said Contributing Employer who earns at least two (2) additional Years of Future Service Credits as a result of employment by another Contributing Employer, and has not suffered a Break in Employment as defined in Section 4.06, will not lose his previously accumulated Service Credits as a result of the termination.

The Trustees may, by resolution, terminate an Employer's status as a Contributing Employer if the Employer has failed, for a period of 90 days after the due date, to make contributions to the Fund as provided for in the Collective Bargaining Agreement to which the Employer is signatory.

If the delinquent Employer wishes to once again participate in this Plan, he will be required to post bond in an amount equal to twice the amount of the delinquency. If all delinquent contributions are not paid within three months of the posting of the bond, such bonds shall be forfeited by the Employer and his participation in the Fund will be canceled.

Section 7.05. Termination.

(a) Right to Terminate.

The Trustees have the right to discontinue or terminate this Plan in whole or in part in accordance with the Trust Agreement. The rights of all affected Employees, Retired Employees, surviving Spouses and Beneficiaries to benefits accrued to the date of termination, partial termination or discontinuance to the extent funded as of such date will be nonforfeitable.

(b) Termination of this Plan will occur as a result of:

- (1) the adoption of a Plan amendment that provides that Employees will receive no credit for any purpose under the Plan for service with any Employer after the date specified by such amendment; or
- (2) the withdrawal of every Employer from the Plan, or the cessation of the obligation of all Employers to contribute under the Plan; or
- (3) the adoption of an amendment to the Plan that causes the Plan to become a defined contribution plan.

(c) (1) The date of termination under subsection (b)(1) or (b)(3) is the later of:

- (A) the date on which the amendment was adopted, or
- (B) the date on which the amendment takes effect.

(2) The date on which termination occurs under subsection (b)(2) is the earlier of:

- (A) the date on which the last Employer withdraws, or

- (B) the first day of the first Plan Year for which no Employer contributions were required under the Plan.

(d) In case of termination under subsection (b)(2), the Plan sponsor will, except as provided in subsection

(g) below:

- (1) limit the payment of benefits to benefits that are nonforfeitable under the Plan as of the date of the termination, and
 - (2) pay benefits attributable to Employer contributions, other than death benefits, only in the form of an annuity, unless the Plan assets are distributed in full satisfaction of all nonforfeitable benefits under the Plan.
- (e) In case of a termination under subsection (b)(2), the Plan sponsor will reduce benefits and suspend benefit payments in accordance with Section 7.06.
- (f) In the case of a termination under subsections (b)(1) or (b)(3), the rate of an Employer's contributions under the Plan for each Plan Year beginning on or after the Plan termination date will equal or exceed the highest rate of Employer contributions at which the Employer had an obligation to contribute under the Plan in the five (5) preceding Plan years ending on or before the Plan termination date, unless the PBGC approves of a reduction in the rate based on a finding that the Plan is or soon will be fully funded.
- (g) The Plan sponsor may authorize the payment other than in the form of an annuity of an Employee's entire nonforfeitable benefit attributable to Employer contributions, other than a death benefit, if the value of the entire nonforfeitable benefit does not exceed \$1,750. The PBGC may authorize the payment of benefits under the terms of the terminated Plan other than nonforfeitable benefits, or the payment other than in the form of an annuity of benefits having a value greater than \$1,750, if the PBGC determines that such payment is not adverse to the interest of the Plan's Participants and Beneficiaries generally and does not unreasonably increase the PBGC's risk of loss with respect to the Plan.

Section 7.06. Benefits after Termination.

- (a) Upon termination of the Plan under Section 7.05(e), the Trustees will amend the Plan to reduce benefits and will suspend benefit payments, as required by this Section.
- (b) (1) Upon termination under subsection (a), the value of nonforfeitable benefits under the Plan and the value of the Plan's assets will be determined in writing, in accordance with regulations prescribed by the PBGC, as of the end of the Plan Year during which Section 7.05(e) becomes applicable to the Plan and each Plan Year thereafter.
- (2) For purposes of this Section, Plan assets include outstanding claims for withdrawal liability.
- (c) (1) If, according to the determination made under subsection (b), the value of nonforfeitable benefits exceeds the value of the Plan's assets, the Plan sponsor will amend the Plan to reduce benefits under the Plan to the extent necessary to ensure that the Plan's assets are sufficient, as determined and certified in accordance with regulations prescribed by the PBGC, to discharge when due all of the Plan's obligations with respect to nonforfeitable benefits.
- (2) Any Plan amendment adopted under this subsection will, in accordance with regulations prescribed by the Secretary of the Treasury:
- (A) reduce benefits only to the extent necessary to comply with (c)(1);
 - (B) reduce accrued benefits only to the extent that those benefits are not eligible for the

PBGC's guarantee under §4022A(b) of ERISA;

- (C) comply with the rules for and limitations on benefit reductions under a Plan in reorganization, as prescribed in §4244A of ERISA except to the extent that the PBGC prescribes other rules and limitations in regulations under this Section; and
- (D) take effect no later than six (6) months after the end of the Plan Year for which it is determined that the value of nonforfeitable benefits exceeds the value of the Plan's assets.

- (d) (1) If the Plan is insolvent under (d)(2)(A) of this Section and the benefit payments exceed the resource benefit level, any such payments that are not basic benefits will be suspended, in accordance with this subsection, to the extent necessary to reduce the sum of such payments and such basic benefits to the greater of the resource benefit level or basic benefits, unless an alternative procedure is prescribed by the PBGC in connection with a supplemental guarantee program established under §4022A(g)(2) of ERISA.
- (2) For purposes of this subsection, for a Plan Year:
 - (A) the Plan is insolvent if:
 - (i) the Plan has been amended to reduce benefits to the extent permitted under subsection (c), and
 - (ii) the Plan's available resources are not sufficient to pay benefits under the Plan when due for the Plan Year.
 - (B) "Resource benefit level" and "available resources" have the meanings set forth in paragraphs (2) and (3), respectively, of §4245(b) of ERISA.
- (3) If the Plan is insolvent under subsection (d)(2)(A), the Plan sponsor has the powers and duties of the plan sponsor of a plan in reorganization which is insolvent within the meaning of §4245(b)(1) of ERISA, except that regulations governing the Plan sponsor's exercise of those powers and duties under this Section will be prescribed by the PBGC, and the PBGC will prescribe by regulation notice requirements that assure that Plan Participants and Beneficiaries receive adequate notice of benefit suspensions.
- (4) The Plan is not required to make retroactive benefit payments with respect to that portion of a benefit that was suspended under this subsection, except that the provisions of §4245(c)(4) and (5) of ERISA will apply if the Plan is insolvent under (2)(A) in connection with the Plan Year during which such Section 7.05(e) first became applicable to the Plan and every year thereafter, in the same manner and to the same extent as such provisions apply to insolvent plans in reorganization under §4245 of ERISA in connection with insolvency years under Section 4245.

Section 7.07. Rights of Employees.

Nothing in this Plan gives any Employee the right to be retained in the service of an Employer or to interfere with the right of an Employer to discharge such Employee at any time, nor does it give an Employer the right to require the Employee to remain in his service nor is it to interfere with the Employee's rights to terminate his service at any time.

Section 7.08. Appointment of Actuary.

The Trustees will appoint an Actuary who shall be independent of the Union and the Contributing Employers and qualified through Fellowship in the Society of Actuaries to perform all necessary actuarial services in connection with the operation of the Plan, or a firm of actuaries which has on its staff such an Actuary.

Section 7.09. Unauthorized Representations.

The Fund is not bound by the representations of any person, other than the Board of Trustees, regarding participation in and eligibility for benefits under this Plan, status of Employees or Employers or any other matter relating to the Pension Plan or Fund.

Section 7.10. Designation of Beneficiary.

A Participant (including a Beneficiary receiving payments) may designate a person or persons as a Beneficiary or Beneficiaries to receive the benefits, if any, provided in accordance with Sections 5.06 and 5.09 by forwarding such designation in a form acceptable to the Trustees to the Fund Office. An unmarried Participant has the right to change his designation of Beneficiary without the consent of the Beneficiary. A married Participant may change his designation of Beneficiary only with consent of his Spouse. The consent must be in writing, must acknowledge the Beneficiary or Beneficiaries designated, and must be notarized.

A change of Beneficiary designation will not be effective or binding on the Trustees unless it is received by the Fund Office before the death of the person making the designation. Any benefits provided in accordance with Sections 5.06 and 5.09 will be paid to the most recently designated Beneficiary filed with the Trustees. The divorce of the Participant and designated Beneficiary does not invalidate the designation; the Participant must submit a change of Beneficiary designation to the Fund to remove the former spouse as a Beneficiary. If the designated Beneficiary, who has survived the Participant and is therefore entitled to the benefits provided, dies before receipt of the benefits, the benefits will be paid in accordance with the procedure provided in Section 7.11.

Section 7.11. No Beneficiary.

If a Participant or Pensioner (including Beneficiaries receiving payments) has not designated a Beneficiary or there is no designated Beneficiary alive at the death of a Participant or Pensioner, any benefit provided under Sections 5.06 or 5.09 will be payable to the person listed below in the order listed:

- (a) in accordance with the most recent properly executed beneficiary form from the National Automatic Sprinkler Metal Trades Welfare Fund or any other sprinkler local welfare fund;
- (b) to the Spouse of the Participant or Pensioner;
- (c) if no surviving Spouse, to his surviving children, divided equally among them;
- (d) if no surviving Spouse or children, to his surviving natural parents, divided equally between them.

If a Participant fails to designate a Beneficiary and none of the persons listed above are living, the Trustees, in their discretion, may make payment to the person who has assumed the responsibility for paying the expenses of the Participant; otherwise, no benefits will become payable under Sections 5.06 or 5.09.

Section 7.12. Gender.

Except as the context may specifically require otherwise, use of the masculine gender will be understood to include both masculine and feminine genders.

ARTICLE 8
Partial Pensions

Section 8.01. Eligibility for Partial Pension.

Partial Pensions are provided under this Plan solely for Employees who have become vested in the National Sprinkler Industry Pension Plan (hereinafter called the "Other Plan") for credited service earned under the National Automatic Sprinkler Metal Trades Pension Plan (hereinafter called "this Plan"). A Partial Pension shall be available in the form of a Disability Pension to the extent the Employee meets the requirements for a Disability Pension under Section 3.09 of this Plan.

For an Employee to be eligible for a Partial Pension from the this Plan, he must have at least two years of Pension Credits based on actual employment for which contributions have been made to this Plan.

In applying the rules of this Plan with respect to Breaks in Service, any period in which an Employee has earned credited service in the Other Plan will be considered a grace period under this Plan but only for the purpose of not incurring a Permanent Break in Service as provided in Section 4.06.

Section 8.02. Partial Pension Amount.

The amount of the Partial Pension is computed by multiplying the credited service under this Plan by the retirement benefit in effect during each period of service under this Plan. In the event of more than one period of service, the monthly pension benefit will be determined by (1) multiplying the credited service for each period by the appropriate rate for that period and (2) adding together each of these amounts.

ARTICLE 9
Amendments

Section 9.01. Amendment.

This Plan may be amended at any time by the Trustees, consistent with the provisions of the Trust Agreement and/or as required by law. However, no amendment may decrease the accrued benefit of any Participant except:

- (a) as necessary to establish or maintain the qualifications of the Plan or the Trust Fund under the Internal Revenue Code and to maintain compliance of the Plan with the requirements of ERISA, or
- (b) if the amendment meets the requirements of §302(c)(8) of ERISA and §412(c)(8) of the Internal Revenue Code, and the Secretary of Labor has been notified of such amendment and has either approved of it or, within 90 days after the date on which such notice was filed, he failed to disapprove.

ARTICLE 10
Rules Affecting the Participation of
Non-Collectively Bargained Employees

Section 10.01. Definitions.

The following definitions apply to the participation of non-collectively bargained employees in this Plan:

(a) Collectively Bargained Employee

- (1) A Collectively Bargained Employee for any Plan Year is an employee who is included in a unit of employees covered by a Collective Bargaining Agreement, as defined in Section 1.05 of the Plan, between an Employer and the employee's employee representative provided there is evidence that retirement benefits were the subject of good faith bargaining between the Employer and employee representative. An employee who is not covered by a Collective Bargaining Agreement as defined in Section 1.05 of the Plan may not participate in the Plan without the prior approval of the Trustees.
- (2) A Non-Collectively Bargained Employee may be treated as a Collectively Bargained Employee (A) if the Employee is or was a member of a unit of employees covered by a Collective Bargaining Agreement and that agreement or another agreement, such as an agreement with the Trustees, provides for the Employee to benefit under the Plan in the Calendar Year; and (B) the Employee performs services for an Employer during that Calendar Year both as a Collectively Bargained Employee and as a Non-Collectively Bargained Employee, provided at least half of the Employee's Hours of Work during the Calendar Year are performed as a Collectively Bargained Employee.
- (3) An Employee who was a Collectively Bargained Employee for a Plan Year, may be treated as a Collectively Bargained Employee for the duration of the Collective Bargaining Agreement applicable for that Calendar Year, or if later, until the end of the following Calendar Year (A) if the Employee is or was a member of a unit of employees covered by a Collective Bargaining Agreement and that agreement or another agreement, such as an agreement with the Trustees, provides for the Employee to benefit under the Plan in the Plan Year; and (B) the terms of the Plan providing for benefit accruals treat the employee in a manner that is generally no more favorable than similarly situated Employees who are currently in a unit of employees covered by a Collective Bargaining Agreement.
- (4) A Non-Collectively Bargained Employee may be treated as a Collectively Bargained Employee (A) if the Employee is or was a member of a unit of employees covered by a Collective Bargaining Agreement and that agreement or another agreement, such as an agreement with the Trustees, provides for the Employee to benefit under the Plan in the Calendar Year; (B) the Employee is performing services for an Employer, for this Plan or for a Participating Local Union; (C) the terms of the Plan providing for benefit accruals treat the employee in a manner that is generally no more favorable than similarly situated Employees who are currently in a unit of employees covered by a Collective Bargaining Agreement; and (D) no more than five percent (5%) of the Employees covered under the Plan are Non-Collectively Bargained Employees determined without regard to this subsection 10.01(a)(iv). For purposes of this five percent (5%) limitation, employees described in subsections 10.01(a)(ii) and (iii) are

treated as Collectively Bargained Employees.

(b) Non-Collectively Bargained Employee

A Non-Collectively Bargained Employee for any Plan Year is an Employee who is not a Collectively Bargained Employee for that Plan Year as defined in subsection 10.01(a)(i). Provided, however, that certain Non-collectively Bargained Employees may be treated as Collectively Bargained Employees in accordance with subsections 10.01(a)(ii), (iii) and (iv) above.

(c) Employer

For purposes of determining the group of highly compensated employees and for purposes of this Article but not for purposes of determining Covered Employment, the term “Employer” includes all corporations, trades or businesses under common control with the Employer within the meaning of §414(b) or (c) of the Internal Revenue Code; all members of an affiliated service group with the Employer within the meaning of §414(m) of the Internal Revenue Code and all other businesses aggregated with the Employer under §414(o) of the Internal Revenue Code. The term “Employer” includes a Participating Local Union or fund whose officers or employees participate in the Plan.

(d) Highly Compensated Employee

A Highly Compensated Employee is a highly compensated active employee or a highly compensated former employee of an Employer. Whether an individual is a Highly Compensated Employee is determined separately with respect to each Employer, based solely on that individual’s compensation from that Employer and relationship to that Employer. A Highly Compensated Employee may be determined based on the Employer’s workforce on a single day during the Calendar Year in accordance with IRS Revenue Procedure 93-42.

A highly compensated active employee is an employee of the Employer who performs services for the Employer during the Calendar Year and who during the Calendar Year:

- (1) was a 5-percent owner; or
- (2) received compensation from the Employer in excess of \$80,000, as adjusted.

A highly compensated former employee for a Calendar Year is any former employee who, with respect to the Employer, had a separation year prior to the Calendar Year and was a highly compensated active employee for either the employee’s separation year or any Calendar Year ending on or after the employee’s 55th birthday.

An employee who performs no services for an Employer during the Calendar Year is treated as a former employee for that Calendar Year. Such employee’s separation year is the year in which the employee last performed services for the Employer.

(e) Compensation

Compensation for purposes of this Article 10 is “Compensation” within the meaning of Section 6.18(k) of the Plan.

(f) Hour of Service

For purposes of this Article, an Hour of Service is defined in accordance with Section 1.13 of the Plan.

Section 10.02. Rules for Participation of Non-Collectively Bargained Employees.

- (a) Effective January 1, 1994, Non-Collectively Bargained Employees, including those employees described in subsections 10.01(a)(ii), (iii) and (iv) may participate in the Plan on the terms and conditions set forth in this Article pursuant to a written agreement between the Employer of such Non-Collectively Bargained Employees and the Trustees.
- (b) Non-Collectively Bargained Employees who are eligible to participate in the Plan are owners, officers and employees of incorporated Employers; officers and staff employees of Participating Local Unions and employees of trust funds affiliated with Participating Local Unions. Non-collectively Bargained Employees of an Employer will not be eligible to participate in this Plan if they perform work of the type covered by a collective bargaining agreement in the building and construction industry (except the Sprinkler Industry) or perform work as a fabricator or truck driver. Owners of unincorporated Employers may not participate in the Plan.
- (c) Non-Collectively Bargained Employees covered by this Agreement must provide services to the Employer and receive compensation for those services from the Employer. Whether or not an individual is an Employee of the Employer will be determined based upon whether the Employer is the employer of the individual for purposes of reports and tax returns filed with the Federal or state governments or agencies. Other information will be considered by the Trustees if necessary to determine whether an individual is employed by the Employer. The Employer agrees to furnish such information to the Trustees upon request.
- (d) The Employer must keep adequate records of a Non-Collectively Bargained Employee's Hours of Service. The Employer must also keep adequate records to document the individual's eligibility to participate in the Plan. These records must be provided to the Trustees upon request.
- (e) The Employer must make contributions on behalf of its Non-Collectively Bargained Employees to the National Automatic Sprinkler Metal Trades Pension Fund for each Hour of Service. Contributions must be made at the rate established by the Collective Bargaining Agreement for Collectively Bargained Employees employed by the Employer.
- (f) Contributions as set out in subparagraph (e) above must be paid starting as of the date a Non-Collectively Bargained Employee performs an Hour of Service under an agreement requiring contributions to the Plan.
- (g) Payments must be made at the time and in the manner established by the Trustees. The Trustees have the authority to retain an accountant or representative to review the records of the Employer to determine whether the correct contributions have been made.
- (h) A Non-Collectively Bargained Employee will commence and terminate participation in the Plan in accordance with the provisions of Article II of the Plan.
- (i) The participation in the Plan of the Non-Collectively Bargained Employees of an Employer for each Calendar Year is conditioned on the Employer's compliance with the requirements of the Plan and the requirements of §§401(a)(4) and 410(b) of the Internal Revenue Code for that Calendar Year. A Non-Collectively Bargained Employee will not accrue a benefit under the Plan during a Calendar Year unless the Non-Collectively Bargained Employees of the Employer meet the requirements of §§401(a)(4) and 410(b) of the Internal Revenue Code for that Calendar Year and the Employer

provides the Plan with information deemed necessary by the Trustees to monitor compliance with the requirements of the Plan and the Internal Revenue Code.

If the Employer fails to provide information requested by the Trustees or fails to comply with the requirements of the Plan or the requirements of §§401(a)(4) and 410(b) of the Internal Revenue Code, the Employer must immediately take appropriate and necessary remedial action. Such action may include the withdrawal of the Employer's Non-Collectively Bargained Employees from participation in the Plan, or the curing of the defect. If the Employer fails to take necessary and appropriate remedial action, the participation of its Non-Collectively Bargained Employees will terminate as of the end of the Calendar Year immediately preceding the Calendar Year in which it failed to comply or for which information or certifications to determine compliance was requested but not provided.

- (j) In determining and certifying compliance with the coverage and non-discrimination requirements of the Plan and the Internal Revenue Code, an Employer may use "substantiation quality data" as defined in IRS Rev. Proc. 93-42. In addition, an Employer may determine and certify compliance on the basis of the Employer's workforce on a single day during the Calendar Year (snapshot day) in accordance with IRS Rev. Proc. 93-42.
- (k) In addition to the provision of subsection (i) the participation of its Non-Collectively Bargained Employees in the Plan will end upon termination of the agreement with the Trustees or upon termination of the Employer's Collective Bargaining Agreement.

ARTICLE 11
Top-Heavy Provisions

Section 11.01. Application of Top Heavy Provisions.

The Trustees will determine whether the Plan as a whole is Top Heavy, as defined in §416(g) of the Internal Revenue Code and the regulations promulgated thereunder as of each Determination Year. In the event that the Plan as a whole is found to be Top Heavy, the provisions of this Article shall apply to the Plan during the following Plan Year, to the exclusion of all other inconsistent provisions contained elsewhere in this Plan.

Each individual Employer will be responsible to determine if the portion of this Plan attributable to service with that Employer is part of a Top Heavy Group and to notify the Trustees of that determination. In the event that the Plan as a whole is not Top Heavy, but a portion of this Plan attributable to service with an individual Employer is part of a Top Heavy Group, the provisions of this Article shall apply to the portion of this Plan that is part of the Top Heavy Group of the individual Employer during the following Plan Year, to the exclusion of all other inconsistent provisions contained elsewhere in this Plan.

The Trustees will notify Employers of the notification requirements of this Section. The Trustees may rely on representations of Employers to the extent it is reasonable to do so.

Section 11.02. Definitions.

For purposes of this Article, the following special definitions shall apply:

- (a) “Key Employee” means any employee or former employee (including any deceased employee) who at any time during the Plan Year that includes the Determination Date was:
 - (1) An officer of the Employer having annual compensation greater than \$130,000 (as adjusted under Internal Revenue Code §416(i)(1) for Plan Years beginning on or after January 1, 2002;
 - (2) A five-percent (5%) owner of the Employer; or
 - (3) A one-percent (1%) owner of the Employer having annual compensation of more than \$150,000.

For purposes of this subsection, annual compensation means Compensation as defined in Section 6.18(k) of the Plan. The determination of who is a Key Employee will be made in accordance with §416(i)(1) of the Internal Revenue Code and the applicable regulations and other guidance of general applicability issued thereunder.

- (b) “Non-Key Employee” means any person who is employed by an Employer in any Plan Year, but who is not a Key Employee for that Plan Year.
- (c) “Determination Date” means the last day of the immediately preceding Plan Year.
- (d) “Required Aggregation Group” means a group of plans consisting of each Plan of an Employer in which a Key Employee is a Participant, including this Plan, and each other plan of the Employer which enables any plan in which a Key Employee participates to meet the requirements of IRC Sections 410(b) or 401(a)(4).
- (e) “Permissive Aggregation Group” means a group of plans consisting of a Required Aggregation Group and any other plan not required to be included in the Required Aggregation Group, provided the

resulting group, taken as a whole, would continue to satisfy the provisions of Internal Revenue Code §§401(a)(4) and 410(b).

- (f) “Top Heavy Compensation” means an employee’s compensation as defined in Section 10.01(e) for any Plan Year that this Plan is “Top Heavy”.
- (g) “Top Heavy Plan” means a Plan under which the aggregate present value of accrued benefits for Key Employees exceeds sixty percent (60%) of the present value of accrued benefits for all Employees under such plan and which is not part of a Required or Permissive Aggregation Group that is not a Top Heavy Group. Top Heavy Plan also means a Plan which is part of a Required Aggregation Group that is a Top Heavy Group.

The present values of accrued benefits of an employee as of the Determination Date shall be increased by the distributions made with respect to the employee under the Plan and any plan aggregated with the Plan under §416(g)(2) of the Internal Revenue Code during the one-year period ending on the Determination Date. The preceding sentence shall also apply to distributions under terminated plan which, had it not been terminated, would have been aggregated with the Plan under §416(g)(2)(A)(i) of the Internal Revenue Code. In the case of a distribution made for a reason other than severance from employment, death, or disability, this provision shall be applied by substituting “five-year period” for “one-year period.”

The accrued benefits and account of any individual who has not performed service for the Employer during the one-year period ending on the Determination Date shall not be taken into account in determining whether the Plan is a Top Heavy Plan.

- (h) “Top Heavy Group” means a Required or Permissive Aggregation Group in which, as of the Determination Date, the sum of: (1) the present value of accrued benefits for Key Employees under all defined benefit plans included in the Group, and (2) the aggregate value of account balances of Key Employees under all defined contribution plans included in the Group exceeds sixty percent (60%) of a similar sum determined for all employees under all plans of the Employer which are part of the Group. The present values of accrued benefits of an employee as of the Determination Date shall be increased by the distributions made with respect to the employee under the Plan and any plan aggregated with the Plan under §416(g)(2) of the Internal Revenue Code during the one-year period ending on the Determination Date. The preceding sentence shall also apply to distributions under a terminated plan which, had it not been terminated, would have been aggregated with the Plan under §416(g)(2)(A)(i) of the Internal Revenue Code. In the case of a distribution made for a reason other than severance from employment, death, or disability, this provision shall be applied by substituting “five-year period” for “one-year period.”

The accrued benefits and accounts of any individual who has not performed service for the Employer during the one-year period ending on the Determination Date shall not be taken into account in determining whether the Plan is a Top Heavy Plan.

Section 11.03. Top Heavy Minimum Benefits.

- (a) (1) In any Plan Year in which this Plan as a whole is a Top Heavy Plan, the Plan will provide a minimum benefit to each Non-Collectively Bargained Non-Key Employee in this Plan of the

lesser of (i) two percent (2%) times the number of Years of Vesting Service under the Plan during which the Plan was Top Heavy, or (ii) twenty percent (20%) of his Compensation for the five consecutive years for which the Non-Collectively Bargained Non-Key Employee had the highest Compensation from Employers.

- (2) In any Plan Year in which this Plan as a whole is not Top Heavy but a group of plans of an Employer, including the portion of this Plan attributable to service with the Employer, is a Top Heavy Group, this Plan will provide a minimum benefit to each Non-Collectively Bargained Non-Key Employee of that Employer of the lesser of (i) two percent (2%) times the number of Years of Vesting Service with that Employer during which the Group was Top Heavy, or (ii) twenty percent (20%) of his Compensation for the five consecutive years for which the Non-Collectively Bargained Non-Key Employee had the highest Compensation from that Employer.
 - (3) The minimum benefit refers to a benefit payable at the Non-Key Employee's Normal Retirement Age in the form of a single life annuity. A Non-Key Employee will not fail to accrue a minimum benefit because the Non-Key Employee:
 - (A) was not employed on a specified day; or
 - (B) received compensation less than a stated amount; or
 - (C) failed to make a mandatory employee contribution, if any.
- (b) In any Calendar Year in which a Non-Key Employee is a Participant in both this Plan and defined contribution plan included in a Top Heavy Aggregation Group, the Plans of the Employer, including the portion of this Plan attributable to service with the Employer, will not be required to provide a Non-Key Employee with both the full separate minimum defined benefit plan benefit and the full separate defined contribution plan allocation. Therefore, for Non-Collectively Bargained Non-Key Employees who are participating in a defined contribution Plan maintained by the Employer, the minimum benefits provided to such Employee above will be offset by benefits provided to the Employee under the defined contribution plan of the Employer.
- (c) Effective for Plan Years beginning after December 31, 2001, for purposes of satisfying the top heavy minimum benefit requirements set forth in §416(c)(1) of the Internal Revenue Code and this Plan, in determining years of service with the Employer, any service with the Employer shall be disregarded to the extent that such service occurs during a Plan Year when the Plan benefits (within the meaning of §410(b) of the Internal Revenue Code) no Key Employee or Former Key Employee.
- (1) For any Plan Year in which this Plan as a whole Top Heavy, the vested portion of each Non-Collectively Bargained Non-Key Employee's Accrued Benefit will be determined under the vesting schedule in paragraph (d)(3) below.
 - (2) For any Plan Year in which this Plan as a whole is not Top Heavy but a group of plans of an Employer, including the portion of this Plan attributable to service with the Employer, is a Top Heavy Group, the vested portion of the Accrued Benefit of each Non-Collectively Bargained Non-Key Employee of that Employer will be determined under the vesting schedule in paragraph (d)(3) below.

(3) Vesting Schedule:

<u>Years of Vesting Service</u>	<u>Vested Percentage</u>
1	0%
2	0%
3	100%

(4) If in any subsequent Plan Year, the Plan as a whole or, if applicable, a group of plans of an Employer, including the portion of this Plan attributable to service with the Employer, ceases to be a Top Heavy Plan or a Top Heavy Group, the Trustees may, in their sole discretion, elect to (1) continue to apply this vesting schedule in determining the vested portion of the benefit of the Non-Collectively Bargained Non-Key Employee's to which it applied, or (2) revert to the vesting schedule in effect before the Plan or Group became Top Heavy. Any portion of an Employee's benefit that was vested before the Plan or Group ceased to be Top Heavy will remain vested, and any Non-Collectively Bargained Non-Key Employee to which the Top Heavy Vesting Schedule applied with five or more Years of Vesting Service must be given the option of remaining under the Top Heavy vesting schedule.

ARTICLE 12
Employer Withdrawal Liability

Section 12.01. General.

- (a) An Employer that withdraws from the Plan after September 25, 1980, in either a complete or partial withdrawal, will owe and pay withdrawal liability to the Plan, as determined under ERISA §4201 *et seq.* and the provisions of this Article 12.
- (b) For purposes of this Article, all corporations, trades or businesses that are under common control, as defined in regulations of the Pension Benefit Guaranty Corporation (PBGC) are considered a single employer.
- (c) Any notice that must be given to an Employer under this Article or under Subtitle E of Title IV of ERISA will be effective if given to the specific member of a commonly controlled group that has or has had an obligation to contribute under the Plan. Notice may also be given to any other member of the controlled group that the Employer identifies and designates to receive notices hereunder, in accordance with a procedure adopted by the Trustees.

Section 12.02. Definition of Complete Withdrawal.

An Employer will experience a complete withdrawal if the Employer permanently ceases to have an obligation to contribute under the plan or permanently ceases all covered operations under the plan.

Section 12.03. Amount of Liability for Complete Withdrawal.

- (a) The amount of an Employer's liability for a complete withdrawal will be determined as of the end of the Calendar Year preceding the date of the Employer's withdrawal.
- (b) Unfunded Vested Liability Defined.
 - (1) For purposes of this Article, the term "vested benefit" means a benefit for which a Participant has satisfied the conditions for entitlement under this Plan (other than submission of a formal application, retirement or completion of a required waiting period) whether or not the benefit may subsequently be reduced or suspended by a Plan amendment or as a result of an occurrence of any condition or operation of law, and whether or not the benefit is considered "vested" or "non-forfeitable" for any other purpose under the Plan.
 - (2) The Plan's liability for vested benefits as of a particular date is the actuarial value of the vested benefits under this Plan, as of that date. Actuarial value will be determined on the basis of methods and assumptions approved by the Trustees for purposes of this Article, upon recommendation of the Plan's enrolled actuary.
 - (3) The unfunded vested liability will be the amount, not less than zero, determined by subtracting the value of the Plan's assets from the Plan's liability for vested benefits. The Plan's assets are to be valued on the basis of rules adopted for this purpose by the Trustees upon recommendation of the Plans enrolled actuary.
- (c) Unfunded Vested Liability Allocable to Withdrawn Employer. The amount of unfunded vested liability allocable to an employer that withdraws from the plan is the product of (A) multiplied by (B) where (A) is the plan's unfunded vested liability as of the end of the Calendar Year preceding the Calendar Year in which the employer withdraws, less the value as of the end of such year of all

outstanding claims for withdrawal liability which can reasonably be expected to be collected from employers withdrawing before such year; and (B) is a fraction –

- (1) the numerator of which is the total amount required to be contributed by the employer under the plan for the last 5 Calendar Years ending before the withdrawal, and
- (2) the denominator of which shall be determined as follows:
 - (A) The total amount contributed under the plan by all employers for the last five Calendar Years ending before the withdrawal.
 - (B) The total amount contributed under the plan by all employers for the last five Calendar Years ending before the withdrawal shall be increased, for purposes of this denominator, by any employer contributions owed with respect to earlier periods which were collected in those Calendar Years, and decreased by any amount contributed to the plan during those Calendar Years by any Significant Employers who withdrew from the plan under this section during those Calendar Years.

(d) For purposes of the denominator described in paragraph (c)(2), “Significant Employer” means–

- (1) An employer to which the plan has sent a notice of withdrawal liability under ERISA §4219 or
- (2) A withdrawn employer that in any Calendar Year used to determine the denominator of the fraction defined in paragraph (c)(2) contributed at least \$250,000 or, if less, 1% of all contributions made by employers for that year.
- (3) If a group of employers withdraw in a concerted withdrawal, the plan shall treat the group as a single employer in determining whether the members are Significant Employers under this section. A “concerted withdrawal” means a cessation of contributions to the plan during a single Calendar Year –
 - (A) by an employer association;
 - (B) by all or substantially all of the employers covered by a single collective bargaining agreement; or
 - (C) by all or substantially all of the employers covered by agreements with a single labor organization.

(e) De Minimis Rule.

The amount of initial liability allocable to an Employer determined under paragraph (c) shall be reduced by the lesser of:

- (1) \$50,000.00 or
- (2) 3/4 of 1 percent of the Plan’s unfunded vested liability as of the end of the Calendar Year preceding the year of the Employer’s withdrawal

reduced by the excess of the initial amount of unfunded vested liability allocable to the Employer is over \$100,000.00. The De Minimis Rule described in this Section 12.03(e) shall not apply in the circumstances described in ERISA §4209(c).

Section 12.04. Notice and Collection of Withdrawal Liability.

(a) Payment Schedule.

- (1) Withdrawal liability may be paid in a lump sum or may be amortized over level monthly installments with the total amount due in each twelve (12) month period beginning on the date of the first installment to be determined by the Fund as the product of:
 - (A) the highest rate at which the Employer was obligated to contribute to the Plan in the Calendar Year in which the withdrawal occurred and in the preceding nine (9) Calendar Years, multiplied by
 - (B) the average number of hours per year for which the Employer was obligated to contribute to the Plan for the three (3) consecutive Calendar Years, within the ten (10) consecutive Calendar Years ending before the Year in which the withdrawal occurred, during which the Employer's contribution base was the highest.
- (2) In any case in which the amortization period necessary to amortize the total liability in the level annual payments described in subparagraph (1) exceeds 20 years, the employer's liability shall be limited to the first 20 annual payments described in paragraph (1). If the Plan were to terminate by the withdrawal of every employer from the Plan, or if substantially all the employers withdraw from the Plan pursuant to an agreement or arrangement to withdraw from the Plan, such 20 year limit shall not apply.

(b) Request for Review and Arbitration.

- (1) A dispute between an Employer and the Plan concerning a determination of withdrawal liability will be submitted first to the Trustees for review pursuant to ERISA §4219(b)(2). If the Employer is not satisfied with the outcome of the Trustees' review, it may initiate an arbitration as provided in ERISA §4221 to be conducted in accordance with rules adopted by the Trustees not inconsistent with regulations of the Pension Benefit Guaranty Corporation. No issue concerning the computation of withdrawal liability may be submitted for arbitration unless the matter has been reviewed by the Trustees in accordance with ERISA §4219(b)(2) and any Plan rules adopted thereunder.
- (2) Notwithstanding the pendency of any review, arbitration or other proceedings, payment will begin on the first day of the month that begins at least thirty (30) days after the notice of, and demand for, payment is sent to the Employer. Interest will accrue on any late payment from the date the payment was due until the date paid, at the rate described in subsection (c)(2) below.
- (3) If, following review, arbitration or other proceedings, the amount of the Employer's withdrawal liability is determined to be different from the amount set forth in the Fund's notice, adjustment will be made by reducing or increasing the total number of installment payments due. If the Employer has paid more than the amount finally determined to be its withdrawal liability, the Plan will refund the excess, with interest, at the rate used to determine the amortization period under subsection (a).

(c) Default.

- (1) An Employer is in default of its withdrawal liability if any installment is not paid when due, the

Plan has notified the Employer of its failure to pay the liability on the date it was due, and the Employer has failed to pay the past-due installment within sixty (60) days after receipt of the late payment notice.

- (2) Interest will be charged on any amount in default from the date the payment was due to the date it is paid at an annual rate equal to the historical prime rate charged by the J.P. Morgan Chase Bank (or its successor) on the first day of the calendar quarter preceding the due date of the payment. For each succeeding twelve (12) month period that any amount in default remains unpaid, interest will be charged on the unpaid balance (including accrued interest) at the historical prime rate in effect on the anniversary date of the date as of which the initial interest rate was determined.
- (3) In the case of a default of withdrawal liability, the Plan may require immediate payment of some or all installments that would otherwise be due in the future.
- (4) In addition to the event described in paragraph (1), an Employer is in default if such Employer files a petition under the Bankruptcy Code or any similar proceeding under state law, or enters into a compromise with creditors, or a bulk sale, insolvency or dissolution of a partnership or corporation.

(d) In any suit by the Trustees to collect withdrawal liability, including a suit to enforce an arbitrator's award and a claim asserted by the Trustees in an action brought by an Employer or other party, if judgment is awarded in favor of the Plan, the Employer will pay to the Plan, in addition to the unpaid liability and interest thereon as determined under subsection (c)(2), liquidated damages equal to the greater of –

- (1) the amount of interest charged on the unpaid balance, or
- (2) 20 percent of the unpaid amount awarded.

The Employer will also pay attorneys' fees and all costs incurred in the action, as awarded by the court. Nothing in this subsection will be construed as a waiver or limitation of the Plan's rights to any other legal or equitable relief.

(e) Prepayment.

An Employer may prepay all or part of its withdrawal liability, plus accrued interest, if any, without penalty.

(f) Other Terms and Conditions.

The Trustees may require that an Employer post a bond, or provide the Plan other security for payment of its withdrawal liability, if:

- (1) the Employer's payment schedule would extend for longer than eighteen (18) months;
- (2) the Employer is the subject of a petition under the Bankruptcy Code, or similar proceedings under state or other federal laws; or
- (3) a substantial portion of the Employer's assets are sold, distributed or transferred.

Section 12.05. Free Look.

- (a) Notwithstanding the other provisions of this Article, an employer whose obligation to contribute to the Plan first commences on or after August 1, 2009 and who withdraws from the Plan in a complete or partial withdrawal on or after that date will not be liable to the Plan for withdrawal liability (except in the case of withdrawal liability upon mass withdrawal as provided in PBGC regulations) if the following conditions are met:
- (1) The Employer had an obligation to contribute for no more than five (5) Calendar Years;
 - (2) The Employer was required to make contributions to the plan for each such Calendar Year in an amount equal to less than 2% of the sum of all employer contributions made to the plan for each such year;
 - (3) The Employer has never avoided withdrawal liability because of the application of this section with respect to the plan.
 - (4) For the Calendar Year preceding the first Calendar Year for which the Employer was required to contribute to the Plan, the ratio of the assets of the Plan to the benefit payments made by the Plan during that Calendar Year was at least 8 to 1.
- (b) Notwithstanding anything in the Plan to the contrary, in the event that the Employer ceases to have an obligation to contribute to the Plan but avoids withdrawal liability because of the application of this section, Past Service Credit that would otherwise be available under this Plan to Employees of the Employer for benefits accrued as a result of service with the Employer before the Employer had an obligation to contribute to the Plan shall be cancelled for all Participants (prospectively only for Pensioners), whether vested or not, and their beneficiaries, pursuant to ERISA §4210(b)(3) and Internal Revenue Code §411(a)(3)(E).

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Section 12.06. Savings Clause.

The Plan is intended to assess withdrawal liability using the “rolling 5 method” described in ERISA §4211(c)(3). Nothing in this Article XII shall in any way limit the Plan’s right to assess and collect withdrawal liability to the fullest extent permitted under Title IV of ERISA and regulations promulgated thereunder consistent with that method. By way of illustration but not of limitation, in the event of a “mass withdrawal” within the meaning of 29 C.F.R. §4001.2, the special rules that apply to such withdrawals under ERISA §4219 shall apply. Likewise, in the event of a “partial withdrawal” within the meaning of ERISA §4205, the Plan shall assess withdrawal liability to the fullest extent permitted under Title IV of ERISA.

These Restated Rules and Regulations of the National Automatic Sprinkler Metal Trades Pension Plan are Adopted by the Board of Trustees of the National Automatic Sprinkler Metal Trades Pension Fund on this ____ day of October, 2014.

UNION TRUSTEES

EMPLOYER TRUSTEES

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