Automotive Industries Pension Fund

Administered by: Associated Third Party Administrators
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DATE: APRIL 28, 2015

TO: PARTICIPANTS AND BENEFICIARIES
CONTRIBUTING EMPLOYERS
LOCAL UNIONS
PENSION BENEFIT GUARANTY CORPORATION
SECRETARY OF LABOR

FROM: BOARD OF TRUSTEES

NOTICE OF CRITICAL AND DECLINING STATUS

This is to inform you that on March 31, 2015, the actuary for the Automotive Industries Pension Plan (the "Plan") certified to the U.S. Department of the Treasury and to the Board of Trustees that the Plan is in "critical status" for the Plan Year beginning January 1, 2015. 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 in critical status due to the following reasons. Note that any single reason by itself is sufficient to result in the Plan being certified as being in critical status.

- The Plan has an accumulated funding deficiency for the current Plan Year.
- The sum of the Plan's normal cost and interest on the unfunded benefits for the current Plan Year exceeds the present value of all expected contributions for the Plan Year; the present value of vested benefits of inactive participants is greater than the present value of vested benefits of active participants; and the Plan has an accumulated funding deficiency for current Plan Year.
- The funded percentage of the Plan is 65% or less and over the next four Plan Years, the Plan is projected to have an accumulated funding deficiency for the 2016, 2017, 2018 and 2019 Plan Years.
- The Plan was in critical status last year and over the next 9 years, the Plan is projected to have an accumulated funding deficiency for the current 2015 Plan Year, as well as the 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024 Plan Years and is projected to become insolvent at the end of the 2030 Plan Year.

Critical and Declining Status

Also, as required by the recently enacted Multiemployer Pension Reform Act of 2014 ("MPRA"), the Plan's actuary certified the Plan as being in critical and declining status due to the following reasons. Note that any single reason by itself is sufficient to result in the Plan being certified as being in critical and declining status.

- The Plan is in critical status and (1) the ratio of its inactive participants to active participants is at least 2 to 1, and (2) the Plan is projected to be insolvent within 20 years.
- The Plan is in critical status and (1) the funded percentage is less than 80% and the Plan is projected to be insolvent within 20 years.

Under MPRA, a plan that has been certified to be in critical and declining status and is projected to become insolvent may be able to take certain additional actions to improve its funding status and avoid insolvency.

Rehabilitation Plan

The Pension Protection Act of 2006 ("PPA") requires a pension plan in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The Plan has been in critical status for the prior six years. The law permits pension plans in critical status to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. Since the adoption of the original rehabilitation plan, the following changes have been made to the Pension Plan.
Participants and other interested parties received prior notices containing information concerning the specific changes and who would be affected by the changes. This Notice is not intended to describe those changes in any detail.

- Early Retirement Benefit subsidy removed.
- Elimination of Unreduced "Rule of 85" Early Retirement Benefit
- Elimination of Disability Benefit
- Elimination of 36-Payment Pre-Retirement Death Benefit
- Elimination of 36-month and 120-month guarantee of payments for single life annuity payment forms
- Elimination of "pop-up" feature and subsidy connected with the 50% Automatic Joint and Survivor Benefit
- Elimination of 100% Full Joint and Survivor Annuity Option
- Elimination of Social Security Option
- Elimination of automatic cashout of benefits
- Elimination of Early Retirement Benefit for "inactive Vested Participants effective February 1, 2011.

None of the above benefit changes has served to reduce the level of a participant's basic benefit payable at normal retirement age.

Following its 2011 annual review, and taking industry conditions into consideration, the Board of Trustees voted on March 8, 2012, to reduce the annual rate at which supplemental "off-benefit" contributions (i.e., additional contributions that do not count towards benefit accruals) will increase in future Plan Years from 12.5% to 5.0%.

Employer Surcharge

PPA required that all contributing employers pay to the Plan a surcharge (a percentage of an employer's then negotiated contribution rate) to help correct the Plan's financial situation beginning 30 days after the employer was notified of the Plan's initial critical status certification. The employer obligation to pay surcharges, terminated when an employer's employees became covered by a collective bargaining agreement or other contribution agreement which included terms consistent with a rehabilitation plan schedule adopted by the Board of Trustees. There are presently no employers paying surcharges.

Where to Get More Information

For more information about this notice or the Trust, contact the Administration Office at the following address or phone number:

Plan Administrator
Associated Third Party Administrators
1640 South Loop Road
Alameda, CA 94502
(510) 836-2484

You have a right to receive a copy of the rehabilitation plan from the Pension Plan.

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