

AGC HEALTH BENEFIT TRUST

PURPOSE

The AGC Health Benefit Trust adopts the following policies to facilitate the ongoing development of controls to aid in the detection and prevention of fraud, to help the Trust fiduciaries and service providers identify parties-in-interest and potential conflict of interests, to provide individuals with potential knowledge of irregularities an appropriate reporting procedure, and to ensure that Trust and related plan documentation is retained to the extent required by law. The Policy is set forth in four parts:

- Fraud Prevention and Detection
- Conflict of Interest Policy
- Whistleblower Policy
- Document Retention

FRAUD PREVENTION POLICY

1. General Policy and Related Background

The Board of Trustees is responsible for ensuring that the Trust assets are used properly. This includes an obligation to take reasonable steps to detect and prevent fraud, misappropriation or other irregularities involving Trust assets. This policy is established to document the existence of and to facilitate the ongoing development of controls that will aid in the detection and prevention of fraud against the Trust. It is intended to apply to any irregularity, or suspected irregularity, including any intentionally false representation or concealment of material fact for the purpose of inducing action, that could have a material adverse impact on the Trust.

To reduce the likelihood of fraud, the Trustees have organized the affairs of the Trust such that certain duties are segregated, and other financial safeguards have been established. This policy generally describes the protocols that will be followed, and who is responsible for evaluating whether specific actions are, in fact, fraudulent or otherwise improper. Ultimately, any fraudulent or improper action that could materially impact the operations of the Trust shall be referred to and reviewed by the Board of Trustees.

The day-to-day administration of the Trust has largely been delegated to independent third-parties. Accordingly, assessments of any irregularity that is detected, or that is suspected, will be initially evaluated and addressed by a service provider to the Trust. Appendix A describes potential areas of fraud or financial malfeasances that could materially impact the Trust, the providers who have responsibility in these areas and the programs and procedures in place to address these risks.

Such policies are designed to aid the detection and evaluation of fiscal irregularities, including but not limited to:

- B. Any dishonest or fraudulent act;
- C. Misappropriation of funds, securities, supplies, or other assets of the Trust;
- D. Impropriety in the handling or reporting of Trust assets or financial transactions;
- E. Use of insider knowledge of Trust activities, or other similar transactions, that constitute non-exempt prohibited transactions under ERISA;
- F. Destruction, removal, or inappropriate use of Trust property, or any non-public information regarding the Trust, its operations, or its participants, including disclosing confidential or proprietary information to outside parties; and/or
- G. Any similar or related financial irregularity.

2. Independent Audit

As required by law, the Board of Trustees has retained an independent accounting firm to conduct annual audits and render its opinion regarding the financial statements of the Trust. The audit procedure requires the auditor to obtain an understanding of internal control that is sufficient to assess the risk of material misstatement of the financial statement due to error or fraud. The controls reviewed include the Trust's fraud detection and prevention practices.

The independent auditor is not part of the Trust's internal control procedures. Under applicable professional standards, the auditor has an obligation to evaluate the Trust's internal controls and communicate any significant deficiency or material weaknesses identified to the Board of Trustees.

3. Periodic Review of Anti-Fraud Programs and Insurance by Trustees

The Trust Office, and other service providers as appropriate, shall periodically review with the Trustees the anti-fraud protocols, or other systems designed to mitigate potential risks of loss to the Trust from fraud or other financial malfeasance that are within their area of responsibility. The initial review of the items listed in Appendix A of this document shall be scheduled when this Policy is adopted and reviewed periodically with the Trust Offices and other service providers thereafter.

The Trustees shall also periodically review the Trust's insurance coverage(s) maintained by the Trust's service providers and evaluate the level and appropriations of coverage.

4. Investigation and Reporting Responsibilities

Appendix A describes the parties who shall have primary responsibility for the investigation of suspected fraud or other financial malfeasance that may arise in routine operations of the Trust.

If an investigating entity reasonably concludes that fraudulent activities have more likely than not occurred then they will provide written notice to the Trust Officers and Trust Counsel describing the circumstances involved. Trust Counsel will review such information and will provide a review and a recommendation on any actions that may be warranted to the Board of Trustees or a designated committee of Trustees. Trust Counsel and the Board of Trustees shall have unrestricted access to Trust records, files and personnel and to the records, files and personnel of service providers that are necessary to investigate an incident of suspected fraud or financial misfeasance. Upon receipt of the report, the Board of Trustees, or a designated committee, shall determine what actions are necessary or appropriate as a result of the investigation.

5. Reporting to Regulatory Agencies and Law Enforcement

Decisions to prosecute or refer examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation shall be made by the Board of Trustees, with consultation from Trust Counsel.

6. Confidentiality

On-going investigations shall be treated as confidential, and will not be disclosed or discussed with anyone other than those who the Board of Trustees determine have a legitimate need to know. The Trustees and their service providers acknowledge that confidentiality is important to avoid damaging the reputation of persons suspected, but ultimately exonerated of any wrongful conduct, and to protect the Trust from potential civil liabilities.

APPENDIX A

Specific Anti-Fraud Procedures

Type of Suspected Malfeasance	Investigating Entity, Evaluation Procedures, and Programs Designed to Protect Against Fraud
Eligibility and Enrollment Fraud based upon Misreporting by an Employer.	Trust Medical Claims Payer, Auditor and Trust Counsel, as needed. Trust insurance carrier employer audit review programs.
Eligibility and Enrollment Fraud based upon Misreporting by a Participant or Beneficiary.	Trust Medical Claims Payer, Trust Office, Auditor and Trust Counsel, as needed. Trust Office and Trust insurance carrier procedures in place to review eligibility of participants and dependents.
Claims Fraud by Providers (or Employees of Providers).	Trust Medical Claims Payer. Trust insurance carrier provider audit review programs.
Claims Fraud by Participant or Beneficiary.	Trust Medical Claims Payer, Trust Office, Auditor and Trust Counsel, as needed. Trust Office and Trust insurance carrier procedures in place to review eligibility of participants and dependents.
Theft or Fraud by Services Providers.	Internal controls developed by the service providers, and the overall purpose of these entities in the Trust’s operations, are intended to mitigate control risks associated with deposit payment processing, disbursements and portfolio management. Regulatory oversight, independent audit programs, contractual indemnification protections, and insurance coverage for these financial institutions intended to mitigate risk of loss for the Trust.

POLICY REGARDING CONFLICTS IN INTEREST

1. Identification of Parties in Interest and Distribution

The Trust administration office shall prepare a list of service providers. This list will be distributed to each Trustee, and to each service provider authorized to conduct transactions on behalf of the Trust, within a reasonable period of time after adoption of this Policy, together with copies of:

- ERISA §§ 406(a)(1) and 406(b), which prohibit certain transactions between the Trust and persons or entities that are “parties in interest” with respect to the Trust, and the transfer of Trust assets to or the use of such assets by or for the benefit of a “party in interest”; and
- ERISA § 3(14), which sets forth the definition of a “party in interest.”

This list of parties in interest will be updated and distributed as the Board of Trustees annually. The Trust administration office, with assistance from Trust counsel, as appropriate, will request a signed statement from the Trustees affirming they do not have any conflicts of interest.

2. Specific Implementation Actions

All proposed investments that would be made directly by the Trustees, as well as all proposed relationships with service providers, will be reviewed by Trust counsel for compliance with the prohibited-transaction provisions of ERISA. All agreements between the Trust and service providers authorized to conduct transactions on behalf of the Trust will be provided to Trust counsel for review before execution to ensure that, wherever applicable, the agreement contains appropriate restrictions or other protections against prohibited transactions with parties in interest.

Any Trustee or service provider authorized to conduct transactions on behalf of the Trust who has reason to believe that a proposed transaction might constitute a prohibited transaction with a party in interest should consult with Trust counsel and take whatever additional action may be appropriate to ensure that the proposed transaction is appropriate.

Any fiduciary whose participation in a decision may result in a nonexempt prohibited transaction under Section 406 of ERISA shall recuse himself or herself from discussing or voting on that decision.

3. Annual Review of Party-In-Interest Transactions

The Trust Office shall annually distribute a post-interest questionnaire to plan fiduciaries in conjunction with the annual audit. The Trust Office and Trust Counsel will assist the Trust's auditors, as appropriate, with the distribution and return of the party-in-interest inquiries made with respect to the annual audits to ensure that the responses are complete and timely.

WHISTLEBLOWER POLICY

It is recognized that the Trust, which is party to these Policies, does not have employees but operate through the retention of third parties to provide necessary services to the Trust. The purpose of this Policy is to identify a procedure for individuals serving as Trustees on a Trust, providing services to the Trust, participants or other third parties to raise concerns about the activities of the Trust with appropriate decision makers.

Individuals who believe that an action of a Trust is improper, constitutes an un-exempted prohibited transaction or violates applicable law are directed to contact the Trust Officers of the Trust. Alternatively, the individual may contact Trust legal counsel about the issue. Issues may be raised anonymously. Sufficient information should be provided to allow the matter to be investigated. The recipients of such a complaint shall take appropriate action to gather information necessary to evaluate the issues and to report to the Board of Trustees if action is required. The Board of Trustees shall have the authority to appoint a committee or outside entities to investigate issues raised under these policies. The Board of Trustees or its designee shall address complaints raised and report back to the individual (if identified) who raised the issue.

Complaints and investigations related to them shall be kept confidential to the extent possible. Disclosure of reports on complaints will be limited to those individuals whose participation is necessary to conduct an investigation, to act on a complaint or to implement necessary corrective actions.

Individuals raising issues under this Policy shall not have adverse actions taken against them for raising issues under the Policy. There is an expectation, however, that any complaints raised shall be made in good faith and with a reasonable factual basis.

RECORD RETENTION AND DESTRUCTION POLICY

The Board of Trustees will maintain records of Trust administration. Records will be maintained in accordance with ERISA §§107 and 209, and Internal Revenue Code § 6001, including regulations promulgated by the Department of Labor and Internal Revenue Service under those sections. The Trust designates third-party administrator as its Custodian of Records. The Custodian of Records shall be responsible for maintaining all Trust records pursuant to this policy.

Records in the physical possession of anyone other than the Custodian of Records shall be maintained pursuant to that entities' own record retention and destruction policy.

The following is intended to provide guidelines for the retention and destruction of Trust records:

1. Records That May Be Destroyed After Eight Years. In general, no record will be destroyed until a period of eight (8) years has elapsed from the date the record was created, or the conclusion of the matter to which the record relates, if later. The following records may generally be destroyed after eight years:

- Financial Records (bank slips/reconciliations/statements/expense reports)
- Correspondence (except as otherwise provided)
- Annual financial reports
- Annual audits
- Government reports
- IRS/DOL Correspondence
- Deeds and Titles
- Fiduciary Policies

2. Records Retained Until No Longer Necessary To Determine Contributions/Participation. Records necessary to determine contributions due, or which may become due, and records of training provided to participants should be maintained (electronically or otherwise) until no longer necessary, but in no case less than eight years. Such records include:

- Claims information
- Employer contribution reports
- Collective bargaining agreements
- Service Provider agreements
- Documentation of mailing of notices required by law
- Documentation of investments

3. Permanent Records (Do Not Destroy). Some records should be permanently maintained (electronically or otherwise) for historical purposes, including the following:

- Trust Agreements and amendments
- Minutes of Trust meetings
- Agendas
- Determination letters (and related correspondence)
- Current Trust policies

4. Litigation Records. Records related to litigation or anticipated litigation should continue to be maintained for eight years from conclusion of the matter to which the record relates. Trust legal counsel should be consulted prior to destruction.

5. Maintenance of Electronic Records. Electronic media may be used to retain records, provided storage is in compliance with the maintenance and retention requirements under ERISA §§107 and 209. Such requirements generally provide that any electronic recordkeeping system must:

- a. Have reasonable controls to ensure the integrity, accuracy, authenticity, and reliability of the records kept in electronic format;
- b. Be maintained in reasonable order and in a safe and accessible place, and in such manner as may be readily inspected or examined (e.g., be capable of indexing, retaining, preserving, retrieving and reproducing records);
- c. Be capable of readily converting records into legible and readable paper copies to satisfy reporting and disclosure requirements;
- d. Not be subject in whole or in part to any agreement or restriction that would, directly or indirectly, compromise or limit the ability to comply with reporting and disclosure requirements or other obligations;
- e. Have adequate records management procedures (e.g., procedures for labeling, security, back-up, offsite storage, quality assurance);
- f. Be capable of exhibiting a high degree of legibility and readability when displayed on a video display terminal and when reproduced.

GENERAL

The Board of Trustees of the Trust is responsible for the adoption, administration, interpretation and applications of these Policies. The Board of Trustees shall periodically review these Policies and shall have the authority to make necessary amendments and shall have the discretionary authority to interpret these Policies.

Adopted at a Trust Meeting this 14th day of April, 2022.