

***Via Electronic Mail***

January 21, 2025

Ms. Alicia Cochran  
Associated Administrators, LLC  
911 Ridgebrook Road  
Sparks, MD 22102

***Re: Warehouse Employees' Union Local No. 730 Pension Trust Fund  
Withdrawal Liability Information for Giant Food, Inc. (covering Warehouse  
and Recycling contracts)***

Dear Alicia:

As requested, we have calculated Giant Food, Inc.'s allocation of unfunded vested benefits to be \$118,069,582 based on a 2024 complete withdrawal from the Warehouse Employees' Union Local No. 730 Pension Trust Fund. We have also determined that Giant Food's quarterly Withdrawal Liability payment amounts to be \$750,557.68, and these payments would be payable for 80 quarters. The payments are not sufficient to pay down the allocated unfunded vested benefits within the 20 years provided by law. The information supporting our calculations is included in this letter.

The underlying calculation of this assessment of unfunded vested benefits was based on the presumptive method of allocation. Under this method, individual "pools" of unfunded vested benefits along with reallocation pools are established each year and allocated to a withdrawing employer based on a series of ratios. The numerator of the ratios is the withdrawing employer's contributions summed over the five years preceding the date of establishment of the "pool," and the denominator is the total fund contributions summed over the same five-year periods. Previously withdrawn employers are excluded from total fund contributions in the summations made for pools established after such employer withdrew. Any surcharges imposed by the Pension Protection Act are to be excluded from the employer contributions for the purposes of calculating the allocation fractions. We understand that the Fund has not explicitly identified surcharges for all employers and so we determined certain employers surcharge for each year by a calculation. The calculation was to multiply the actual total contributions for the year by the average surcharge rate and then divide the result by the average total contribution rate for the year. If the actual contribution amounts excluding surcharges become available, please provide details so that we can reflect them in the calculations. In addition, following passage of the Multiemployer Pension Reform Act, all contribution increases required under a Rehabilitation Plan after December 31, 2014 that are not used to increase benefit accruals are not taken into account for Withdrawal Liability purposes. This affects the highest hourly rate of contribution used to determine the quarterly payments and the allocation fractions.

The Annual Payment is determined by multiplying the highest three-year average contribution base units over the prior 10 years by the highest contribution rate for the 10-year period through the date of withdrawal. In particular, please note that we used a \$5.43 hourly rate (the December 31, 2014 contribution rate) as the highest contribution rate for determining the Annual Payment.

The liability figures used in the calculation are based on the same assumptions and methods used in each year's actuarial valuation report. This includes an investment return / discount assumption of 7% per year. Assets are based on market value. The following tables set out the asset, liability, UVB, and contribution information used by year. We accepted prior unfunded vested benefit amounts and contribution information provided by the prior actuary for December 31, 2004 and earlier.

The liability and asset values and contribution histories used in this calculation are shown in the following tables:

| <b>Table of Unfunded Vested Benefits</b> |                                   |                                     |                                     |
|------------------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| <b>December 31,</b>                      | <b>Market Value<br/>of Assets</b> | <b>Value of<br/>Vested Benefits</b> | <b>Unfunded Vested<br/>Benefits</b> |
| 2002                                     | \$126,974,940                     | \$127,640,611                       | \$665,671                           |
| 2003                                     | 152,893,620                       | 139,975,720                         | 0                                   |
| 2004                                     | 168,058,775                       | 152,556,973                         | 0                                   |
| 2005                                     | 179,645,009                       | 167,578,447                         | 0                                   |
| 2006                                     | 195,518,517                       | 175,576,072                         | 0                                   |
| 2007                                     | 202,246,338                       | 181,216,068                         | 0                                   |
| 2008                                     | 137,120,104                       | 193,878,646                         | 56,758,542                          |
| 2009                                     | 143,477,643                       | 204,845,026                         | 61,367,383                          |
| 2010                                     | 154,767,359                       | 221,913,837                         | 67,146,478                          |
| 2011                                     | 146,288,457                       | 246,353,319                         | 100,064,862                         |
| 2012                                     | 150,745,446                       | 252,681,929                         | 101,936,483                         |
| 2013                                     | 166,422,122                       | 257,306,090                         | 90,883,968                          |
| 2014                                     | 165,942,917                       | 260,803,599                         | 94,860,682                          |
| 2015                                     | 159,926,899                       | 264,933,669                         | 105,006,770                         |
| 2016                                     | 157,775,289                       | 268,691,744                         | 110,916,455                         |
| 2017                                     | 167,271,666                       | 270,920,799                         | 103,649,133                         |
| 2018                                     | 153,296,273                       | 272,863,143                         | 119,566,870                         |
| 2019                                     | 161,910,558                       | 288,102,507                         | 126,191,949                         |
| 2020                                     | 166,447,419                       | 287,371,773                         | 120,924,354                         |
| 2021                                     | 181,967,256                       | 286,980,444                         | 105,013,188                         |
| 2022                                     | 147,710,912                       | 285,460,815                         | 137,749,903                         |
| 2023                                     | 147,229,143                       | 286,880,810                         | 139,651,667                         |

| Table of Contributions (excluding PPA surcharges) |                      |                 |                    |                     |                     |
|---------------------------------------------------|----------------------|-----------------|--------------------|---------------------|---------------------|
| Calendar Year                                     | Annual Contributions |                 | 5-yr Contributions |                     |                     |
|                                                   | Giant Food           | All Employers * | All Employers      | Withdrawn Employers | Remaining Employers |
| 2000                                              | \$4,658,959          | \$5,056,505     |                    |                     |                     |
| 2001                                              | 4,836,909            | 5,285,472       |                    |                     |                     |
| 2002                                              | 4,569,661            | 5,112,268       |                    |                     |                     |
| 2003                                              | 4,439,392            | 5,085,360       |                    |                     |                     |
| 2004                                              | 4,463,574            | 5,045,473       | \$25,585,078       | \$0                 | \$25,585,078        |
| 2005                                              | 4,515,026            | 5,177,810       | 25,706,383         | 0                   | 25,706,383          |
| 2006                                              | 3,600,024            | 4,309,906       | 24,730,817         | 0                   | 24,730,817          |
| 2007                                              | 4,107,147            | 4,937,348       | 24,555,897         | 0                   | 24,555,897          |
| 2008                                              | 4,085,237            | 4,966,877       | 24,437,414         | 0                   | 24,437,414          |
| 2009                                              | 4,536,974            | 5,623,993       | 25,015,934         | 0                   | 25,015,934          |
| 2010                                              | 4,796,239            | 5,941,735       | 25,779,859         | 0                   | 25,779,859          |
| 2011                                              | 3,153,033            | 5,940,276       | 27,410,229         | 0                   | 27,410,229          |
| 2012                                              | 2,679,542            | 4,494,667       | 26,967,548         | 4,619,061           | 22,348,487          |
| 2013                                              | 2,931,044            | 3,577,570       | 25,578,241         | 4,215,530           | 21,362,711          |
| 2014                                              | 3,020,113            | 3,616,621       | 23,570,869         | 3,709,383           | 19,861,486          |
| 2015                                              | 2,893,384            | 3,517,999       | 21,147,132         | 3,212,865           | 17,934,267          |
| 2016                                              | 2,831,219            | 3,433,088       | 18,639,945         | 1,139,702           | 17,500,243          |
| 2017                                              | 2,637,274            | 3,186,618       | 17,331,896         | 0                   | 17,331,896          |
| 2018                                              | 2,693,903            | 3,140,998       | 16,895,324         | 533,871             | 16,361,453          |
| 2019                                              | 2,670,134            | 3,091,554       | 16,370,258         | 421,032             | 15,949,226          |
| 2020                                              | 2,955,779            | 3,402,452       | 16,254,712         | 297,032             | 15,957,679          |
| 2021                                              | 3,108,473            | 3,563,569       | 16,385,193         | 176,167             | 16,209,026          |
| 2022                                              | 3,280,495            | 3,791,641       | 16,990,215         | 57,908              | 16,932,307          |
| 2023                                              | 3,162,701            | 3,708,911       | 17,558,128         | 0                   | 17,558,128          |

\* The column All Employers' Contributions excludes four employers who contributed in 1998, 1999, 2000, and/or 2001, but had withdrawn before 2002, the year the first pool is established.

An employer's allocated share of the Unfunded Vested Benefit (UVB) can be reduced or eliminated if it is smaller than the De Minimis Reduction defined in §4209 of ERISA. The De Minimis Reduction is defined to be the lesser of \$50,000 or 0.75% of the fund's UVB, less the amount of the employer's allocated share of the UVB that exceeds \$100,000. The De Minimis Reduction did not apply for this calculation. The law also limits Withdrawal Liability to the first 20 Annual Payments, which applied to this assessment.

Starting with the plan year beginning January 1, 2009, the Fund was determined to be in Critical status as defined by the Pension Protection Act of 2006 and a Rehabilitation Plan was adopted that removed some Adjustable Benefits. This reduction was recognized in the valuation of vested benefits as of December 31, 2009 and so an addition to the allocated unfunded vested benefits is required to be made in accordance with the law. For the purpose of allocating the reduction in vested liability due to the removal of adjustable benefits PBGC issued guidance in the form of PBGC Technical Update 10-3 – "Simplified Methods for Applying the Requirement to Disregard Benefit Reductions in Determining Withdrawal Liability." This technical update proposes amortizing the value of the reduction in vested liability due to the removal of adjustable benefits over 15 years from the point the reduction is recognized, using an amortization schedule with

interest at the Fund's assumed rate, and then allocating the remaining balance at the end of the plan year prior to withdrawal using the contribution-based allocation ratio. The unamortized balance of the affected benefits was \$39,883 as of December 31, 2023.

The following tables set out the allocation of unfunded vested benefits, the allocation of the liability for adjustable benefits, and the calculation of the quarterly payment and payment schedule.

| Warehouse Employees Local No. 730 Pension Fund                   |                  |              |                             |                   |                       |  |
|------------------------------------------------------------------|------------------|--------------|-----------------------------|-------------------|-----------------------|--|
| Withdrawal Liability Estimate                                    |                  |              |                             |                   |                       |  |
| Employer: Giant Food                                             |                  |              |                             |                   |                       |  |
|                                                                  | Remaining        | Reallocation | 5-yr Contributions          |                   | Allocation to         |  |
| <u>31-Dec</u>                                                    | <u>UVB Pool*</u> | <u>Pool</u>  | <u>All Employers</u>        | <u>Giant Food</u> | <u>Giant Food</u>     |  |
| 2004                                                             | \$ 83            | \$ 0         | \$ 25,585,078               | \$ 22,968,495     | \$ 75                 |  |
| 2005                                                             | 175              | 0            | 25,706,383                  | 22,824,562        | 155                   |  |
| 2006                                                             | 275              | 0            | 24,730,817                  | 21,587,677        | 240                   |  |
| 2007                                                             | 386              | 0            | 24,555,897                  | 21,125,163        | 332                   |  |
| 2008                                                             | 14,190,141       | 0            | 24,437,414                  | 20,771,008        | 12,061,159            |  |
| 2009                                                             | 2,234,668        | 0            | 25,015,934                  | 20,844,408        | 1,862,026             |  |
| 2010                                                             | 3,147,057        | 0            | 25,779,859                  | 21,125,621        | 2,578,894             |  |
| 2011                                                             | 14,632,183       | 0            | 27,410,229                  | 20,678,630        | 11,038,707            |  |
| 2012                                                             | 3,313,224        | 0            | 22,348,487                  | 19,251,025        | 2,854,017             |  |
| 2013                                                             | (2,596,639)      | 0            | 21,362,711                  | 18,096,832        | (2,199,671)           |  |
| 2014                                                             | 5,266,956        | 0            | 19,861,486                  | 16,579,971        | 4,396,750             |  |
| 2015                                                             | 9,734,683        | 0            | 17,934,267                  | 14,677,116        | 7,966,708             |  |
| 2016                                                             | 8,319,540        | 0            | 17,500,243                  | 14,355,302        | 6,824,449             |  |
| 2017                                                             | 183,575          | 0            | 17,331,896                  | 14,313,034        | 151,600               |  |
| 2018                                                             | 17,595,318       | 297,054      | 16,361,453                  | 14,075,893        | 15,392,955            |  |
| 2019                                                             | 12,272,626       | 0            | 15,949,226                  | 13,725,913        | 10,561,829            |  |
| 2020                                                             | 3,582,878        | 0            | 15,957,679                  | 13,788,309        | 3,095,803             |  |
| 2021                                                             | (5,595,896)      | 0            | 16,209,026                  | 14,065,563        | (4,855,901)           |  |
| 2022                                                             | 40,013,367       | 0            | 16,932,307                  | 14,708,783        | 34,758,875            |  |
| 2023                                                             | 13,357,067       | 0            | 17,558,128                  | 15,177,582        | 11,546,104            |  |
| Totals                                                           | \$ 139,651,667   |              | Initial Allocation of Pools |                   | \$ 118,035,106        |  |
| Adjustable Benefit Pools                                         |                  |              |                             |                   |                       |  |
|                                                                  | Remaining        |              | 5-yr Contributions          |                   | Allocation to         |  |
| <u>31-Dec</u>                                                    | <u>Pool**</u>    |              | <u>All Employers</u>        | <u>Giant Food</u> | <u>Giant Food</u>     |  |
| 2009                                                             | \$ 39,883        |              |                             |                   |                       |  |
| Total                                                            | \$ 39,883        |              | \$ 17,558,128               | \$ 15,177,582     | \$ 34,476             |  |
| Initial Allocated UVB                                            |                  |              |                             |                   | \$ 118,069,582        |  |
| De minimis reduction                                             |                  |              |                             |                   | \$ 0                  |  |
| Final Allocated UVB                                              |                  |              |                             |                   | <b>\$ 118,069,582</b> |  |
| *Note: There are no UVB pools prior to 12/31/2002                |                  |              |                             |                   |                       |  |
| **Note: The adjustable benefit pools are amortized over 15 years |                  |              |                             |                   |                       |  |

**Employer: Giant Food**

(a) Withdrawal liability \$118,069,582.00

Hours of contributions for fiscal years ended December 31:

|      |         |      |         |
|------|---------|------|---------|
| 2014 | 558,564 | 2019 | 469,631 |
| 2015 | 518,788 | 2020 | 513,715 |
| 2016 | 496,901 | 2021 | 545,180 |
| 2017 | 460,987 | 2022 | 569,923 |
| 2018 | 471,287 | 2023 | 543,587 |

(b) Highest consecutive three-year average hours in last 10 years prior to the year of withdrawal \$ 552,897.00

(c) Highest contribution rate in 10 years ending with year of withdrawal \$ 5.43

(d) Required annual payment: (b) x (c) \$ 3,002,230.71

(e) Amortization ratio (annuity certain): (a) / (d) 39.3273

(f) Number of whole years for value (e), not greater than 20 20

(g) Annuity certain for number of years in (f): 11.3356

(h) Amount amortized in (f) years: (d) x (g) \$ 34,032,086.44

(i) Amount left to amortize: (a) - (h) N/A

(j) Amount to amortize in the final year:  
(i) plus interest for (f) years N/A

(k) Quarterly payment: (d) ÷ 4 \$ 750,557.68

(l) Full quarters to pay in final year: (j) ÷ (k) N/A

(m) Amount in final quarter: (j) - [(k) x (l)] N/A

Giant Food payment schedule:

\$750,557.68 per quarter for 80 quarters.

In calculating the employer's Withdrawal Liability, we relied on the total fund contributions given to us by the Fund Administrator and the Fund Auditor. Please check the amounts that were used in this calculation. If you discover any questionable items, please report them to us as soon as possible so we can revise our numbers. We have also assumed that the employer is not part of a larger controlled group that contributes to the Fund; or that if the employer is part of a controlled group, the entire controlled group has withdrawn.

Ms. Alicia Cochran

January 21, 2025

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In the event Giant Food, Inc. withdraws, a formal Withdrawal Liability calculation and assessment will be performed after all estimated and preliminary amounts have been finalized. The results of the final assessment could vary from the amounts given above. In any communication of this estimate, you should clearly indicate that the final withdrawal liability amount might differ from this estimate.

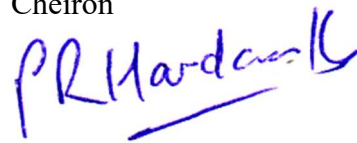
This letter and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as a credentialed actuary, I meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this letter. This letter does not address any contractual or legal issues. I am not an attorney, and our firm does not provide any legal services or advice.

This Withdrawal Liability calculation was prepared exclusively for the Board of Trustees for the purpose described herein. Other users of this Withdrawal Liability calculation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

Please call me if you have any questions.

Sincerely,

Cheiron



Peter R. Hardcastle, CFA, FSA, EA, MAAA  
Principal Consulting Actuary

cc: Matt Deveney, Cheiron