

Northwest Marine Retirement Trust

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Administered by
Welfare & Pension Administration Service, Inc.

October 15, 2010

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

Notice of Critical Status For Northwest Marine Retirement Trust

The purpose of this notice is to inform you that on September 20, 2010 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, the Board of Trustees, that the Northwest Marine Retirement Trust (the "Plan") is in critical status for the plan year beginning July 1, 2010. 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 actuary has determined that over the next three plan years, the Plan is projected to have an accumulated funding deficiency for the plan year beginning July 1, 2012. This means that contributions coming into the Plan are not expected to be sufficient to meet minimum contribution requirements as provided by the federal government. This does not mean that the Plan does not have sufficient assets to pay current retirees.

The projected funding deficiency is the direct result of the severe investment losses experienced by the Plan in 2008 and early 2009, due to the deterioration of nearly all investment markets over the year. These investment losses have resulted in plan assets falling significantly below plan liabilities. A similar decline was experienced by other pension plans across the country.

The Trustees of the Plan remain committed to providing the best and most secure benefits possible. The Fund's investment portfolio remains well diversified and is positioned to participate in any market recovery.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. If the trustees of the plan determine that the benefit reductions are necessary, you will receive a separate notice in

the future identifying and explaining the effect of those reductions. Generally, 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 October 15, 2010. However, a decision has not yet been made as to whether adjustable benefits will be reduced. But you should know that whether or not the Retirement Plan reduces adjustable benefits in the future, effective as of October 15, 2010 the Retirement 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.

Adjustable Benefits

The Plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt:

- Benefit payment options other than a qualified joint and survivor annuity (QJSA);
- Pre-retirement death benefits;
- Disability benefits (if not yet in pay status);
- Early retirement benefit or retirement-type subsidy;
- Other similar benefits, rights, or features under the plan.

Employer Surcharge

The law requires that all contributing employers pay a surcharge to the Plan 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 in which the plan is in critical status until the effective date of a collective bargaining agreement which includes a rehabilitation schedule as provided by the Plan. Accordingly, employer contributions for covered hours after November 14, 2010 will be subject to the 5% surcharge.

Where to Get More Information

For more information about this Notice, you may contact the Plan's Administrative Office, Welfare & Pension Administration Service, Inc.

Address: Northwest Marine Retirement Trust
P.O. Box 34203
Seattle, WA 98124-1203

Telephone: (206) 441-7574, Toll-free: 1-800-732-1121

You have a right to receive a copy of the rehabilitation plan from the Plan when it is later adopted.