VIA ELECTRONIC MAIL

January 4, 2017

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

Re: 2017 Retainer Fee

Dear Trustees:

This letter represents our proposed fees for the year 2017, 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 – We propose that the annual fee for 2017 Retainer Services to increase from $37,836 ($3,153 per month) to $38,400 ($3,200 per month). 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 will remain the same during calendar year 2017 with a range between $96 and $485 per hour.

We look forward to working with you and the Trustees during 2017.

Sincerely,
Cheiron

PRHardcastle

Peter Hardcastle, FSA
Principal Consulting Actuary

cc: Gene Kalwarski, FSA
Robert Murray, ASA

Accepted and Agreed To:

__________________ __________________
Signature Date