MEETING OF THE BOARD OF TRUSTEES OF THE HOSPITALITY INDUSTRY 401(k) PLAN

Held at: UNITE HERE Local 25
901 K Street, N.W., Suite 200
Washington, DC 20001

On: June 7, 2023

Trustees Present:
John Boardman
Solomon Keene

Others Present:

Paul Schwab, UNITE HERE Local 25
Stephanie Steer-Jones, UNITE HERE Local 25
Anne Mayerson, Bredhoff & Kaiser, PLLC, Fund Co-Counsel
Ben Conley, Seyfarth Shaw LLP, Fund Co-Counsel
Anne-Marie Sims, Associated Administrators, LLC
Dawn Welch, Associated Administrators, LLC (by Zoom)
Barb Maiorano, Associated Administrators, LLC (by Zoom)
Bill Stahl, Empower Retirement
William Duryea, Meketa Investment Group (for part of the meeting)

I. Call to Order

The meeting was called to order at 1:30 p.m.

II. Approval of Minutes of Prior Meeting

The Trustees reviewed the minutes of the Board of Trustees meeting of February 22, 2023 and approved them with no changes.

III. Investment Consultant's Report

Will Duryea provided the Investment Review for the first quarter 2023. The value of the Plan increased by approximately $2 million during the quarter, ending at $40.8 million on March 31, 2023. He reminded the Trustees that, at the last meeting, he had advised that he would provide a recommendation at this meeting for a fund to replace the Goldman Sachs Small Cap Value fund. He presented two alternative options for consideration: Nuveen Small Cap Value and Vaughan Nelson Small Cap Value. Both of these funds are available on the Empower platform. Mr. Duryea referred the Trustees to the Meketa presentation materials providing an overview of each firm and its strategies, as well as some historical risk and return statistics. His recommendation between the two funds is Vaughan, which has outperformed Nuveen over time. Mr. Duryea noted that Vaughan has a higher tracking error than Nuveen primarily because it has a smaller number of stocks than the index. After discussion, the Trustees agreed to replace the Goldman Sachs Small Cap Value fund with the Vaughan Nelson Small Cap Value fund, as soon as administratively practicable. Mr. Stahl will follow up internally as to whether the change can happen before migration.

Mr. Duryea left the meeting.

IV. Payroll Auditor Report

Anne-Marie Sims noted that Jackie Coyle had presented the payroll audit report at the earlier meeting of the related funds.

V. Prudential

Bill Stahl reviewed with the Trustees the Plan Summary as of March 31, 2023, including Plan demographics, distributions, and investment option statistics. Plan assets were approximately $42 million as of the end of the day yesterday. He noted that, although the average participant balance over the 12-month period ending March 31, 2023 increased significantly over the prior 12-month period ($36,901 vs. $33,667), this was due largely to the Plan's cashing out of small accounts.

Mr. Stahl reported that the migration to the Empower platform is scheduled for mid-September 2023. He explained that, because only the data (not the investments) is moving, there would be no blackout period. However, all participants will need to re-register their accounts post-migration.

Mr. Stahl reported on the list of last contributions received from each property, which had been circulated before the meeting. There are only two that warrant discussion:

- Madison has not made contributions since March 2022, when the operator changed. Ms. Sims will reach out to onboard the new operator.
- Hotel Washington has not made contributions since the end of 2021, when the operator changed. Ms. Steer will follow up with the new operator.

VI. Cashflow Review

Following up on the discussion at the last meeting, Mr. Boardman said that he had discussed the cashflow issue with Mr. Keene and they have agreed to rebate to participants all amounts collected from employers and participants accounts that have not been used to pay administrative expenses (currently, $314,000) less amounts needed for outstanding invoices and $60,000 for unanticipated future administrative expenses. The precise amount to be returned to participants will depend on whether Empower can implement the rebate for the third quarter or whether it needs to wait until the fourth quarter. The Trustees further directed that the administrative fee deducted from participant accounts be reduced from 76 to 55 basis points as soon as administratively practicable.

In response to a question from the Trustees, Ms. Sims said that she would obtain details concerning the account in which the excess cash is currently being held and report back to the Trustees.

VII. Co-Counsel Report

Anne Mayerson reminded the Trustees that, at their last meeting, she had reported on the provisions of the SECURE Act 2.0 legislation that was passed at the end of December 2022 applicable to the Plan, and the Trustees had agreed to amend the Plan in principle to (1) increase the required beginning date to age 73 for all participants who reach age 72 after 2022, (2) increase the maximum lump-sum cash-out to $7,000 effective in 2024, and (3) permit participants to self-certify that they have had a financial hardship of the type for which a hardship distribution is available, effective as soon as Empower can implement this provision.

Ms. Mayerson explained that there were additional provisions of the SECURE 2.0 Act applicable to the Plan that will become effective after this year. She distributed a chart including the various provisions and discussed each of them with the Trustees.

The Trustees decided not to establish "Emergency Savings Accounts" or permit penalty-free withdrawals for unforeseeable emergencies because the small dollar amount of these distributions do not justify the additional administrative burden to the Plan.

However, the Trustees agreed to adopt penalty-free withdrawals for domestic abuse victims (beginning in 2024), for participants with a terminal illness (beginning as soon as administratively practicable), and for participants affected by a qualified federal disaster (beginning as soon as administratively practicable).

VIII. Administrative Manager's Report

Ms. Sims presented the Administrative Manager's Report for the first quarter 2023.

IX. Adjournment

There being no further business before the Board of Trustees, the meeting was adjourned at 3:00 p.m.

Approved by the Board of Trustees on __________________________, 2023.

By: __________________________

Anne-Marie Sims