

SUMMARY OF MATERIAL MODIFICATION TO
THE ANNUITY FUND OF INTERNATIONAL UNION OF OPERATING ENGINEERS,
LOCAL 94-94A-94B, AFL-CIO

This document is a Summary of Material Modification ("SMM") intended to notify you of a change to the beneficiary designation rules as well as a new form of benefit payment option offered under the Annuity Fund of International Union of Operating Engineers, Local 94-94A-94B, AFL-CIO (the "Plan"). This summary is intended to satisfy the requirements for issuance of a SMM under the Employee Retirement Income Security Act of 1974, as amended. You should take the time to read this letter carefully and keep it with the copy of the Summary Plan Description ("SPD") that was previously given to you. If you need another copy of the SPD or if you have any questions regarding these changes to the Plan, please contact the Fund Office during normal business hours at: 331-337 West 44th Street, New York, 10036, telephone number (212)459-8948. This SMM is also available online at www.local94.com or at www.ibenefitscenter.com.

New Form of Benefit Payment Option

Effective as of July 1, 2014, if a participant (or spousal beneficiary) is otherwise entitled to a distribution of his or her individual account under one of the existing optional forms of benefit payments (as set forth on page 14 of the SPD), the participant (or spousal beneficiary) will have a one-time option to elect at any time to receive a partial lump sum distribution of the remaining balance of his or her individual account. This payment option for a partial lump sum distribution will also be available to any participant (or spousal beneficiary) who has already commenced the installment or income only benefit form of distribution. If you are eligible and elect to receive this one-time partial lump sum distribution after you have already commenced the installment form of distribution, the amount of remaining installments shall be reamortized to reflect the amount in your individual account after such partial lump sum distribution.

In order to qualify for this payment option, a participant (or spousal beneficiary) must elect to receive at least \$5,000 of the remaining balance in his or her individual account under the Plan. As such, if your remaining account balance is less than \$5,000, you will not be eligible to elect a partial lump sum payment option. The one-time partial lump sum distribution option also is not available if a participant (or spousal beneficiary) has started payments under an annuity form of benefit. The right to payment under this one-time option is subject to the spousal consent rules under the Plan (*See* pages 13 and 14 of the SPD).

Rule Change Regarding Designation of a Spouse as a Beneficiary

Notwithstanding any prior designation made by a participant, effective for divorces on or after January 1, 2015, if a participant designates his or her spouse (as such term is defined under the Plan) as his or her beneficiary and is thereafter divorced from such spouse, the participant's prior beneficiary designation for such spouse shall be of no force and effect as of the date of such divorce. As a result, effective for any divorce occurring on or after January 1, 2015, a participant will have to complete a new beneficiary designation form if he or she wants to designate a former ex-spouse as his or her beneficiary under the Plan.

The Board of Trustees or its duly authorized designee, reserves the right, in its sole and absolute discretion, to amend, modify or terminate the Plan, or any benefits provided under the Plan, in whole or in part, at any time and for any reason, in accordance with the applicable amendment procedures established under the Plan and its related Trust Agreement. The Trust Agreement is available upon request at the above address and may be inspected by you free of charge during normal business hours.

No individual other than the Board of Trustees (or its duly authorized designee) has any authority to interpret the plan documents, make any promises to you about benefits under the Plan, or to change any provision of the Plan. Only the Board of Trustees (or its duly authorized designee) has the exclusive right and power, in its sole and absolute discretion, to interpret the terms of the Plan and decide all matters arising under the Plan.

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