

Notice of Critical Status for the

New Bedford Longshoremens' Pension Plan

This is to inform you that on December 30, 2011 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan is in critical status for the plan year beginning October 1, 2011. Federal law requires that you receive this notice.

Critical Status

The plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the plan's actuary determined that the plan is projected to have an accumulated funding deficiency for the plan year ending September 30, 2015.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. This is the 3rd year the plan has been in critical status. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. On September 3, 2010, you were notified that the plan reduced or eliminated adjustable benefits. On January 29, 2010, you were notified that as of January 29, 2010 the plan is not permitted to pay lump sum benefits (or any other payment in excess of the monthly amount paid under a single life annuity) while it is in critical status. If the trustees of the plan determine that further benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after September 3, 2010.

Adjustable Benefits

The plan offers the following adjustable benefits which have been reduced or eliminated as part of the rehabilitation plan that the Trustees have adopted:

- Post-retirement \$2,000 lump sum death benefits;
- \$2,000 lump sum additional retirement benefit;
- Lump sum pre-retirement death benefits;
- Sixty-month payment guarantees;
- Disability benefits (if not yet in pay status);
- Early retirement benefit subsidy

Employer Surcharge

The law requires that all contributing employers pay to the plan a surcharge to help correct the plan's financial situation. The amount of the surcharge is equal to a percentage of the amount an employer is otherwise required to contribute to the plan under the applicable collective bargaining agreement. With some exceptions, a 5% surcharge is applicable in the initial critical year and a 10% surcharge is applicable for each succeeding plan year thereafter in which the plan is in critical status. Such surcharges cease to apply for employer contributions beginning on the effective date of negotiated employer contribution rates contained in the rehabilitation plan.

Where to Get More Information

For more information about this Notice, you may contact Joan Feener at 173 1/2 Acushnet Avenue, New Bedford, MA 02740 or by telephone at (508) 994-4264. You have a right to receive a copy of the rehabilitation plan from the plan.