

STA OF BALTIMORE - ILA CONTAINER ROYALTY FUND  
SUMMARY PLAN DESCRIPTION

June 2016

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To All Covered Employees:

We are pleased to send to you this Summary Plan Description (“SPD”) of your STA of Baltimore - ILA Container Royalty Plan.

In this SPD you will find details of the benefits to which you are entitled and the procedures followed in the calculation and payment of your Container Royalty benefits.

We suggest that you read the description carefully and keep it handy for future reference. This description is designed to fit in your blue folder along with the description of your STA-ILA Pension, Severance & Annuity, and Benefits Plans.

Sincerely yours,

Board of Trustees

Board of Trustees

Union Trustees

Richard P. Krueger, Jr.  
Charles S. Markowski  
Wilbert Rowell

Employer Trustees

Michael Angelos  
Michael Curran  
Mauro Dalbo  
Bayard Hogans  
Douglas Wolfe

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## HOW YOUR CONTAINER ROYALTY PLAN WORKS

### Special Terms:

*Contract* - The term "Contract" means the collective bargaining agreement between the STA of Baltimore and the International Longshoremen's Association for the Port of Baltimore.

*Contract Year* - The "Contract Year" means the year beginning October 1st and ending September 30th.

### Source of Payments to the Fund:

Payments to the Container Royalty Fund are made by Employers pursuant to the Contract and are based upon containerized cargo handled by employees under the Contract in the Port of Baltimore.

### How the Plan is Administered:

The Plan is administered by a Joint Board of Trustees, consisting of five Union Trustees and five Employer Trustees. The Plan is an employee welfare benefit plan within the meaning of Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

The names and addresses of the Trustees are listed below:

#### UNION TRUSTEES

Richard P. Krueger, Jr.  
ILA Vice President – ACD  
209 Maritime Center  
Baltimore, MD 21224

Wilbert Rowell  
ILA Local 333 Trustee  
1104 Hull Street  
Baltimore, MD 21230-5237

Charles Markowski  
ILA Local 953  
1521 E. Fort Avenue  
Baltimore, MD 21230

#### EMPLOYER TRUSTEES

Michael Angelos  
STA of Baltimore, Inc.  
8615 Ridgely's Choice Drive, Suite 202  
Baltimore, MD 21236-3026

Bayard Hogans  
Ports America Chesapeake, Inc.  
2200 Broening Highway, Suite 100  
Baltimore, MD 21224

Michael Curran  
Ports America Chesapeake, Inc.  
2200 Broening Highway, Suite 100  
Baltimore, MD 21224

Doug Wolfe  
Ceres Marine Terminals, Inc.  
2908 Childs Street, 2nd Floor  
Baltimore, MD 21226

Mauro Dal Bo  
Mediterranean Shipping Company  
2200 Broening Highway, Suite 260  
Baltimore, MD 21222

The Trustees are also designated as the Plan Administrator. You can communicate with the Trustees by writing to the Fund Office:

STA of Baltimore - ILA Container Royalty Fund  
Holabird Business Park  
202 Jackson Taylor Building 6610 Tributary Street  
Baltimore, Maryland 21224-6532  
Tel: 410-633-9330  
Fax: 410-633-9347

How Container Royalty Payments are Funded: Payments to the plan are received at the Fund Office and deposited with and invested by M&T Bank.

Eligibility for Benefits:

To be eligible to receive a container royalty benefit you must be an employee covered by the Contract. Certain employees who were formerly covered by the Contract are also included. These include employees of the administrative office staffs of the STA-ILA Pension, Benefits, Container Royalty Funds and the STA Seniority Board, Inc., and officers and employees of the affiliated ILA unions in the Port of Baltimore who were formerly employees covered by a collective bargaining agreement. You must meet a minimum-hours-worked requirement in the Contract Year for which the benefit payment is made.

An employee who works at least 700 hours under the Contract in a Contract Year will be eligible for the container royalty benefit payment made for that year provided that he either (1) was eligible to receive a benefit with respect to a Contract Year ending in 1971, 1972 or 1973; or (2) worked at least 700 hours under the Contract in at least five out of six consecutive Contract Years after September 30, 1973.

Credit for Injury and Sickness:

Time off due to injury or sickness is credited as time worked at the rate of 40 hours for each week of total disability. Such credit is not awarded with respect to more than two consecutive Contract Years (unless the employee is temporarily and totally disabled under a workers' compensation law), nor for any period of time after retirement under the STA-ILA Pension Plan.

Credit for Military Service:

An employee serving in the Uniformed Services of the United States will be given credit for the period of such service toward satisfaction of the eligibility requirements to receive a container royalty benefit, provided that the employee has worked at least 250 hours in the Contract Year for which he is seeking military service credit, gives advanced notice to his employer of such service and returns to employment within the required time limits after honorable discharge or satisfactory completion of service. Such credit is not given with respect to any time on active duty in excess of that which is protected under the Uniformed Services Employment and Reemployment Rights Act, as amended. Credit given for service in the Uniformed Services is counted toward satisfaction of the eligibility requirements, so that such service will not cause a loss of eligibility of benefits, but does not replace the eligibility requirement that an employee work or receive credit for at least 700

hours under the Contract for at least five out of six consecutive years in order to receive a container royalty benefit.

Amounts of Benefits:

Each eligible employee receives the same amount of benefits. The individual amount of benefits is determined by the Trustees, based upon the total amount of contributions received for the Contract Year and any interest earned, less the costs of administration and a reasonable reserve, divided by the total number of eligible employees. The Benefits paid to an employee who entered the longshore industry prior to October 1, 1996 may not exceed \$15,000.00, and to an employee who entered the longshore industry after September 30, 1996, \$7,500.00. The deductions described in the following section are then made from each check prior to distribution.

When Benefits are Paid:

During the month of December each year a check will be distributed to each eligible employee. In the event that all tonnage contributions for the Contract Year have not been collected by December, then a supplementary distribution may be made to each eligible employee after those contributions are received.

In addition, federal and state income taxes and employee and employer FICA and FUTA taxes are deducted from each eligible employee's payment and, upon written voluntary authorization, union dues owed by the employee are also deducted and remitted to the ILA.

Should you die before payment is made to you, payment will be made to the beneficiary designated by you on your STA-ILA Benefits Fund's beneficiary designation form. It is very important for you to designate your beneficiary and this must be done on forms available to you at the STA-ILA Benefits Fund Office. If no beneficiary is designated or your beneficiary predeceases you, payments upon your death will be made to your estate.

Benefit payments under the Plan are not cumulative. Benefits will not be paid to an employee for a Contract Year preceding the Contract Year most recently concluded, except that a benefit payment may be paid to an employee for the Contract Year before the one most recently concluded, if application is made prior to the January 1st following the most recently concluded Contract Year.

For example, to be entitled to a benefit payment for the Contract Year ending September 30, 2016, application must be made before January 1, 2018.

The Trustees may waive these limitations, in their sole discretion, when it appears to their satisfaction that timely application for benefits was not made because of the mental or physical incapacity of the employee.

Loss of Container Royalty Benefits:

If the plan is unable to make a Container Royalty benefit payment to you, due to the lack of correct address or for any other reason, you (or your beneficiary if you are deceased) must apply in writing to the Board of Trustees within four years after the expiration of the Contract Year during which the payment was distributable or you will lose your right to the benefit.

For example: if the Fund is unable to distribute to you the Container Royalty benefit distributable in December 2016 you (or your designated beneficiary if you are deceased) must make application for the benefit by September 30, 2021. (Within four years after the Contract Year ending September 30, 2017).

If application is not made within this four-year period, you (or your designated beneficiary if you are deceased) will lose entitlement to the benefit which will revert to the Fund and be used to defray administrative expenses.

## GENERAL INFORMATION

### Assignment of Benefits:

The assignment of benefits for the benefit of creditors is prohibited under the Plan. Dues checkoff upon voluntary authorization is permitted as explained on page 3.

### Service of Legal Process:

The persons designated for the Service of Process are the Trustees. Service may be made on any Trustee at the address shown above, and may also be made on the Board of Trustees at the Fund Office.

### Employer Identification Number:

The Employer Identification Number assigned by the Internal Revenue Service is 52-0953443.

### Plan Number:

The Plan Number assigned by the Board of Trustees is 501.

### Plan Year:

The date of the end of the Plan Year is October 31st. Plan records are maintained on a fiscal year basis, November 1st to October 31st.

### Denial of Claims and Claims Review Procedure:

#### *Denial of Claim*

If you think you have a problem regarding your Plan benefits, you may file a written claim under the Plan's claims procedure. For example, you may feel that you are entitled to a benefit that has not been paid, or that the benefit you are receiving has not been paid under terms or in an amount with which you are in agreement. Your claim must state the specific reason(s) why you believe you are entitled to the benefit, or why you disagree with the terms or amount of the benefit, and must be delivered to the Plan Administrator at the address on page \_\_\_ of this SPD.

Your claim will be given full and fair consideration, and the decision will be made in accordance with governing Plan documents and after taking steps to assure that the Plan provisions are applied in a manner that is consistent with the way other similar claims (if any) have been treated in the past.

Unless it is determined that your claim is to be resolved in accordance with your wishes as set forth in the claim, the Plan Administrator will provide you with a written or electronic notice of the

adverse determination, setting forth: (i) the specific reason(s) for the denial, (ii) specific reference to pertinent Plan provisions on which the denial is based, (iii) a description of any material or information necessary for you to perfect your claim and an explanation of why such material or information is necessary, and (iv) an explanation of the Plan's appeal procedure (including applicable time limits and a statement that, if your claim is adversely decided on appeal, you may bring a civil action under Section 502(a) of ERISA).

The adverse determination notice will normally be provided to you within a reasonable time (but not more than 90 days) after your claim has been received. However, in special circumstances requiring an extension, the 90-day period may be extended (for not more than an additional 90 days unless you agree), if the Plan Administrator gives you written notice before the end of the initial 90-day period, setting forth the reason(s) for the extension and the estimated decision date. If the extension notice indicates that the extension is needed because you have not provided information necessary to decide your claim, and the notice asks for that information, the time limit on the extension does not begin to run until you have provided the requested information.

### *Right to Appeal*

If you have received an adverse determination notice, and you still feel that your claim has not been properly decided, then, for a period of 60 days following the date on which you received the notice, you may appeal the denial by submitting to the Plan Administrator a written request for review. You may submit written comments, documents, records and other information relating to your claim (regardless of whether such information was submitted or considered in arriving at the initial adverse determination). Upon request, you will be provided (free of charge) with reasonable access to, and copies of, all documents, records and other information relevant to your claim. (An item is relevant only if: (i) it was relied upon in making the initial claim determination, or (ii) it was submitted, considered or generated in the course of actually making the initial claim determination, or (iii) it demonstrates compliance with the requirement that claim determinations be made in accordance with the applicable Plan provisions consistently applied).

Your appeal will be given full and fair consideration, taking into account all comments, documents, records and other information you submitted. The Board of Trustees will consider your appeal at the next regular meeting following receipt of the appeal, unless there are special circumstances, such as the need to hold a hearing, in which case the Board of Trustees will decide the case at its next regular meeting. If your appeal is received less than 30 days before the next scheduled Board of Trustees meeting, the Board of Trustees will decide the case at the second scheduled meeting, or, if there are special circumstances, the third meeting after the appeal is received. If the Board of Trustees requires an extension of time to make its decision, you will receive a notice describing the reason(s) for the extension and an expected date of decision.

If the extension notice indicates that the extension is needed because you have not provided information necessary to decide your appeal, and the notice asks for that information, the time limit on the extension does not begin to run until you have provided the requested information.

Regardless of whether or not the decision on appeal is in your favor, you will be given written or electronic notice of the decision within 5 days of the decision. If the decision is adverse to you (i.e., not what you asked for), the notice will: (i) state the specific reason(s) for the adverse determination, (ii) reference the specific plan provisions on which the determination is based, (iii)

advise you of your right to bring a civil action under Section 502(a) of ERISA, and (iv) state that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim. A decision by the Board of Trustees is final and binding.

If the Board's decision on appeal is not in your favor, you have the right to bring a civil lawsuit against the Plan under Section 502(a) of ERISA. Under the terms of the Plan, any such civil lawsuit must be commenced no later than one year from the date of a written notification of the Board's decision on appeal.

Your Right to an Authorized Representative:

You may appoint an authorized representative to act on your behalf for the purposes of filing a claim and seeking a review of the denied claim. The claimant, however, must notify the Fund Administrator in advance in writing of the name, address, and phone number of the authorized representative.

Presumption:

If the claimant fails to request a review and/or hearing within the 60-day period, it will be conclusively determined for all purposes of this Plan that the denial of such claim by the Fund Administrator is correct.

Reservation of Trustee Discretion:

The Trustees reserve the right to amend, change, modify or terminate the Plan. The Trustees are the sole judges of the standard of proof required in any case as well as the application and interpretation of the Plan and decisions of the Trustees are final and binding on all parties.

The Trustees reserve the exclusive right and discretionary authority to construe the terms of the Plan, to resolve any ambiguities, and to determine any questions which may arise in connection with the Plan's application or administration, including but not limited to determination of eligibility for benefits. Wherever in the Plan the Trustees are given discretionary powers, they shall exercise such powers in a uniform and nondiscriminatory manner.

Statement of ERISA Rights:

As a Participant in this Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan Participants shall be entitled to:

*Receive Information About Your Plan and Benefits*

Examine, without charge, at the Plan Administrator's office and at other specified locations all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and

copies of the latest annual report (Form 5500 Series) and updated Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each Participant with a copy of this summary annual report.

#### *Prudent Actions by Plan Fiduciaries*

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including your employer, your Union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit under the Plan or exercising your rights under ERISA.

#### *Enforce Your Rights*

If your claim for a benefit under the Plan is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if, for example, it finds your claim was frivolous.

#### *Assistance with Your Questions*

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.