WASHINGTON MEAT INDUSTRY PENSION TRUST

NOTICE OF CRITICAL STATUS

TO: All Participants, Beneficiaries, Participating Local Unions, and Contributing Employers

FROM: Board of Trustees
Washington Meat Industry Pension Trust

DATE: October 22, 2012

The Pension Protection Act of 2006 (PPA) requires the Board of Trustees to annually evaluate the funded status of your Pension Plan. Pension plans that are in critical status must notify all participants, beneficiaries, unions, contributing employers, the Pension Benefit Guaranty Corporation, and the Secretary of Labor of that status. A rehabilitation plan that is designed, over time, to strengthen the Plan's financial foundation must also be adopted.

This will notify you that the Trust's actuary on September 28, 2012 certified to the U.S. Department of Treasury and to the Board of Trustees that the Plan continues to be in critical status for the Plan Year beginning July 1, 2012. The Plan was certified to be in critical status for the Plan Year that began July 1, 2009. Federal law requires that you receive this notice.

Critical Status

The Plan is considered to be in critical status because it has funding problems. More specifically, the Plan's actuary has determined that the Plan is projected to have an accumulated funding deficiency in five years and the present value of non-forfeitable benefits for inactive participants is greater than the present value of non-forfeitable benefits of active participants and the normal cost plus interest of unfunded benefit liabilities exceeds reasonably anticipated employer contributions for the current Plan Year. Also, the Plan was in critical status for the immediately preceding Plan Year and a funding deficiency is projected in ten years.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a Rehabilitation Plan aimed at restoring the financial health of the plan. The Board of Trustees adopted a Rehabilitation Plan on May 26, 2010, which was amended in December 2010.

As part of the Rehabilitation Plan, the PPA allows the Plan to reduce or eliminate "adjustable benefits." Effective July 1, 2010, certain adjustable benefits for Terminated Vested Participants and Terminated Non-Vested Participants were eliminated or reduced. The Rehabilitation Plan also includes changes to the Plan's benefit accrual formula and other Plan features. If you are not a Terminated Vested Participant or Terminated Non-Vested Participant, you have received or will receive a separate notice in the future identifying and explaining the effect of these changes. Any reduction of adjustable benefits (other than the repeal of a benefit increase granted within the last 60 months) will not reduce the level of a participant's basic benefit payable at normal retirement (which is age 65 under the Plan).

Other than the repeal of benefit increases made in the last 60 months, reductions to adjustable benefits generally will only apply to you if your benefit commencement date (pension effective date) is on or after October 26, 2009 (the date of the first Notice that the Plan was in critical status). You should also know that whether or not the Plan reduces adjustable benefits in the future, federal law prevents the Plan from paying lump-sum benefits (or any other payment in excess of the amount payable under the normal single life annuity) after the actuary has certified a Plan as critical.

Adjustable Benefits

The Plan's "adjustable benefits" that under the PPA are subject to reduction or elimination as part of the Rehabilitation Plan, include the following:

1. Minimum payment guarantees for life annuity payment forms (such as the two-year and five-year guarantees);
2. Disability benefits;
3. Early retirement or retirement-type subsidies including, under certain Schedules, pensions based on the Rule of 85 or 30 years of service;
4. Pre-Retirement Death benefits (except for a 50% pre-retirement spouse option for a surviving spouse);
5. Post-retirement death benefits (except for a 50% or 75% spouse option); and
6. Benefit payment options or features other than the qualified joint and survivor annuity, such as any reversion option or contingent annuitant option; and
7. Benefit increases that would not be eligible for a guarantee under ERISA section 4022A on the first day of the critical year (July 1, 2009) because increases were adopted or, if later, took effect less than 60 months before July 1, 2009.

Employer Surcharges

The PPA requires that all contributing employers pay to the Plan a surcharge to help correct the Plan's financial health. The amount of the surcharge is equal to the percentage of the amount an employer is otherwise required to contribute to the Plan under the collective bargaining agreement. Beginning with hours worked on or after December 1, 2009, a 5% contribution surcharge has been assessed on contributions made or required to be made to the Trust. This surcharge applies to all hours worked through June 30, 2010. For hours worked after June 30, 2010, the surcharge is 10% of all contributions made or required to be made to the Trust. The Schedules, which contain increased contributions, go into effect at the later of the first day of the month after the ratification date of the Employer's collective bargaining agreement containing a rehabilitation schedule or the first day of the month following the implementation of a default schedule. The employer surcharges end once a CBA has been renegotiated to adopt a rehabilitation plan schedule.

Where to Get More Information

For more information about this notice, contact Zenith American Solutions at 206-282-4500 or 1-800-225-7620, option 2 option 3. You have a right to receive a copy of the Rehabilitation Plan from the Plan.