Rehabilitation Plan for Graphic Arts Industry Joint Pension Trust

September 16, 2010

Introduction

The Pension Protection Act of 2006 ("PPA") requires the trustees of a multiemployer pension plan that has been certified by the plan's actuary as being in critical status to develop a Rehabilitation Plan ("Rehab Plan") that is intended to enable the plan to cease to be in critical status by the end of the rehabilitation period or, if the plan is not reasonably expected to emerge from critical status by the end of the rehabilitation period, emerge at a later time or forestall possible insolvency. The Rehab Plan must be based on reasonably anticipated experience and on reasonable actuarial assumptions. On September 21 2010, the Graphic Arts Industry Joint Pension Trust ("Plan") was certified by its actuary to be in critical status for the Plan Year beginning July 1, 2010 ("2010 Plan Year").

This Rehab Plan sets forth the actions to be taken by the bargaining parties and the Trustees. It includes two schedules (Preferred and Default) of contribution increases and benefit reductions. Attachment A describes the content of the Default Schedule, which includes a combination of all benefit reductions required by law and contribution rate increases. Attachment B describes the content of the Preferred Schedule, which provides for higher contributions but retains more of the current benefits under the Plan and provides for the permanent elimination of certain adjustable benefits. One of these schedules must be implemented as part of collective bargaining agreements between the local unions and contributing employers commencing on or after the date the schedules are provided to the bargaining parties. If the bargaining parties do not adopt the Preferred Schedule on or before **November 12, 2010**, then the Default Schedule will be automatically imposed by the Trustees. The Rehab Plan also provides annual standards for meeting the requirements of the Rehab Plan and describes how the Rehab Plan will be updated from time-to-time.

Default Schedule Implementation

If a collective bargaining agreement providing for contributions under the Plan that was in effect at the time the Plan entered critical status expires and, after receiving the Default and Preferred Schedules, the bargaining parties fail to adopt either the Default or Preferred Schedule, the Default Schedule will be implemented automatically 180 days after the date on which the collective bargaining agreement expires.

Surcharge

The PPA imposes an automatic surcharge on contributing employers equal to 5% of contributions during the initial year the Plan is in critical status and 10% in subsequent years. The surcharge terminates once the bargaining parties adopt either the Default or Preferred Schedule. The surcharge will not become effective for employers that adopt a schedule before December 1, 2010.

Inactive Participants

Inactive participants[1] will automatically have their benefits reduced to the level stated in the Default Schedule effective December 1, 2010 unless their last contributing employer and local union (their bargaining group) adopt the Preferred Schedule by November 12, 2010, in which case the benefits of such participants will be reduced to the level stated in the Preferred Schedule. Inactive participants whose last employer no longer contributes to the Plan due to withdrawal, bankruptcy, closing or shutdown of the business will have their benefits reduced to the level stated in the Default Schedule effective December 1, 2010. Any participant who retires after September 27, 2010, and before he or she is covered by either the Default Schedule or Preferred Schedule, will automatically have his or her benefits prospectively reduced to the level stated in the schedule implemented by his or her former bargaining group or automatically implemented by the Trustees.

[1] "Inactive participants" means participants with an annuity starting date after September 27, 2010, who have attained Vested Status, as defined in Section 4.2 of the Plan Document, and who experienced a One-Year Break in Service, as defined in Section 6.2 of the Plan Document, prior to their annuity starting date without recertifying as an active participant by earning at least 300 hours of Vesting Service in a 12-month period.

Benefits Eliminated Independent of Schedules

Regardless whether the Default or Preferred Schedule is adopted, the following benefit changes apply to all participants covered under the Rehab Plan:

- Reduction of future benefit accruals for all active participants to 1% of contributions required under the collective bargaining agreements in effect as of July 1, 2010 for contributions due on or after December 1, 2010.

- Elimination of all death benefits not otherwise guaranteed by law.

Alternatives Considered

Under the PPA, a rehabilitation plan must be designed to enable a plan to emerge from critical status by the end of a 10-year rehabilitation period. However, if the plan sponsor of a plan determines that the plan is not reasonably expected to emerge from critical status by the end of the rehabilitation period based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures, then the plan sponsor can develop a rehabilitation plan that includes reasonable measures that are designed to allow the plan to emerge from critical status at a later time or to forestall insolvency (within the meaning of ERISA section 4245).

The Board of Trustees determined that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures, it would be unreasonable to conclude that the Plan would emerge from critical status by the end of the rehabilitation period.[2] The Trustees reached this conclusion based on the advice and recommendation of the Plan's actuary, and taking into account the economic condition of the industry covered by the Plan.

The Board of Trustees considered numerous alternative combinations of contribution rate increases and benefit adjustments. After careful consideration of all of the alternatives, the Trustees concluded that none of the alternatives would reasonably be expected to enable the Plan to emerge from critical status by the end of the rehabilitation period. Rather, the Trustees determined that these alternatives would require contributing employers to significantly increase their contribution rates and would likely result in a significant number of employer withdrawals from the Plan, which would further jeopardize the Plan's funding status. Adopting any of these alternatives would be unreasonable and would involve considerable risk to the Plan and to participants. Thus, the Trustees adopted a Rehab Plan that provides for more attainable contribution increases and less onerous benefit adjustments, and which is designed to forestall insolvency.

Annual Standards & Updates

The annual standards for meeting the requirements of the Rehab Plan are for updated actuarial projections each year to show, based on reasonable actuarial assumptions, that the Rehab Plan is forestalling the Plan's insolvency (within the meaning of ERISA section 4245). On an annual basis, in conjunction with the actuarial valuation, the Plan actuary will prepare a projection to determine whether or not the annual standards are being achieved. The Trustees will annually update the Rehab Plan, the annual standards and the schedules as needed to reflect the experience of the Plan.

In addition to the annual updates to the schedules, the Trustees may adjust the schedules at any time during the rehabilitation period. Subsequent changes in the schedules will not apply to collective bargaining agreements negotiated in reliance on a previous schedule, but will apply to successors to those agreements. For example, if contribution rates negotiated between the bargaining parties are higher than the amount required under the Rehab Plan, the Trustees reserve the right to determine if additional benefits may be granted to the extent permitted by law.

[2] The Plan's rehabilitation period is the 10-year period beginning on the later of: (1) July 1, 2013, or (2) the first plan year following the expiration of collective bargaining agreements in effect on the date of certification for the initial critical year and covering, as of such date, at least 75% of active participants.

Attachment A

Default Schedule

BENEFIT CHANGES

The following benefit changes apply to participants whose bargaining parties adopt the Default Schedule or on whom the Default Schedule is imposed and to inactive participants unless their last contributing employer and local union (their bargaining group) adopt the Preferred Schedule by November 12, 2010:

- Elimination of the subsidy on early retirement benefits. Participants who are eligible for an early retirement benefit will have their accrued benefit reduced on an actuarially equivalent basis.

- Elimination of all period certain and life annuities, except for participants for whom the normal form of payment is a 5-year certain and life annuity (unmarried participants in former Locals 44B, 49B, 60B and 449S) or a 3-year certain and life annuity (unmarried participants in former Local 31C).

- Elimination of optional forms of benefit other than the 50% and 75% qualified spouse joint and survivor annuities. These optional forms include: spouse joint and 100% survivor annuity (former Locals 8B and 24P); 66-2/3% joint and survivor annuity (former Locals 60B, 144B, and 199-B); 50% joint and survivor annuity (former Local 60B, 199B and 210B); 75% joint and survivor annuity (former Local 210B); 100% joint and survivor annuity (former Locals 60B, 199B and 210B); and Single Life Annuity (former Locals 44B, 49B and 60B).

- Elimination of the subsidized portion of the qualified preretirement survivor annuity (QPSA). A surviving spouse of a vested participant who dies prior to commencing receipt of his or her pension benefits will be eligible for a surviving spouse benefit on the later of the first day of the month after the date of death or the first day of the month after the date the participant would have attained age 55. The amount of the benefit is equal to 50% of the monthly benefit the participant would have been entitled to receive in the form of a 50% spouse joint and survivor annuity.

- Elimination of the Disability Pension.

- Elimination of all other adjustable benefits on all accrued benefits and future benefit accruals to the maximum permitted by law.

CONTRIBUTION CHANGES

The Default Schedule requires an increase in employer contributions. The increase commences on the date the Default Schedule is adopted by the bargaining parties or automatically implemented by the Trustees. Failure to contribute at the increased rate constitutes a delinquency.

The contribution rate increase under the Default Schedule is a one-time increase equal to 50% of the November 1, 2010 contribution rate.

Preferred Schedule

Benefit Changes

The following benefit changes apply to participants whose bargaining parties adopt the Preferred Schedule on or before **November 12, 2010**:

- Elimination of all period certain and life annuities, except for participants for whom the normal form of payment is a 5-year certain and life annuity (unmarried participants in former Locals 44B, 49B, 60B and 449S) or a 3-year certain and life annuity (unmarried participants in former Local 31C).

- Elimination of optional forms of benefit other than the 50% and 75% qualified spouse joint and survivor annuities. These optional forms include: spouse joint and 100% survivor annuity (former Locals 8B and 24P); 66-2/3% joint and survivor annuity (former Locals 60B, 144B, and 199B); 50% joint and survivor annuity (former Local 60B, 199B and 210B); 75% joint and survivor annuity (former Local 210B); 100% joint and survivor annuity (former Locals 60B, 199B and 210B); and Single Life Annuity (former Locals 44B, 49B and 60B).

- Elimination of the subsidized portion of the qualified preretirement survivor annuity (QPSA). A surviving spouse of a vested participant who dies prior to commencing receipt of his or her pension benefits will be eligible for a surviving spouse benefit on the later of the first day of the month after the date of death or the first day of the month after the date the participant would have attained age 55. The amount of the benefit is equal to 50% of the monthly benefit the participant would have been entitled to receive in the form of a 50% Husband and Wife Pension.

Contribution Changes

The Preferred Schedule requires annual increases in employer contributions. The annual increases commence on December 1, 2010 for hours worked in November 2010. Failure to contribute at the increased rate constitutes a delinquency.

The annual contribution rate increases under the Preferred Schedule are four annual increases equal to 5% of the November 1, 2010 contribution rates. The 5% increases are effective December 1, 2010, December 1, 2011, December 1, 2012 and December 1, 2013.