ANNUAL FUNDING NOTICE

For
Pipeline Industry Pension Fund - #73-6146433

## Introduction

This notice includes important funding information about your pension plan ("the Plan") and general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. All traditional pension plans (called defined benefit pension plans) must provide this notice every year regardless of their funding status. This notice does not mean the plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is for the plan year beginning January 1, 2014 and ending December 31, 2014 ("Plan Year").

## How Well Funded Is Your Plan

Under federal law, the plan must report how well it is funded by using a measure called the "funded percentage." This percentage is obtained by dividing the Plan's assets by its liabilities on the valuation date for the plan year. In general, the higher the percentage, the better funded the plan. Your Plan's funded percentages for the Plan Year and each of the two preceding plan years are set forth in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period.

| | 2014 Plan Year | 2013 Plan Year | 2012 Plan Year |
|---|---|---|---|
| Valuation Date | January 1, 2014 | January 1, 2013 | January 1, 2012 |
| Funded percentage | 109.9% | 101.7% | 101.9% |
| Value of Assets | $664,148,535 | $548,946,991 | $484,015,632 |
| Value of Liabilities | $604,366,065 | $539,909,437 | $475,205,619 |

## Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the valuation date for the plan year and are actuarial values. Because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values that are designed to smooth out those fluctuations for funding purposes. The asset values below are market values and are measured as of the last date of the plan year, rather than as of the valuation date. Substituting the market value of assets for actuarial value of assets used in the above chart would show a clearer picture of the plan's funded status as of the valuation date. The fair market values of the Plan's assets as of the last day of the plan year and each of the two preceding plan years are shown in the following table:

| | 2014 Plan Year | 2013 Plan Year | 2012 Plan Year |
|---|---|---|---|
| Last Day of Plan Year | December 31, 2014 | December 31, 2013 | December 31, 2012 |
| Fair Market Value of Assets | $825,781,807 | $740,213,496 | $576,981,667 |

It should be noted that the December 31, 2014 asset value is preliminary, based on unaudited information available as of the date of this notice.

## Critical or Endangered Status

Under federal pension law a plan generally will be considered to be in “endangered” status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent or in “critical” status if the percentage is less than 65 percent (other factors may also apply). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status, the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

*The Plan was not in endangered or critical status in the Plan Year.*

## Participant Information

The total number of participants in the Plan as of the Plan’s valuation date was 7,622. Of this number, 4,340 were active participants, 2,403 were retired or separated from service and receiving benefits, and 879 were retired or separated from service and entitled to future benefits.

## Funding & Investment Policies

Every pension plan must have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of assets needed to pay for benefits promised under the plan currently and over the years. The Plan is funded by contributions made by employers pursuant to collective bargaining agreements with the unions that represent the Plan’s participants.

Once money is contributed to the Plan, the money is invested by Plan officials called fiduciaries, who make specific investments in accordance with the Plan’s investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning investment management decisions. The investment policy of the Plan is consistent with the requirements of the Employee Retirement Income Security Act of 1974 (ERISA), as amended, which require that:

1. Each investment shall be solely in the interest of, and for the exclusive purpose of providing benefits to Plan participants and their beneficiaries.

2. Each investment shall be made with care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.

3. The investments shall be diversified so as to minimize the risk of loss.

Consistent with the asset allocation targets established by the Trustees, Trust assets may be invested in equity instruments, debt instruments and cash or cash equivalents, or any combination thereof. These asset allocation targets have been developed in consideration of the nature of the Trust’s liabilities, the Plan’s funding policy and the unique risk and return characteristics of each asset class held by the Trust.

Under the Plan’s investment policy, the Plan’s assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

| **Asset Allocations** | **Percentage** |
|---|---|
| 1. Interest-bearing cash | 1% |
| 2. U.S. government securities | 3% |
| 3. Corporate debt instruments (other than employer securities): | |
| Preferred | |
| All other | 4% |
| 4. Corporate stocks (other than employer securities): | |
| Preferred | |
| Common | 4% |
| 5. Partnership/joint venture interests | 5% |

| | |
|---|---|
| 6. Real estate (other than employer real property) | ____________ |
| 7. Loans (other than to participants) | ____________ |
| 8. Participant loans | ____________ |
| 9. Value of interest in common/collective trusts | ____30%_____ |
| 10. Value of interest in pooled separate accounts | ____________ |
| 11. Value of interest in master trust investment accounts | ____________ |
| 12. Value of interest in 103-12 investment entities | _____2%_____ |
| 13. Value of interest in registered investment companies (e.g., mutual funds) | ____51%_____ |
| 14. Value of funds held in insurance co. general account (unallocated contracts) | ____________ |
| 15. Employer-related investments: | ____________ |
| Employer Securities | ____________ |
| Employer real property | ____________ |
| 16. Buildings and other property used in plan operation | ____________ |
| 17. Other | ____________ |

Note: The asset values are preliminary and subject to confirmation when the audit is completed, any final changes might affect the reported percentages.

For information about the Plan's investment in any of the following types of investments as described in the chart above – common/collective trusts, pooled separate accounts, master trust investment accounts, or 103-12 investment entities – contact Robert Kime, Director, at 918-280-4800, 4845 S. 83rd East Avenue Tulsa, OK 74145-6909.

## Events Having a Material Effect on Assets or Liabilities

Federal law requires the plan administrator to provide in the notice a written explanation of events, taking effect in the current plan year, which are expected to have a material effect on plan liabilities or assets. Material effect events are occurrences that tend to have a significant impact on a plan's funding condition. An event is material if it, for example, is expected to increase or decrease total plan assets or plan liabilities by five percent or more. For the plan year beginning on January 1, 2015 and ending on December 31, 2015, there are no known events that would have a material effect on plan liabilities and assets for the year.

## Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report (called the Form 5500) that contains financial and other information about the plan. Copies of the annual report are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. For plan years after 2009, you may obtain an electronic copy of the plan's annual report by going to www.efast.dol.gov and using the Form 5500 search function, or you may obtain a copy of the plan's annual report by making a written request to the plan administrator. Individual information, such as the amount of your accrued benefit under the plan, is not contained in the annual report. If you are seeking information regarding your benefits under the plan, contact the plan administrator identified below under "Where to Get More Information."

## Summary of Rules Governing Plans in Reorganization and Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. The plan administrator is required by law to include a summary of these rules in the annual funding notice. Under so-called "plan reorganization rules," a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The law requires the plan to furnish this notification to each contributing employer and the labor organization.

Despite the special plan reorganization rules, a plan in reorganization nevertheless could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for the plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available financial resources. If such resources are not enough to pay benefits at a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC, by law, will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notification of the insolvency to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected as a result of the insolvency, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

## Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next $33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

*Example 1:* If a participant with 10 years of credited service has an accrued monthly benefit of $500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($500/10), which equals $50. The guaranteed amount for a $50 monthly accrual rate is equal to the sum of $11 plus $24.75 (.75 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 10).

*Example 2:* If the participant in Example 1 has an accrued monthly benefit of $200, the accrual rate for purposes of determining the guarantee would be $20 (or $200/10). The guaranteed amount for a $20 monthly accrual rate is equal to the sum of $11 plus $6.75 (.75 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary if the participant dies after the plan terminates (except as it is now required to guarantee a qualified pre-retirement survivor annuity payable to a participant's surviving spouse under a recent law change), benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

## Where to Get More Information

For more information about this notice, you may contact Robert Kime, Director, at 918-280-4800, 4845 South 83rd East Avenue, Tulsa, OK 74145-6909. For identification purposes, the official Plan Number is 001 and the Plan Sponsor's Employer Identification Number or "EIN" is 73-6146433. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov.