

February 2026

**NOTICE OF MODIFICATION
TO THE REHABILITATION PLAN OF THE
SHEET METAL WORKERS PENSION PLAN OF NORTHERN CALIFORNIA
(EIN/PN: 51-6115939/001)
Effective April 1, 2026**

To All Plan Participants, Beneficiaries, Contributing Employers and the Union:

PLAN IN CRITICAL STATUS. As you have been previously notified, the Board of Trustees (the “Board”) of the Sheet Metal Workers Pension Plan of Northern California (i.e. the “Plan”) adopted a rehabilitation plan in 2009 after the Plan was certified by the Plan actuary as being in “Critical Status” under ERISA, the federal law that governs multiemployer pension plans like this Plan. We have modified the rehabilitation plan from time to time, and this notice is intended to inform you of a further modification, specifically changes to the Alternative Preretirement Survivor Annuity election available under the Plan, effective April 1, 2026. As described in more detail below, the Alternative Preretirement Survivor Annuity is a benefit election that an active participant can make sometime prior to retirement. The modification, and how it may impact your Plan benefits, are described below.

REHABILITATION PLAN AND REDUCTION IN BENEFITS. Federal law requires pension plans in Critical Status to adopt a rehabilitation plan aimed at restoring the plan’s financial health. The law permits pension plans to reduce, or even eliminate, adjustable benefits as part of a rehabilitation plan.

In previous notices, the Board of Trustees of the Plan (the “Board”) has advised you that benefit reductions were necessary to restore the Plan’s financial health. Accordingly, the Board adopted a Rehabilitation Plan effective July 1, 2009, which provided for a number of benefit reductions and which was designed to allow the Plan to emerge from Critical Status by the end of a 10-Year rehabilitation period. The Board concluded in December 2020 that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures, the Plan was not able to emerge from Critical Status by the end of the 10-year rehabilitation period. Accordingly, on December 13, 2021, the Board adopted an updated Restated Funding Rehabilitation Plan (“FRP”) that contains reasonable measures aimed at enabling the Plan to emerge from Critical Status within the following 25 years.

Federal law allows the Board to make further reductions to adjustable benefits under the Plan which the Board deems appropriate, pursuant to the FRP. As part of the Board’s ongoing efforts to maintain long-term funding stability under the FRP, the Board adopted an amendment, effective April 1, 2026, to adjust the cost structure of one optional form of benefit available under the Plan, which will result in a reduction to the Alternative Preretirement Survivor Annuity benefit option discussed below for certain Participants. Federal law requires that Participants receive advance notice when reductions to adjustable benefits under the FRP are made. This notice is provided to satisfy those disclosure requirements and to ensure Participants have sufficient information about the change described below.

BENEFIT CHANGES EFFECTIVE APRIL 1, 2026. This change affects Participants who elect the Alternative Preretirement Survivor Annuity benefit option described in Plan Section 7.6, which allows a married Participant or a Participant with a domestic partner to elect a 100% preretirement survivor annuity (the Alternative Preretirement Survivor Annuity) in place of the default 50% preretirement survivor annuity (the Preretirement Survivor Annuity), at a cost.

Under current Plan terms, the cost of electing the Alternative Preretirement Survivor Annuity is a reduction to the Participant's monthly pension (or the survivor's pension, as applicable) in the amount of one-eighth of one percent (1/8%) for each year and partial year during which the election is in effect prior to the date on which the Participant attains the age and years of service required to be eligible to receive an Unreduced Early Pension or Normal Retirement Benefit. Once the Participant attains such age and years of service, there is no further reduction to the monthly benefit; however, the total reduction that accrued prior to that date continues to apply to the Participant's pension (or the survivor's pension).

Effective April 1, 2026, the following changes apply:

The cost for electing the Alternative Preretirement Survivor Annuity continues to be a reduction to the Participant's monthly pension (or the survivor's pension) in the amount of one-eighth of one percent (1/8%) for each year and partial year during which the election is in effect, subject to the following:

- Participants who elect the Alternative Preretirement Survivor Annuity on or before March 31, 2026 will not be affected by this change. For those participants, the reduction will continue to accrue only for the years and partial years during which the election is in effect prior to the date on which the Participant attains eligibility for an Unreduced Early Retirement Benefit or Normal Retirement Benefit. Upon attainment of such eligibility, no further reduction will accrue, and the reduction accrued as of that date will continue to apply to the Participant's pension (or the survivor's pension).
- For a Participant who elects the Alternative Preretirement Survivor Annuity on or after April 1, 2026 and who attains (or has already attained) the age and years of service required to be eligible to receive an Unreduced Early Retirement Benefit or Normal Retirement Benefit but does not retire, the reduction will continue to accrue for each year and partial year during which the election remains in effect following the attainment of such eligibility, for a maximum of four (4) years after such attainment.
- Participants who elect the Alternative Preretirement Survivor Annuity on or after April 1, 2026, within three (3) years prior to, or at any time on or after, the date the Participant attains eligibility for an Unreduced Early Pension or Normal Retirement Benefit will be subject to a minimum total pension reduction of one-half of one percent (1/2%).

All other terms and conditions governing this optional form of benefit remain unchanged.

For Participants affected by the change, the amendment may result in a small reduction to the monthly pension payable under this optional form, compared to the terms in effect prior to April 1, 2026. The actual impact, if any, will depend on the Participant's individual circumstances, including the timing of the election and the Participant's retirement date.

Important Note: None of the benefit reductions described in this notice will apply to Participants who elect the Alternative Preretirement Survivor Annuity on or before March 31, 2026, Participants or beneficiaries whose benefits are in pay status as of April 1, 2026, or to Participants who die before April 1, 2026 and are not in retirement.

EXAMPLES:

1. A Participant who is 52 years old elects the Alternative Preretirement Survivor Annuity on December 1, 2027, and becomes eligible for an Unreduced Early Pension of \$1,000 per month on April 1, 2030. However, the Participant chooses to continue working and does not retire for five more years, with an effective date of April 1, 2035. ANALYSIS: The Participant's benefit will be reduced by a total of 1%. The Participant's benefit will be reduced by 4/8% for the four years and partial years the election was in effect prior to the date he became eligible for an Unreduced Early Pension (2027, 2028, 2029 and 2030), and another 4/8% for the first four of the five years following such eligibility during which the election remained in effect (2031, 2032, 2033 and 2034). Thus, his benefit in 2035 will be reduced from \$1,000 per month to \$990 per month. Prior to the amendment, his benefit would be reduced only by 4/8%, to \$995 per month.
2. A Participant who is 54 years old elects the Alternative Preretirement Survivor Annuity on January 1, 2029. The Participant becomes eligible for an Unreduced Early Pension of \$1,000 per month on April 1, 2030, and chooses to retire as of that date. ANALYSIS: The Participant's benefit will be reduced by a total of 1/2%. The Participant's benefit will be reduced by 2/8% for the two years or partial years the election was in effect prior to the date he became eligible for an Unreduced Early Pension (2029 and 2030). However, because the Participant elected the Alternative Preretirement Survivor Annuity within three (3) years prior to the date he became eligible for an Unreduced Early Pension, he is subject to a minimum total pension reduction of 1/2%. Thus, his benefit in 2030 will be reduced from \$1,000 per month to \$995 per month. Prior to the amendment, his benefit would be reduced only by 2/8%, to \$997.50 per month.

OPTION FOR INDIVIDUAL ESTIMATE OF CHANGES. The description above is intended to provide you with sufficient information to understand the impact of these changes on your future benefit. You may request additional information regarding the changes, including an individual statement, by contacting the Trust Fund Office at the telephone number or address listed below, under "Assistance With Your Questions".

RIGHTS AND REMEDIES.

Statement of ERISA Rights. Participants and beneficiaries in the Plan are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 ("ERISA"). ERISA provides that all Plan participants shall be entitled to:

- Receive information about your plan and benefits.
- Examine, without charge, at the Plan Administrator's Office and at other locations (worksites or union offices), all Plan documents, including collective bargaining agreements, and a copy of the latest annual report (Form 5500 series) filed by the Plan with the U.S. Department of Labor and available at the public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including collective bargaining agreements, and a copy of the latest annual report (Form 5500 series) and an updated Summary Plan Description. The Administrator may impose a reasonable charge for the copies.
- Receive an annual pension funding notice by April 30 of each year.

Prudent Actions by Plan Fiduciaries. In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the

interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights. If your claim for a pension benefit is denied, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in state or federal court subject to the exhaustion of the Plan's benefit claim and appeal procedures.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance With Your Questions. If you have questions about your Plan, you should contact the Trust Fund Office, BeneSys, Inc., at 925-208-9994 or P.O. Box 1917, San Ramon, CA 94583. If you have any questions about this notice, this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest Employee Benefits Security Administration (EBSA), U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the EBSA at 1-866-444-3277. You can also obtain certain information on the EBSA website at <https://www.dol.gov/agencies/ebsa/about-ebsa/ask-a-question/ask-ebsa>.

* This notice contains a limited summary of the FRP and does not summarize all of the benefit reductions under the FRP. If you wish to obtain a complete version of the FRP, you may request a copy by mailing a written request to the Trust Fund Office at the mailing address listed above, under "Assistance With Your Questions".

IMPORTANT NOTE: This notice is intended to comply with Sections 204(h) and 305(e)(8)(C) of ERISA, and Section 4980F(e) of the Internal Revenue Code, and the corresponding regulations issued thereunder.