STABILIZATION RESERVE POLICY

UFCW-Giant Variable Annuity Fund

The Board of Trustees of the UFCW-Giant Variable Annuity Fund (the "Fund") hereby adopts the following Stabilization Reserve Policy, effective January 1, 2021.

Section I
Purpose

The purpose of the Stabilization Reserve is to mitigate potential reductions to the benefits of active participants and retirees resulting from an Actual Investment Rate of Return that is below the Floor Rate in a given Plan Year.

The Stabilization Reserve will be held as a separate notional account under the Fund (the "Stabilization Reserve Account"). The Stabilization Reserve Account will be invested in accordance with the Fund's Investment Policy Statement for the Stabilization Reserve and the Stabilization Reserve shall not be taken into account for purposes of calculating the Employer's contribution obligation to the Plan as required by the MOA.

Section II
Definitions

A. Actual Investment Rate of Return means, for a Plan Year, the percentage, rounded down to the nearest 1/100th of 1%, as determined annually by the Plan's actuary pursuant to the formula adopted by the Board of Trustees. The Actual Investment Rate of Return shall be calculated without considering investment returns or assets attributable to the Stabilization Reserve Account or the Excess Contribution Account. Solely for the purpose of determining allocations to the Stabilization Reserve Account, to the extent the Actual Investment Rate of Return exceeds the Ceiling Rate for a Plan Year, the dollar amount that results from applying such excess rate of return to the Main Fund Account, if any, will be allocated to the Stabilization Reserve Account. For the avoidance of doubt, the Actual Investment Rate of Return in excess of the Ceiling Rate, if any, shall not be used for the calculation of the Annual Adjustment Rate.

B. Ceiling Rate means 9.0%. To the extent the Actual Investment Rate of Return exceeds the Ceiling Rate for a Plan Year, the dollar amount that results from applying such excess rate of return to the Main Fund Account, if any, will be allocated to the Stabilization Reserve Account and such excess returns will not be reflected in the calculation of the Annual Adjustment Rate.

C. Floor Rate means 2.0%. If the Actual Investment Rate of Return is less than the Floor Rate, the Stabilization Reserve Account will be utilized as described in this Stabilization Reserve Policy.

D. Floor Rate Benefit Payment. The monthly benefit payment of a Pensioner or surviving Spouse that is calculated by applying the Annual Adjustment Rate to the monthly benefit payment for such Plan Year, but calculated on the basis that the Actual Investment Rate of Return for a given Plan Year is equal to the Floor Rate.

E. Floor Rate Accrued Benefit. The Accrued Benefit of an active Participant that is calculated by applying the Annual Adjustment Rate to his Accrued Benefit for such Plan Year, but calculated on the basis that the Actual Investment Rate of Return for a given Plan Year is equal to the Floor Rate.

F. Stabilization Reserve means a notional reserve account that is funded with: (1) an initial, one-time contribution by the Employer, as described in Section I(c)(4) of the MOA; (2) to the extent that the Actual Investment Rate of Return exceeds the Ceiling Rate for a Plan Year, the dollar amount that results from applying such excess rate of return to the Main Fund Account, if any; (3) any additional amounts designated by the Employer, in its sole discretion; (4) any additional amounts agreed upon by the Employer and the Unions; and (5) earnings on all of the foregoing. The Stabilization Reserve Account may be used as permitted in accordance with the Stabilization Reserve Policy adopted by the Trustees.

All other capitalized terms in this Stabilization Reserve Policy of the Fund shall have the same meaning as under the Fund's Plan document unless otherwise defined herein.

Section III
Use of Stabilization Reserve to Restore Benefits

A. Priority Group 1: Pensioners and Surviving Spouses in Pay Status.

If, after application of the Annual Adjustment Rate to a Pensioner's or surviving Spouse's monthly benefit payment for a Plan Year, such monthly benefit payment is less than the Pensioner's or surviving Spouse's Floor Rate Benefit Payment, then to the extent available, the Stabilization Reserve will be used to restore the monthly benefit payment of each such Pensioner and surviving Spouse to such individual's Floor Rate Benefit Payment. If the Stabilization Reserve is insufficient to restore the benefit payments to all such Pensioners and surviving Spouses, then the available Stabilization Reserve will be applied to proportionately restore the monthly benefit payment of each Pensioner and surviving Spouse to the fullest extent available.

B. Priority Group 2: Active Participants Within Two Years of Attainment of Normal Retirement Age

(1) Solely to the extent there are Stabilization Reserve assets available after the benefit payments of Pensioners and surviving Spouses have been restored as described under Section III(A) above, if after application of the Annual Adjustment Rate to an active Participant's Accrued Benefit for a Plan Year, such Accrued Benefit is less than his Floor Rate Accrued Benefit, then to the extent available, the Stabilization Reserve will be used to restore the Accrued Benefit for each active Participant who is within two years of attainment of Normal Retirement Age or any time thereafter (determined as of the last day of the immediately preceding Plan Year) to the amount of his Floor Rate Accrued Benefit, ***provided that*** the Stabilization Reserve will be applied only if there are sufficient

assets in the Stabilization Reserve to restore the Accrued Benefit for all such active Participants to the full amount of their Floor Rate Accrued Benefit.

(2) For the avoidance of doubt, if there are not sufficient assets in the Stabilization Reserve to restore active Participants described in Section III(B)(1) to the full amount of their Floor Rate Accrued Benefit, no portion of the Stabilization Reserve will be applied.

C. Priority Group 3: Active Participants With More Than Two Years Until Attainment of Normal Retirement Age

(1) Solely to the extent there are Stabilization Reserve assets available after the benefits of Pensioners, surviving Spouses, and active Participants have been restored as described in Sections III(A) and III(B)(1) above, if after application of the Annual Adjustment Rate to an active Participant's Accrued Benefit for a Plan Year, such Accrued Benefit is less than his Floor Rate Accrued Benefit, then to the extent available, the Stabilization Reserve will be used to restore the Accrued Benefit for each active Participant who is not described in Section III(B)(1) above to the amount of his Floor Rate Accrued Benefit, ***provided that*** the Stabilization Reserve will be applied only if there are sufficient assets in the Stabilization Reserve to restore the Accrued Benefit for all such active Participants to the full amount of their Floor Rate Accrued Benefit.

(2) For the avoidance of doubt, if there are not sufficient assets in the Stabilization Reserve to restore active Participants described in Section III(C)(1) to the full amount of their Floor Rate Accrued Benefit, no portion of the Stabilization Reserve will be applied.

Section IV
Alternate Use of Stabilization Reserve

In the event the Stabilization Reserve reaches a level that the Board of Trustees determines, in its discretion, to be in excess of the amount necessary or appropriate, the Board of Trustees may allocate assets from the Stabilization Reserve to the Main Fund, as determined by the Board of Trustees in its discretion.

Section V
Miscellaneous

A. The Stabilization Reserve and the restoration payments made pursuant to this Policy are not part of the Accrued Benefit attributable to any Participant, Pensioner, or surviving Spouse in pay status, and no Participant, Pensioner, or surviving Spouse shall be entitled to any amounts credited to the Stabilization Reserve at any time or to any payments made under the Stabilization Reserve except as otherwise expressly set forth herein.

B. The underlying Accrued Benefit attributable to any Participant, Pensioner, and surviving Spouse in pay status will continue to be adjusted pursuant to the Annual Adjustment Rate and is not impacted by the Stabilization Reserve other than as expressly set forth herein.

C. This Stabilization Reserve Policy is not part of the Plan document and does not provide Participants, Pensioners, or surviving Spouses with any right to additional benefits beyond those provided in the Plan document. This Stabilization Reserve Policy does not provide vested benefit rights to Participants, Pensioners, or surviving Spouses beyond those reflected in the Plan document.

D. This Stabilization Reserve Policy is intended to memorialize the intention of the Trustees with respect to the Stabilization Reserve and may be amended at any time by the Trustees.

UFCW-Giant Variable Annuity Fund

By: ____________________________ Union Trustee	By: ________________________________ Employer Trustee
Dated: ___________________	Dated: ______________________