

UFCW-GIANT VARIABLE ANNUITY FUND

Statement of Policy on Payment and Reimbursement of Trustees' Expenses

WHEREAS, the Board of Trustees ("Trustees") are the persons appointed pursuant to the terms of the Trust Agreement of the UFCW-Giant Variable Annuity Fund ("Fund") and are "fiduciaries" as defined in Section 3(21) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"); and

WHEREAS, the Fund is an "employee benefit plan" as defined in Section 3(3) of ERISA; and

WHEREAS, from time to time, the Trustees attend Trustee meetings, educational conferences and other meetings for and on behalf of the Fund; and

WHEREAS, attendance at such meetings or conferences may require Trustees to incur expenses for travel, lodging, food, and other items related thereto for which the Trustee is entitled to reimbursement in accordance with the provisions of the Trust Agreement of the Fund and ERISA, to the extent applicable.

NOW THEREFORE, the Trustees desire to state their policies for payment and/or reimbursement of expenses incurred by the Trustees for and on behalf of the Fund as follows.

A. General Policy Statement.

1. ERISA permits plan assets to be expended prudently, solely in the interest of participants and beneficiaries to defray the reasonable expenses of administering the Fund. ERISA further permits a fiduciary receiving full-time pay from another source (e.g., the union, a contributing employer, or an employer association) to receive reimbursement only for otherwise unreimbursed reasonable direct expenses properly and actually incurred in the performance of his or her duties with an employee benefit plan. In performing their duties with regard to the Fund, to the extent they are subject to ERISA, Trustees acknowledge and reaffirm their fiduciary responsibility to discharge their duties solely in the interests of the participants and beneficiaries in accordance with Section 404 of ERISA.

2. In that regard, the Trustees recognize that is their duty and responsibility to attend Trustee meetings and meetings of committees of Trustees. The Trustees also recognize that it is beneficial for Trustees to attend educational or training seminars, programs and conferences to further educate themselves on the performance of their duties.

3. Trustees shall be reimbursed only for reasonable expenses properly and actually incurred by the Trustees in the performance of their duties with the Fund. Expenses paid by one Trustee on behalf of another are reimbursable if the expenses would have been reimbursable to the person who incurred the expense. Expenses of a person who accompanies a Trustee on travel for Fund business, except as noted above, shall not be paid or reimbursed by the Fund.

B. Basis and Items of Reimbursement.

1. Travel.

(a) If the Trustee travels by air, train, or bus to attend a meeting or educational conference, the Trustee shall be reimbursed for fare actually incurred, but no more than the unrestricted coach air fare, upon the submission of the receipt and sufficient information to substantiate the travel (e.g., a boarding pass).

(b) If one or more of the Trustees travels by automobile, the owner/lessee of the automobile shall be reimbursed for each mile actually driven by the most direct route at the rate allowed from time to time by the Internal Revenue Service to be deducted for income tax purposes for the use of an automobile. If one or more Trustees travel by personal automobile, only the owner of the automobile may be reimbursed. Total reimbursement for travel by automobile including automobile mileage, lodging, meals and tolls during the period of the automobile travel will not exceed the applicable air fare allowance. Charges for self-parking, bridge tolls and toll roads are considered reimbursable expenses.

Mileage shall be computed on actual mileage registered on the odometer of the automobile if no side trips are taken. Mileage shall be based upon any map or mobile application acceptable to the Board of Trustees.

(c) The Fund may reimburse a Trustee for the cost of a rental car if use of the rental car is reasonably needed for travel and necessary for the performance of Fund business. A rental car will generally be considered reasonably necessary if, for example, there is significant distance between the airport and the location of the lodging and/or between the lodging and the location of the meeting or educational conference such that traveling by rental car (including the costs of associated charges, such as parking), would not be materially more costly than traveling by taxi, car or van service, or similar form of non-luxury transportation.

Reimbursement will be for actual costs not to exceed the rental company's published rate for mid-sized cars. The Trustee must submit a written statement identifying the Fund business for which the rental car was used. Charges for self-parking, bridge tolls, toll roads and the cost of rental car insurance are considered reimbursable expenses.

(d) Local Transportation. A Trustee will be reimbursed for the reasonable and actual cost of taxi, car or van service, or similar form of non-luxury transportation, or the use of a personal or a rental car (as described above), for travel between his or her home and the airport (or bus or train station), for travel between the airport (or station) and the meeting or conference location or lodging, and travel between the lodging and meeting or conference. Reimbursement for local transportation may include a reasonable tip for the driver. It is anticipated that Trustees who rent cars for local transportation, in accordance with this paragraph, will offer rides to other Trustees where applicable.

2. Lodging.

(a) If the meeting or educational conference takes place at a hotel, motel, resort or other site providing lodgings, the Trustee shall be reimbursed based upon the single occupancy rate of a room at said site (or the actual cost of the lodging, if less).

(b) If the meeting or educational conference does not take place at a site providing lodging, the Trustee shall be reimbursed based upon the single occupancy rate of a room at a reasonably priced hotel located near the site of the meeting or educational conference.

(c) Reimbursement for lodging will not be made for the additional cost of suites (or other “luxury” rooms or amenities), except where the price is comparable to a standard single occupancy room rate at a comparable lodging facility.

3. Meals.

(a) The Trustee shall be reimbursed for the reasonable expense of meals actually purchased and consumed while on the way to, at or returning from a meeting or educational conference, and consistent with the reasonable costs of meals in the location of the meeting or educational conference.

(b) The Fund will not reimburse for the cost of alcoholic beverages alone. However, reimbursement will be permitted for reasonably priced wine or other alcoholic beverages served with meals.

(c) When a meal or meals are provided as part of the registration fee for a conference, the Trustee shall not be reimbursed for the costs of alternate meals in lieu of the meal(s) provided through the conference.

4. Meetings.

(a) The Trustee shall be reimbursed for reasonable expenses incurred during the course of a meeting with any of the Fund’s consultants, lawyers, accountants and other parties with whom the Fund conducts business.

(b) Educational conferences that Trustees attend should be aimed at benefitting participants and beneficiaries of the Fund. Where the same educational conference is offered at different locations, the closest site or the location that will generate the least amount of travel expenses should be selected, unless there is a business reason to select an alternate site. Attendance at educational conferences is limited to two (2) per year per individual serving as a Trustee.

5. Other Expenses. The Trustee shall be reimbursed for all other reasonable expenses actually and properly incurred in connection with his or her attendance and participation at a meeting or educational conference, including but not limited to surface transportation, reasonable gratuities for services, etc. Daily reimbursable expenses will not include the additional costs of entertainment or personal expenses (e.g., golf, tennis, sporting event or theatre tickets, dry cleaning, spa fees, etc.).

6. Days For Which Reimbursement Is Available.

(a) The Trustee shall be entitled to reimbursement for days in attendance at a meeting or educational conference. If in the reasonable opinion of the Trustee it is necessary for the Trustee to stay at the hotel on the night before or after said meeting or conference (e.g., when the function begins early the next day or ends late in the day or where inclement weather, airline schedules or connections warrant), the Trustee shall be entitled to reimbursement for expenses incurred one day before and/or one day after the meeting or educational conference.

(b) The limitations of this section shall not apply if the Board of Trustees waives these restrictions based on either (1) the distance of the meeting or educational conference; or (2) the pre-conference and registration generally beginning prior to the educational conference, and the Trustee's attendance at such pre-conference activities is reasonable and necessary.

C. Conditions to Reimbursement.

1. Before a Trustee shall be reimbursed for any expenses incurred in the performance of duties with the Fund, the Trustee shall submit to the Fund Administrative Manager an itemized expense accounting report. Whenever possible, a voucher or receipt for expenditures detailed and itemized on the report shall have been obtained and appended to the report, and such a receipt shall be mandatory for expenditures of Twenty-Five Dollars (\$25.00) or more.

2. Before a Trustee shall be reimbursed for expenses incurred while attending an educational conference, the Trustee shall submit a certificate of attendance for such conference, if such a certificate is issued.

3. No reimbursement shall be made if the Trustee did not actually incur and pay for an item of expense.

4. No reimbursement shall be made if the Trustee is reimbursed for an expenditure by any other party.

D. Advances.

1. The Fund generally will not advance any monies to Trustees for the purpose of attending a meeting or conference, with the following exceptions: (a) for purchase of an air, train or bus ticket; (b) for advance payments to a hotel or motel; and (c) for any registration or attendance fee for an educational conference.

2. Advances made in accordance with the preceding paragraph shall be subject to the following conditions: (a) the amount advanced must be reasonable with respect to the anticipated amount of direct expenses that are expected to be properly and actually incurred; (b) the advance must be made no more than thirty (30) days before incurring the actual expense; and (c) the Trustee must submit documentation to account for the advance against the actual and reasonable expenses incurred by the Trustee within thirty (30) days after the conclusion of the meeting or conference.

3. The Trustees shall be subject to all of the provisions of this Policy Statement.

4. Advances shall be governed by 29 CFR § 2550.408c-2(b)(4).

E. Cancellations.

The Fund will generally reimburse a Trustee for expenses otherwise reimbursable under this Policy if the meeting or conference is cancelled or if due to a personal emergency, a reasonably unanticipated business exigency, or some other reasonable exigency, the Trustee is unable to attend all or part of the meeting or conference. The Trustee should endeavor, to the extent feasible, to timely cancel and/or reschedule the reservation, in which case the Fund will reimburse the Trustee for the cancellation or change fees.

F. Limitation of Reimbursement.

The maximum reimbursement a Trustee may receive for expenses actually incurred in connection with attendance and participation at a meeting or educational conference shall be limited to expenses actually described in this Policy, except this limitation may be suspended in particular instances where: (i) unusual costs are actually incurred in the Trustee's performance of the Trustee's duties, and (ii) the Trustees agree to suspend the limitation in the particular instance.

In the event that a Trustee incurs travel expenses for a meeting or educational conference in connection with more than one employee benefit fund (or other organization), such expenses shall be equitably allocated among such other fund(s) or organization(s). The Trustee should advise the Fund of an equitable allocation, which shall be verified by the Fund's Administrative Manager. The original (or, where applicable, electronic) receipt must be provided to the Fund unless the other fund or organization requires such original as well, in which case a copy may be provided, along with an explanation of that fact.

G. Fund Expenses.

In order to facilitate the conduct of the Fund's business in a timely and efficient manner, and to minimize tardiness and breaks, the Fund may provide meals and refreshments to the Trustees and others in attendance at a Trustee meeting (e.g., the administrative manager and service providers). The expense of such meals or refreshments must be reasonable under the circumstances, taking into account the location and timing of the meeting. If such meals or refreshments are provided, the expense of the same meal at another location will not be reimbursed, unless the substitute meal is reasonable and necessary for the conduct of Fund's business (e.g., a separate meeting of a Fund committee) and does not result in the Fund paying twice for the same meal.

H. General.

1. Any questions relating to expenses and reimbursement not specifically covered herein shall be resolved by the Board of Trustees, consistent with the provisions of ERISA, to the extent applicable.

2. The Fund's Administrative Manager shall advise a Trustee of any perceived violation of this Policy by the Trustee. In the event the matter is not resolved to the satisfaction of the Fund Administrative Manager, it shall be referred to the Board of Trustees.

3. This Policy may be altered, amended or revoked by majority vote of the Trustees at any Board meeting, or by unanimous written consent at any time between meetings.

4. A copy of this Policy and any amendments shall be provided to each Trustee, as well as the Fund's Administrative Manager, and will be kept on file in the principal office of the Fund.

This Statement of Expenses Policy is adopted by the Board of Trustees, effective as of [_____].

UFCW- GIANT VARIABLE ANNUITY FUND

Date

Union Trustee

Date

Employer Trustee