CHEIRON Classic Values, Innovative Advice

LANDOVER

FEB - 6 2014

February 3, 2014

UFCW Unions & Participating
Employers Pension Fund Trustees
c/o Mr. William Jensen
Vice President of Accounts
Associated Administrators
4301 Garden City Drive, Suite 201
Landover, Maryland 20785-2210

Dear Trustees:

This letter represents our proposed fees for the year 2014, pursuant to Section 2 of the Consulting Agreement between Cheiron and the United Food & Commercial Workers Unions and Participating Employers Pension Fund dated February 7, 2003.

A) **Retainer** – The proposed annual fee for 2014 retainer services will increase from $36,636 ($3,053 per month) to $37,200 ($3,100 per month). This increase is based on reported inflation. The retainer fee covers the following services:

1. Conduct an annual valuation of the Pension Fund including all standard required exhibits and disclosures as well as a detailed review and summary discussion of the Fund's assets and liabilities, funded status, historical trends, and future projections. This will result in a formal written report.
2. Attend one annual Board of Trustees meeting for the purpose of presenting the annual valuation report. The presentation will include an historical trend analysis and deterministic and stochastic forecast projections using Cheiron's proprietary ***P-scan*** interactive modeling tool.
3. Attend one additional Trustee/Policy Committee meetings per year.
4. Respond to the annual disclosure request of the Fund auditor.
5. Prepare the Schedule MB attachment to the annual Form 5500 filing.
6. Provide other Fund professionals any additional information required from the Fund auditor in regard to the standard annual government and PBGC filings.
7. Ad-hoc brief discussions with other Fund professionals that do not require follow-up work or communications.

B. **Non-Retainer** – With respect to special consulting projects, Cheiron's billing rates during calendar year 2014 will range between $84 and $465 per hour.

We look forward to working with you and the Trustees during 2014.

Sincerely,
Cheiron

Christopher J. Mietlicki

Christopher Mietlicki, ASA
Consulting Actuary