CALIBRE
CPA GROUP

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April 9, 2020

Board of Trustees of the Food Employers Labor Relations Association
and United Food and Commercial Workers VEBA Fund
c/o Associated Administrators, LLC
William Jensen, President
8400 Corporate Drive, Suite 430
Landover, MD 20785

DECEMBER 31, 2019 - AUDIT ENGAGEMENT LETTER

We are pleased to confirm our understanding of the services we are to provide for the Food Employers Labor Relations Association & United Food and Commercial Workers VEBA Fund (FELRA and UFCW VEBA Fund) for the year ending December 31, 2019 in connection with its annual reporting obligation under the Employee Retirement Income Security Act of 1974 (ERISA).

We will audit the financial statements of the Food Employers Labor Relations Association & United Food and Commercial Workers VEBA Fund, which comprise the statement of net assets available for benefits and Plan benefit obligations for the Food Employers Labor Relations Association & United Food and Commercial Workers VEBA Fund as of December 31, 2019, and the related statement of changes in net assets available for benefits and changes in the Plan's benefit obligations for the year then ended, and the related notes to the financial statements and report on the supplemental schedules of the Fund for the year ending December 31, 2019. The following supplementary information accompanying the financial statements, as applicable, will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with auditing standards generally accepted in the United States of America, and we will report on whether the information is fairly stated in all material respects in relation to the financial statements as a whole in a separate written report accompanying our auditor's report on the financial statements or in a report combined with our auditor's report on the financial statements:

1. Assets Held for Investment purposes.
2. Loans or Fixed Income Obligations.
3. Leases in Default or Classified as Uncollectible.
4. Reportable Transactions.
5. Nonexempt Transactions.
6. Employer Contributions.
7. Administrative Expenses.

These financial statements and supplemental schedules "1 - 5" are required to be included in the Plan's Form 5500 filing with the Employee Benefits Security Administration (EBSA) of the Department of Labor (DOL). The supplemental schedules are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

Audit Objectives

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles, and whether the supplemental schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records of the Food Employers Labor Relations Association & United Food and Commercial Workers VEBA Fund and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of the Plan's financial statements. Our report will be addressed to the Board of Trustees of the Food Employers Labor Relations Association & United Food and Commercial Workers VEBA Fund. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-in-matter or other-matter paragraph. If our opinion is other than unqualified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Audit Procedures

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of investments, plan obligations, and certain other assets and liabilities by correspondence with financial institutions, actuaries, and other third parties. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations, including prohibited transactions with parties in interest or other violations of ERISA rules and regulations, that are attributable to the Plan or to acts by management or employees acting on behalf of the Plan.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors or any fraudulent reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and will include prohibited transactions in the supplemental schedule of nonexempt transactions as required by the

Audit Procedures (continued)

instructions to Form 5500. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the Plan and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent to further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

In addition, we will perform certain procedures directed at considering the Plan's compliance with applicable Internal Revenue Service (IRS) requirements for tax exempt status and ERISA plan qualification requirements. However, you should understand that our audit is not specifically designed for and should not be relied upon to disclose matters affecting plan qualifications or compliance with the ERISA and IRS requirements. If during the audit we become aware of any instances of any such matters or ways in which management practices can be improved, we will communicate them to you.

Other Services

We will prepare the Plan's Form 5500 and 990, including required schedules, for the year ended December 31, 2019 based on the information provided by you. After we have completed the Plan's Form 5500 and required schedules, we will authorize the Plan to include our auditor's report on the financial statements and supplemental schedules with the Plan's Form 5500 filing. The Form 5500 and Form 990 will be filed electronically by Calibre CPA Group, PLLC, in coordination with proper Trustee obtained signing credentials. We will also assist in preparing he financial statements of the Plan in conformity with U.S. generally accepted accounting principles based on information provided by you.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and Form 5500 services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to the preparation of the Form 5500, but management must make all decisions with regard to those matters.

Management Responsibilities

You are responsible for establishing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; for establishing an accounting and financial reporting process for determining appropriate fair value measurements; for the acceptance of the actuarial methods and assumptions used by the actuary; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles. You are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with: (1) access to all information of which you are aware that is

Management Responsibilities (continued)

relevant to the preparation and fair presentation of the financial statements; (2) any additional information that we reasonably request for the purpose of completing the audit; and (3) reasonable access to employees of the Fund's third-party administrator who have specific knowledge relating to the subject of the audit. We will advise management about appropriate accounting principles and their application and, as requested by the Trustees, we will assist in the preparation of the financial statements, but the responsibility for the financial statements remains with management.

We understand that while the Board of Trustees is responsible for the Plan's financial statements, the Trustees have delegated the record keeping tasks, including the establishment and maintenance of adequate records, to a third-party administrator. The third-party administrator is responsible for adjusting the financial statements, to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known fraud affecting the Plan involving (1) Plan management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Plan received in communications from employees, former employees, regulators, or others. In addition, you are also responsible for identifying and ensuring that the Plan complies with applicable laws and regulations. You are also responsible for the fair presentation of the supplemental schedules and the form and content of the supplemental schedules in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

You agree to assume management responsibilities for the tax services (Form 5500, Form 990) and any other nonattest services we provide by accepting responsibility for the non-attest services once the services are determined to be true, correct and complete, to the best of your knowledge.

Auditor Responsibilities

We will not disclose information regarding the Fund or its participants ("Fund Information") to parties other than the Fund except as necessary to perform services under this Agreement, or as required by law with advance notice to the Fund and consistent with the terms of this letter. We will take all appropriate and reasonable measures to ensure and maintain confidentiality regarding Fund Information and all matters involving the Fund. In the event of any disclosure of Fund Information inconsistent with the preceding sentence, or any unauthorized access by a third party of Fund Information maintained by Calibre, we shall notify the Fund of the disclosure or unauthorized access immediately, and in no event later than ten (10) days after discovery of the disclosure or unauthorized access of Fund Information. Such notice will be in writing and will include all relevant details of the disclosure or unauthorized access, including but not

Auditor Responsibilities (continued)

limited to the date on which the disclosure or unauthorized access occurred, the information that was disclosed or accessed, the number of Fund participants and beneficiaries affected, if applicable, the steps being taken to remedy the effects of the disclosure or unauthorized access, and any other information required to be disclosed to the Fund under any applicable state or federal law. We will provide the Fund with new information regarding the disclosure or unauthorized access immediately upon learning or receiving such information. To help respond to the disclosure or unauthorized access of Fund information that was caused by us, we will maintain, in full force and effect, cyber liability insurance in the amount of $5 million that covers costs under applicable state or federal law, including costs for providing notice of the disclosure or unauthorized access to any affected individuals. To the extent the Fund pays any amount, whether characterized as a cost, penalty, fine or otherwise, relating to a disclosure of, or unauthorized access to, Fund Information that was caused by Calibre, Calibre will reimburse the Fund for the full amount of any such expense.

We shall indemnify, defend and hold harmless the Fund, its Board of Trustees, and agents from and against any and all claims, actions, demands, costs and expenses, including reasonable attorneys' fees and disbursements, as a result of Calibre CPA Group, PLLC's gross negligence, willful misconduct, or fraud as finally determined by a court of competent jurisdiction, arbitrator, or other trier of fact.

Engagement Administration, Fees and Other

We understand that your third-party administrator – Associated Administrators, LLC – will assist us in preparing schedules, analyses and confirmations for mailing, as well as assist us in locating any invoices or other documents selected for testing.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

The audit documentation for this engagement is the property of Calibre CPA Group, PLLC and constitutes confidential information. However, we may be requested to make certain audit documentation available to the U.S. Department of Labor pursuant to authority given to it by law. If the Department of Labor asks to review audit documentation relating to the Fund that is the property of Calibre CPA Group, PLLC, we will notify the Fund at least 5 business days in advance of any disclosure to the Department of Labor. Access by the Department of Labor to the aforementioned audit documentation will be provided under the supervision of Calibre CPA Group, PLLC personnel. Calibre CPA Group, PLLC will not provide to the Department of Labor any information that is the property of the Fund unless the Fund has given Calibre express written permission to do so.

Our firm, as well as other accounting firms, participates in the AICPA's peer review program covering our audit and accounting practices. Under this program, our system of quality control is subjected to a peer review by a team of certified public accountants by the state administering entity. As part of this peer review, the team will review a sample of our work. It is possible that the work we perform for you may be selected for their review. If it is, the team is bound by professional standards to keep all information confidential.

Joseph Herishen, CPA is the engagement partner and is responsible for supervising the engagement and signing the report.

Engagement Administration, Fees and Other (continued)

We estimate that our fees for these services will not exceed $78,400 (no increase over prior year). Should actual hours produce a lower fee, we will, of course, bill you for the lesser amount. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees may be rendered as work progresses and are payable on presentation.

Should the Trustees desire any additional accounting, tax or consulting services rendered outside of the scope of the annual audit, these services will be billed at the appropriate rate for the personnel used for the engagement, as outlined below.

Our hourly rate structure is as follows:

Partners	$ 345.00
Managers	$ 255.00 to $285.00
Staff Accountants	$ 145.00 to $205.00
Paraprofessionals	$ 90.00

Our fees for these services will be based on the actual time spent at our standard hourly rates, plus out-of-pocket costs. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these services will be rendered as work progresses.

We appreciate the opportunity to be of service to the Food Employers Labor Relations Association & United Food and Commercial Workers VEBA Fund and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

Joseph Herishen, CPA
Calibre CPA Group, PLLC

RESPONSE:

This letter correctly sets forth the understanding of the Food Employers Labor Relations Association & United Food and Commercial Workers VEBA Fund.

Signed:______________________ Signed: ______________________

Title: ______________________ Title: ______________________

Date: ______________________ Date: ______________________

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Board of Trustees
Food Employers Labor Relations Association
and United Food and Commercial Workers VEBA Fund

We are engaged to audit the financial statements of the Food Employers Labor Relations Association & United Food and Commercial Workers VEBA Fund (FELRA and UFCW VEBA Fund) for the year ended December 31, 2019. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, dated April 9, 2020 our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the Plan and its environment, including internal control, sufficient to assess the risk of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations, including prohibited transactions with parties in interest or other violations of ERISA rules and regulations, that are attributable to the Plan or to acts by management or employees of Associated Administrators, LLC acting on behalf of the Plan. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

Intended Use of This Letter

This information is intended solely for the information and use of the Trustees and management of the Plan and is not intended to be and should not be used by anyone other than these specified parties.

Calibre CPA Group, PLLC

Bethesda, MD
April 9, 2020