IAM National Pension Fund, National Pension Plan

2011 Green Zone Notice

We are pleased to report that the National Pension Plan is neither endangered nor critical, and it remains in the “Green Zone” for 2011. Under the Pension Protection Act of 2006 (PPA), the IAM National Pension Fund’s actuary must certify the National Pension Plan’s status annually. If the Plan is determined to be in endangered status (“Yellow Zone”) or critical status (“Red Zone”), the Trustees must develop a formal plan of corrective action to improve the Plan’s financial health and must notify participants, contributing employers, and sponsoring unions about the corrective action plan.

While the law does not require us to report our Green Zone status to you, we believe it is important that you know the PPA status of your Plan.

To qualify for Green Zone status, a plan must be at least 80% funded and must not have a projected funding deficiency during the next seven years. We are pleased to report that the PPA certification filed in March 2011 with the Internal Revenue Service shows that the National Pension Plan meets this test with a funded percentage of 105.7%.

The Plan remains in the Green Zone for several reasons, including the following:

- In 2010, the Plan received IRS approval for an “amortization extension.” You may recall receiving notification about this extension in a December 2009 notice under the PPA. This amortization extension has an effect similar to the refinancing of a mortgage: it provides the Plan with more time to fund its liabilities.

- The Trustees have acted decisively, in a forward-thinking way, by adjusting the future benefit accruals of participants working for contributing employers with initial contribution dates prior to April 1, 2003. (Communication about this adjustment was distributed in December 2010.) Important: This adjustment does not apply retroactively to any participant for hours worked and benefits earned before the date the schedule adjustment takes effect.

- The Trustees elected funding relief made available under the recently enacted Pension Relief Act of 2010 (see enclosed “Notice of Election of Funding Relief”).

Please note that the Trustees are committed to keeping the Plan in Green Zone Status under the PPA. Doing so results in greater protection of the long-term funded status of the Plan and greater protection of accrued benefits for all Plan participants. If the Plan’s status were to be classified as in the “Yellow Zone,” the Plan would be required to adopt a “Funding Improvement Plan.” If the Plan’s status were to be classified as in the “Red Zone,” the Plan would be required to adopt a “Rehabilitation Plan.” A Funding Improvement Plan or Rehabilitation Plan may involve additional employer contributions. A Rehabilitation Plan may mandate takeaways of certain types of benefits (e.g., early retirement subsidies such as “30-and-Out” or “Age 62 with 20 years,” and other, more severe corrective action).

The Trustees have monitored—and will continue to monitor—the Plan’s status. There are many variables, including investment market volatility, which are beyond our control that can affect the Plan’s status from year to year. Please know, though, that we are committed to maintaining the National Pension Plan so that it will deliver on its promises to all participants, retirees, beneficiaries, and their families for a financially secure retirement.

Please feel free to contact the Fund Office if you have questions about this Notice.

Sincerely,

The Board of Trustees