

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="text-align: center; font-size: 24pt; font-weight: bold;">2014</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan THE HILLSHIRE BRANDS COMPANY CONSOLIDATED HOURLY PENSION PLAN	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;">221</td> </tr> <tr> <td colspan="2">1c Effective date of plan 06/30/1990</td> </tr> </table>	1b Three-digit plan number (PN) ▶	221	1c Effective date of plan 06/30/1990	
1b Three-digit plan number (PN) ▶	221				
1c Effective date of plan 06/30/1990					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) THE HILLSHIRE BRANDS COMPANY 400 S. JEFFERSON STREET CHICAGO, IL 60607	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) 36-2089049</td> </tr> <tr> <td>2c Plan Sponsor's telephone number 312-614-6000</td> </tr> <tr> <td>2d Business code (see instructions) 311900</td> </tr> <tr> <td style="height: 40px;"></td> </tr> </table>	2b Employer Identification Number (EIN) 36-2089049	2c Plan Sponsor's telephone number 312-614-6000	2d Business code (see instructions) 311900	
2b Employer Identification Number (EIN) 36-2089049					
2c Plan Sponsor's telephone number 312-614-6000					
2d Business code (see instructions) 311900					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/16/2015	JOSEPH MEAD
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/16/2015	JOSEPH MEAD
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional) GRANT THORNTON LLP 175 W. JACKSON BLVD., 20TH FLOOR CHICAGO, IL 60604			Preparer's telephone number (optional) 312-856-0200

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 13019
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year	6a(1) 5898
a(2) Total number of active participants at the end of the plan year	6a(2) 4942
b Retired or separated participants receiving benefits	6b 2727
c Other retired or separated participants entitled to future benefits.....	6c 4842
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 12511
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 262
f Total. Add lines 6d and 6e	6f 12773
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 455
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1B 3H	
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III**Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2014</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

Round off amounts to nearest dollar.
Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

<div>A Name of plan THE HILLSHIRE BRANDS COMPANY CONSOLIDATED HOURLY PENSION PLAN</div>	<div>B Three-digit plan number (PN) 221</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF THE HILLSHIRE BRANDS COMPANY</div>	<div>D Employer Identification Number (EIN) 36-2089049</div>

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2014			
2 Assets:			
a Market value	2a	305360871	
b Actuarial value	2b	307086825	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	2709	112004680	112004680
b For terminated vested participants	4412	60787765	60787765
c For active participants	5898	85572591	88398974
d Total	13019	258365036	261191419
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)	☐		
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	6.57%	
6 Target normal cost	6	9333269	

Statement by Enrolled Actuary
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

<div>SIGN HERE</div>	<div>Signature of actuary</div> <div>JUDY M KRUSE</div> <div>Type or print name of actuary</div> <div>TOWERS WATSON</div> <div>Firm name</div> <div>191 NORTH WACKER DRIVE, SUITE 2100 CHICAGO, IL 60606-1615</div> <div>Address of the firm</div>	<div>10/14/2015</div> <div>Date</div> <div>14-05907</div> <div>Most recent enrollment number</div> <div>312-525-2500</div> <div>Telephone number (including area code)</div>
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If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover and Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	47087840
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	47087840
10 Interest on line 9 using prior year's actual return of <u>-6.33</u> %	0	-2980660
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.40</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	44107180

Part III Funding Percentages		
14 Funding target attainment percentage	14	100.68 %
15 Adjusted funding target attainment percentage	15	117.57 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	119.23 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No		
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No		
c If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.99 %	2nd segment: 6.32 %	3rd segment: 6.99 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 61
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	9333269	
b Excess assets, if applicable, but not greater than line 31a	31b	1788226	
32 Amortization installments:	Outstanding Balance		
a Net shortfall amortization installment.....	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	34	7545043	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	7545043	7545043
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☐ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011		
42 Amount of acceleration adjustment	42		
43 Excess installment acceleration amount to be carried over to future plan years	43		

<p style="text-align: center;">SCHEDULE D (Form 5500)</p> <p style="text-align: center; font-size: small;">Department of the Treasury Internal Revenue Service</p> <hr/> <p style="text-align: center; font-size: small;">Department of Labor Employee Benefits Security Administration</p>	<p style="text-align: center;">DFE/Participating Plan Information</p> <p style="text-align: center; font-size: small;">This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</p> <p style="text-align: center; font-weight: bold;">▶ File as an attachment to Form 5500.</p>	<p style="text-align: center; font-size: small;">OMB No. 1210-0110</p> <hr/> <p style="text-align: center; font-size: large; font-weight: bold;">2014</p> <hr/> <p style="text-align: center; font-size: small;">This Form is Open to Public Inspection.</p>
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014		
A Name of plan THE HILLSHIRE BRANDS COMPANY CONSOLIDATED HOURLY PENSION PLAN	B Three-digit plan number (PN) ▶	221
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 THE HILLSHIRE BRANDS COMPANY	D Employer Identification Number (EIN) 36-2089049	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a	Name of MTIA, CCT, PSA, or 103-12 IE: HBC MASTER INV. TRUST FOR DB PLANS
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b	Name of sponsor of entity listed in (a): THE HILLSHIRE BRANDS COMPANY
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c EIN-PN 36-2089049-100	d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 347736560
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a	Name of MTIA, CCT, PSA, or 103-12 IE:
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b	Name of sponsor of entity listed in (a):
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c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a	Name of MTIA, CCT, PSA, or 103-12 IE:
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b	Name of sponsor of entity listed in (a):
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c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a	Name of MTIA, CCT, PSA, or 103-12 IE:
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b	Name of sponsor of entity listed in (a):
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c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a	Name of MTIA, CCT, PSA, or 103-12 IE:
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b	Name of sponsor of entity listed in (a):
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c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a	Name of MTIA, CCT, PSA, or 103-12 IE:
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b	Name of sponsor of entity listed in (a):
----------	--

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a	Name of MTIA, CCT, PSA, or 103-12 IE:
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b	Name of sponsor of entity listed in (a):
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c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2014 This Form is Open to Public Inspection
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>		
A Name of plan <u>THE HILLSHIRE BRANDS COMPANY CONSOLIDATED HOURLY PENSION PLAN</u>		B Three-digit plan number (PN) ► <u>221</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE HILLSHIRE BRANDS COMPANY</u>		D Employer Identification Number (EIN) <u>36-2089049</u>

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property).....	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans.....	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	305360871	347736560
(12) Value of interest in 103-12 investment entities.....	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	305360871	347736560

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	305360871	347736560
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		56933074
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		56933074

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	12368932	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		12368932
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)	66904	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)	1263384	
(4) Other.....	2i(4)	858165	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		2188453
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		14557385

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		42375689
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: GRANT THORNTON LLP

(2) EIN: 36-6055558

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
4c			
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
4d			
e Was this plan covered by a fidelity bond?	X		25000000
4e			
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f			
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
4g			
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
4h			
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)		X	
4i			
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
4j			
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
4k			
l Has the plan failed to provide any benefit when due under the plan?.....		X	
4l			
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2014 This Form is Open to Public Inspection.
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>THE HILLSHIRE BRANDS COMPANY CONSOLIDATED HOURLY PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>221</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE HILLSHIRE BRANDS COMPANY</u>	D Employer Identification Number (EIN) <u>36-2089049</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>36-3046063</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>116</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☒ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a		
b Enter the amount contributed by the employer to the plan for this plan year.....	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?.....	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
--	-----------------------------------	-----------------------------------	-------------------------------	--

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:
 Stock: 13.0% Investment-Grade Debt: 81.0% High-Yield Debt: 3.0% Real Estate: 2.0% Other: 1.0%
- b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☒ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more
- c** What duration measure was used to calculate line 19(b)?
☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):



Financial Statements and Report of Independent
Certified Public Accountants

The Hillshire Brands Company
Consolidated Hourly Pension Plan

December 31, 2014 and 2013

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Grant Thornton

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Grant Thornton LLP
Grant Thornton Tower
171 N. Clark Street, Suite 200
Chicago, IL 60601-3370

T +1 312 856 0200
F +1 312 565 4719
grantthornton.com

The Hillshire Brands Company
Consolidated Hourly Pension Plan

Report on the financial statements

We were engaged to audit the accompanying financial statements of The Hillshire Brands Company Consolidated Hourly Pension Plan (the Plan), which comprise the statements of net assets available for benefits - modified cash basis as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits - modified cash basis for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in note B; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the certified information described in note H, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the certifying entity meets the requirements of 29 CFR 2520.103-8. The

Plan administrator obtained certifications from this entity as of and for the years ended December 31, 2014 and 2013, stating that the certified information provided to the Plan administrator is complete and accurate.

Disclaimer of opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Basis of accounting

We draw attention to note B of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Report on form and content in compliance with DOL rules and regulations

The form and content of the information included in the financial statements, other than that derived from the certified information described in note H, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



Chicago, Illinois
October 15, 2015

The Hillshire Brands Company
Consolidated Hourly Pension Plan
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS -
MODIFIED CASH BASIS
December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Investment (notes C and D)		
Plan interest in The Hillshire Brands Company Master		
Investment Trust for Defined Benefit Plans	<u>\$ 347,736,560</u>	<u>\$ 305,360,871</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 347,736,560</u></u>	<u><u>\$ 305,360,871</u></u>

The accompanying notes are an integral part of these statements.

The Hillshire Brands Company
Consolidated Hourly Pension Plan
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS -
MODIFIED CASH BASIS
Years ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Plan interest in The Hillshire Brands Company Master Investment Trust for Defined Benefit Plans net investment income (loss)	\$ 56,933,074	\$ (18,741,859)
Benefits paid to participants	(12,368,932)	(11,944,418)
Plan expenses	(2,188,453)	(2,385,767)
Internal fund transfers (note K)	<u>-</u>	<u>(2,428,545)</u>
NET INCREASE (DECREASE)	42,375,689	(35,500,589)
Net assets available for benefits		
Beginning of year	<u>305,360,871</u>	<u>340,861,460</u>
End of year	<u><u>\$ 347,736,560</u></u>	<u><u>\$ 305,360,871</u></u>

The accompanying notes are an integral part of these statements.

**The Hillshire Brands Company
Consolidated Hourly Pension Plan
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013**

NOTE A - DESCRIPTION OF PLAN

The following brief description of The Hillshire Brands Company Consolidated Hourly Pension Plan (the Plan) is provided for general information purposes only. Participants should refer to the applicable summary plan description for the Plan for a more complete description of the Plan's provisions. The Plan includes employees of multiple divisions of The Hillshire Brands Company (the Company) as defined in the Plan. Participants in former plans sponsored by certain divisions or subsidiaries of the Company that merged into the Plan should refer to the Supplements section of the Plan document for additional information.

On August 28, 2014, The Hillshire Brands Company was acquired by Tyson Foods, Inc. (Tyson) and became a wholly owned subsidiary of Tyson.

General

The Plan is a defined benefit pension plan covering eligible hourly non-union and union employees of the Company. Employees who are members of collective bargaining units participate in the Plan only if their collective bargaining agreements provide for participation in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

An employee becomes a participant in the Plan after meeting eligibility requirements, as defined in the Plan document. Eligibility requirements vary by the employee's work location and union contract, as applicable.

Contributions

The funding policy for the Plan is to make the necessary contributions to meet minimum funding requirements, as determined by the Plan's independent actuary. No voluntary employee contributions are permitted. The Plan was in compliance with applicable ERISA minimum funding requirements for the years ended December 31, 2014 and 2013.

Pension Benefits

Benefits are provided as follows:

Normal Retirement Benefits - Normal retirement age is 65. Monthly pension benefits vary by work location and union, as defined in the Plan document.

Early Retirement Benefits - An employee who has attained age 55 and completed 10 years of credited service may elect to defer receipt of his or her full accrued amount until age 65 or receive a reduced pension benefit by a reduction factor based on the age that benefits begin.

Disability Retirement Benefits - An employee who is eligible for Social Security disability benefits may receive a pension calculated in the same way as the pension at the normal retirement date, but based on service and compensation as of the early retirement date. The benefit is payable if the employee has completed a specified amount of years of service, as defined in the Plan document.

The Hillshire Brands Company
Consolidated Hourly Pension Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2014 and 2013

Deferred Retirement Benefits - An eligible participant who retires after the normal retirement date may receive a pension calculated in the same manner as for normal retirement, with an actuarial increase for benefits not paid upon normal retirement age. If a participant continues to work, benefit payments will commence on April 1 of the calendar year immediately following the calendar year in which the participant attains age 70-1/2.

Termination Benefits - A participant is eligible for termination benefits if he or she terminates employment for any reason other than death before retirement and has completed five years of service or attainment of age 65. The participant will be eligible for benefits payable beginning at the normal retirement date. If a participant has met the service requirement for early retirement, he or she may elect early commencement of his or her pension on the first of any month after attainment of age 55. This accrued benefit will then be reduced for early retirement.

Preretirement Death Benefits - Participants are eligible after completing five years of service. The spouse of the deceased participant of at least one year receives 50% of the amount the employee would have received if retirement had occurred on the date of death.

Vesting

Participants become vested upon completion of five years of service or, if earlier, at age 65, if employed by the Company.

NOTE B - SUMMARY OF ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared using the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). Under the modified cash basis of accounting, investments are recorded at fair value, income is recorded as earned, and payments and contributions are recorded as the cash is paid or received.

If the Plan's financial statements had been prepared using the accrual basis of accounting in accordance with U.S. GAAP, payables of \$312,395 and \$264,414 would have been recorded in the accompanying statements of net assets available for benefits as of December 31, 2014 and 2013, respectively.

Use of Estimates

The preparation of financial statements on the modified cash basis of accounting requires the Plan's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated Plan benefits at the date of the financial statements. Actual results could differ from these estimates.

Valuation of Investments

The Plan's interest in The Hillshire Brands Company Master Investment Trust for Defined Benefit Plans (the Master Investment Trust) is based on the Plan's relative aggregate contributions, benefit payments and other relevant factors. See note D for discussion of fair value measurements.

The Hillshire Brands Company
Consolidated Hourly Pension Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2014 and 2013

The Plan may use various financial instruments, particularly options, futures, interest rate swaps and credit default swaps, commonly referred to as derivatives, to manage risk. No investments are engaged in market making or other speculative activities. Established practices require that derivative financial instruments relate to specific asset, liability or equity transactions, or to current exposure.

Derivative investments are valued according to an established pricing hierarchy using current prices obtained from independent external pricing sources or determined according to approved pricing policies and procedures for fair values in circumstances where independent sources are not available. For exchange-traded futures, a one-sided profit and loss entry is entered each day based on futures prices from Bloomberg that are reconciled against the statements of the clearing broker. All over-the-counter (OTC) derivative transactions are priced on one of the following four bases:

- Prices supplied by a recognized third-party price vendor.
- Prices determined through a mark-to-model methodology.
- Prices supplied by the OTC trade counterparty (or broker).
- Prices reviewed and confirmed by the client.

In order to ensure integrity and robustness in the pricing process, OTC derivative prices are compared with prices determined through at least one of the remaining three bases. Any inconsistencies between the pricing bases are investigated and, where these are in excess of agreed tolerance triggers, will be escalated to appropriate resolution.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Risks and Uncertainties

The Plan invests in various investment securities through its interest in the Master Investment Trust. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated Plan benefits is reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Plan Expenses

Plan expenses are paid by the Plan unless paid by the Company at its discretion. Plan expenses include fees related to actuary, audit, investing and administration costs, and are included in Plan expenses on the accompanying statements of changes in net assets available for benefits.

The Hillshire Brands Company
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December 31, 2014 and 2013

Payment of Benefits

Benefit payments to participants are recorded when paid.

NOTE C - PLAN INTEREST IN MASTER INVESTMENT TRUST

The Plan's investments are in the Master Investment Trust, which was established for the investment of assets of the Plan and several other defined benefit plans sponsored by the Company. Each participating plan has an undivided interest in the Master Investment Trust. The assets of the Master Investment Trust are held by The Northern Trust Company (the Trustee). At December 31, 2014 and 2013, the Plan's interest in the net assets of the Master Investment Trust was approximately 21.7% and 21.6%, respectively. Investment income relating to the Master Investment Trust is allocated to the individual plans based on average balances invested by each plan.

The Plan's interest in the net assets of the Master Investment Trust is included in the accompanying statements of net assets available for benefits. A summary of the net assets of the Master Investment Trust as of December 31, 2014 and 2013, is as follows:

	2014	2013
Investments, at fair value		
Cash and cash equivalents	\$ 70,132,305	\$ 35,791,599
U.S. government securities	164,669,706	288,219,319
Corporate debt instruments - preferred	407,062,434	300,398,535
Corporate debt instruments - other	309,750,071	232,539,047
Derivatives and other debt instruments	103,257,057	99,004,901
Corporate stock - preferred	647,580	-
Interest in collective trusts	383,479,011	336,765,337
Interest in registered investment companies	<u>173,886,619</u>	<u>124,616,186</u>
Total investments	1,612,884,783	1,417,334,924
Receivables	110,370,523	69,142,167
Liabilities	<u>(120,012,658)</u>	<u>(71,055,598)</u>
Net assets of Master Investment Trust	<u>\$1,603,242,648</u>	<u>\$1,415,421,493</u>

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December 31, 2014 and 2013

Master Investment Trust income allocated to the participating plans for the years ended December 31, 2014 and 2013, is as follows:

	2014	2013
Net appreciation (depreciation)		
Cash and cash equivalents	\$ 2,440,359	\$ (266,113)
U.S. government securities	59,843,101	(56,800,266)
Corporate debt instruments - preferred	37,646,005	(33,866,352)
Corporate debt instruments - other	21,683,033	(18,505,847)
Corporate stocks - common	70,491	24,604
Corporate stocks - preferred	12,620	-
Interest in collective trusts	28,442,214	19,524,048
Interest in registered investment companies	15,592,180	(11,205,376)
Other income from derivative activity	<u>47,668,739</u>	<u>(19,619,348)</u>
Net appreciation (depreciation) in fair value of investments	213,398,742	(120,714,650)
Interest and dividends	<u>49,521,977</u>	<u>47,043,110</u>
Net investment income (loss)	<u>\$262,920,719</u>	<u>\$ (73,671,540)</u>

NOTE D - VALUATION OF INVESTMENTS IN THE MASTER INVESTMENT TRUST

Accounting guidance defines fair value as the price that would be received by the Master Investment Trust for an asset or paid by the Master Investment Trust to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date in the Master Investment Trust's principal or most advantageous market for the asset or liability. The guidance establishes a fair value hierarchy that requires the Master Investment Trust to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The fair value hierarchy places the highest priority on unadjusted quoted market prices in active markets for identical assets or liabilities (Level 1 measurements) and gives the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs within the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) for identical assets or liabilities in active markets that the Master Investment Trust has the ability to access as of the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including the following:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the assets or liabilities (including volatilities).

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NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2014 and 2013

- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Significant unobservable inputs for the asset or liability (including the Master Investment Trust's own assumptions about the assumptions that market participants would use in pricing an asset or liability) and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following descriptions of the valuation methods and assumptions used by the Plan to estimate the fair value of investments apply to investments held as underlying investments of the Master Investment Trust:

Cash and cash equivalents - Valued at cost, which approximates fair value.

Corporate stock - Determined by obtaining quoted prices on nationally recognized exchanges.

U.S. government securities - Valued at the closing price reported in the active market in which the security is traded.

Corporate debt instruments - Valued at the closing price reported for identical or similar assets in inactive markets.

Derivatives - Valued according to an established pricing hierarchy using current prices obtained from independent pricing sources. See note B for more information.

Collective trusts - Based on the net asset value (NAV) provided by the administrator of the fund. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. Investments in units of collective trust funds and short-term investment funds are valued at their respective NAVs as reported by the funds daily.

Registered investment companies - Valued at the published market price per unit multiplied by the number of units held.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31:

	2014			
	Level 1	Level 2	Level 3	Total
Investments, at fair value				
Cash and cash equivalents	\$ 70,132,305	\$ -	\$ -	\$ 70,132,305
Corporate stock	647,580	-	-	647,580
U.S. government securities	164,669,706	-	-	164,669,706
Corporate debt instruments				
AAA rating	-	12,090,694	-	12,090,694
AA rating	-	94,241,939	-	94,241,939
A rating	-	304,661,592	-	304,661,592
BBB rating	-	249,499,353	-	249,499,353
BB rating	-	33,393,422	-	33,393,422
B rating	-	4,328,360	-	4,328,360
CCC rating	-	1,326,045	-	1,326,045
Non-rated	-	17,271,100	-	17,271,100
Derivatives and other debt instruments	-	103,257,057	-	103,257,057
Interest in common/collective trusts				
Fixed income funds ^(a)	-	140,612,053	-	140,612,053
Commodity trust ^(b)	-	12,829,921	-	12,829,921
Equity trust ^(c)	180,324,537	-	-	180,324,537
Collective short-term investment funds ^(d)	-	16,561,058	-	16,561,058
Real estate fund ^(e)	-	33,151,442	-	33,151,442
Interest in registered investment companies				
Bond funds	-	173,886,619	-	173,886,619
Total investments	<u>\$415,774,128</u>	<u>\$1,197,110,655</u>	<u>\$ -</u>	<u>\$1,612,884,783</u>

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	2013			
	Level 1	Level 2	Level 3	Total
Investments, at fair value				
Cash and cash equivalents	\$ 35,791,599	\$ -	\$ -	\$ 35,791,599
U.S. government securities	288,219,319	-	-	288,219,319
Corporate debt instruments				
AAA rating	-	9,837,796	-	9,837,796
AA rating	-	61,210,910	-	61,210,910
A rating	-	232,443,607	-	232,443,607
BBB rating	-	193,377,775	-	193,377,775
BB rating	-	23,216,416	-	23,216,416
B rating	-	1,539,000	-	1,539,000
CCC rating	-	115,908	-	115,908
Non-rated	-	11,196,170	-	11,196,170
Derivatives and other debt instruments	-	99,004,901	-	99,004,901
Interest in common/collective trusts				
Fixed income funds ^(a)	-	115,790,469	-	115,790,469
Commodity trust ^(b)	-	13,649,736	-	13,649,736
Equity trust ^(c)	172,841,144	-	-	172,841,144
Collective short-term investment funds ^(d)	-	5,489,598	-	5,489,598
Real estate fund ^(e)	-	28,994,390	-	28,994,390
Interest in registered investment companies				
Bond funds	-	<u>124,616,186</u>	-	<u>124,616,186</u>
Total investments	<u>\$496,852,062</u>	<u>\$920,482,862</u>	<u>\$ -</u>	<u>\$1,417,334,924</u>

- (a) The BlackRock Long Duration Corp. Credit Screened Fund is an enhanced index fixed income fund that seeks to outperform the Barclays US Long Corporate Index by 25 to 50 basis points. Its objective is to avoid exposure to corporate issuers that have potential for experiencing credit deterioration. There is a two-day notice period for redemption. There are no unfunded obligations.
- (b) The BlackRock Bloomberg Commodity Fund seeks to capture the risk/return profile of the Dow Jones UBS Commodity Index. Its objective is to invest in physical commodity futures and is weighted by both liquidity and dollar-adjusted historical production. There are no redemption limitations or unfunded obligations. Redemptions are permitted daily.
- (c) The primary objective of the Northern Trust MSCI ACWI IMI Fund is to approximate the risk and return characteristics of the MSCI ACWI ex U.S. and the U.S. Investable Market Indices. It may make limited use of futures and/or options for the purpose of maintaining equity exposure, and may participate in securities lending. There are no limitations or unfunded obligations. Redemptions are permitted daily. The Company determined that this fund is analogous to a mutual fund or other Level 1-type asset based on the following criteria: the fund is valued on at least a daily basis, there are no trading restrictions and the underlying equity securities can be priced in active markets.
- (d) The fair value of the short-term collective funds is measured using the NAV per unit based on the quoted market price of the respective fund's underlying investments. There are no redemption limitations or unfunded obligations. Redemptions are permitted daily.

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December 31, 2014 and 2013

- (e) The Northern Trust Collective Global Real Estate Index fund has an objective to approximate the overall performance of the FTSE/EPRA NAREIT Index. The fund may use futures and/or options to manage market risk. Securities lending is permitted. There are no redemption limitations or unfunded obligations. Redemptions are permitted daily.

NOTE E - FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK

In accordance with the investment strategy of the managed accounts, the Plan's investment managers execute transactions in various financial instruments that may give rise to varying degrees of off-balance sheet market and credit risk. These instruments can be executed on an exchange or negotiated in the OTC market. These financial instruments include futures, forward settlement contracts, swaps and option contracts.

Market risk arises from the potential for changes in value of financial instrument resulting from fluctuations in interest and foreign exchange rates, and in prices of debt and equity securities. The gross notional (or contractual) amounts used to express the volume of these transactions do not necessarily represent the amounts potentially subject to market risk. In many cases, these financial instruments serve to reduce, rather than increase, the Plan's exposure to losses from market or other risks. In addition, the measurement of market risk is meaningful only when all related and offsetting transactions are identified. The investment managers generally limit the Plan's market risk by holding or purchasing offsetting positions. These assets and liabilities are included in the derivatives and other debt instruments line item within note D.

Statement of net assets	2014			
	Asset derivative		Liability derivative	
	Fair value	Appreciation (depreciation)	Fair value	Appreciation (depreciation)
Type of exposure				
Exchange cleared swap liabilities	\$ 378,453	\$ 45,459	\$ (1,006,251)	\$ (589,904)
Fixed income options	-	-	(258,324)	(65,474)
Fixed income futures	303,248,537	6,634,227	(302,796,244)	(6,634,227)
Cash collateral holding	6,254,614	-	(564,744)	-
Other options	332,588	(1,840,787)	(777,992)	1,713,085
Swap liabilities	<u>1,562,120</u>	<u>232,612</u>	<u>(1,365,129)</u>	<u>(328,149)</u>
Total	<u>\$311,776,312</u>	<u>\$ 5,071,511</u>	<u>\$(306,768,684)</u>	<u>\$(5,904,669)</u>

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NOTES TO FINANCIAL STATEMENTS - CONTINUED
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Statement of net assets	2013			
	Asset derivative		Liability derivative	
	Fair value	Appreciation (depreciation)	Fair value	Appreciation (depreciation)
Type of exposure				
Futures	\$109,981,042	\$ (179,179)	\$(109,658,805)	\$ 179,179
Exchange cleared swap liabilities	255,953	211,770	(639,889)	(425,773)
Fixed income options	-	-	(4,419)	5,421
Fixed income futures	282,579,750	(5,403,992)	(282,579,750)	5,403,992
Cash collateral holding	620,000	-	(370,000)	-
Other options	692,780	367,780	(972,851)	(429,743)
Swap liabilities	<u>1,397,722</u>	<u>630,378</u>	<u>(801,933)</u>	<u>(208,876)</u>
Total	<u>\$395,527,247</u>	<u>\$(4,373,243)</u>	<u>\$(395,027,647)</u>	<u>\$ 4,524,200</u>

NOTE F - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated Plan benefits represent the estimated future periodic payments, including lump-sum distributions, under the Plan's provisions that are attributable to services rendered by employees through the valuation date. Accumulated Plan benefits include benefits expected to be paid to the following: (1) retired or terminated employees or their beneficiaries, (2) beneficiaries of employees who have died and (3) present employees or their beneficiaries. Benefits payable under all circumstances are included to the extent that they are deemed attributable to employee service rendered through the valuation date.

The actuarial present value of accumulated Plan benefits is determined by the Plan's actuary, Towers Watson, and is that amount that results from applying actuarial assumptions to adjust the accumulated Plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment between the valuation date and the expected date of payment. Significant actuarial assumptions used in the valuations as of December 31, 2013 and 2012, are as follows:

	2013	2012
Interest rate	6.47%	6.45%
Mortality	RP-2014 Table	Applicable 2013 Mortality Table
Normal retirement age	65	65

The foregoing assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits.

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Consolidated Hourly Pension Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2014 and 2013

The actuarial present value of accumulated Plan benefits as of December 31, 2013 and 2012, is as follows:

	2013	2012
Actuarial present value of accumulated Plan benefits		
Vested benefits		
Participants currently receiving payments	\$114,486,150	\$104,419,398
Other participants	<u>156,893,745</u>	<u>137,972,122</u>
Total vested benefits	271,379,895	242,391,520
Non-vested benefits	<u>2,169,355</u>	<u>2,316,913</u>
Total actuarial present value of accumulated Plan benefits	<u>\$273,549,250</u>	<u>\$244,708,433</u>

The change in the actuarial present value of accumulated Plan benefits for the year ended December 31, 2013, consists of the following:

Actuarial present value of accumulated Plan benefits as of December 31, 2012	\$244,708,433
Change during the year attributed to	
Increase for interest due to decrease in discount period	15,821,357
Benefits accumulated	6,497,764
Benefits paid	(12,015,433)
Actuarial assumptions - change in interest rate and mortality table	11,079,022
Actuarial loss	5,886,677
Plan amendments	<u>1,571,430</u>
Net change	<u>28,840,817</u>
Actuarial present value of accumulated Plan benefits as of December 31, 2013	<u>\$273,549,250</u>

NOTE G - PLAN TERMINATION AND PENSION BENEFIT GUARANTY CORPORATION MATTERS

Although the Company has not expressed any intention of terminating the Plan, the Company has the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event of termination of the Plan, distribution of the Plan assets shall be made to the participants according to the provisions for such distribution in the Plan. In addition, the Company reserves the right to amend or modify the Plan from time to time to the extent permitted by applicable law.

If the Plan terminates, a portion of the benefits under the Plan is insured by the Pension Benefit Guaranty Corporation (PBGC), a U.S. government agency. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor benefits. However, the PBGC

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NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2014 and 2013

does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits, and may also depend on the level of benefits guaranteed by the PBGC.

NOTE H - INFORMATION CERTIFIED BY TRUSTEE

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Trustee has certified that the following data included in the accompanying financial statements is complete and accurate:

- Investment, as shown in the statements of net assets available for benefits as of December 31, 2014 and 2013.
- Plan interest in The Hillshire Brands Company Master Investment Trust for Defined Benefit Plans net investment income (loss), as shown in the statements of changes in net assets available for benefits for the years ended December 31, 2014 and 2013.
- Master Investment Trust investment information, as shown in note C.

The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements.

NOTE I - TAX STATUS

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated September 11, 2013, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by applicable taxing authorities. The Plan administrator has analyzed tax positions taken by the Plan and has concluded that, as of December 31, 2014 and 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

The Plan is subject to routine audits by taxing jurisdictions. In late 2013, the IRS informed the Company that it would be conducting an examination of the Plan, as well as two other qualified retirement plans sponsored by the Company, The Hillshire Brands Company 401(k) Plan and The Hillshire Brands Company Salaried Pension Plan, to determine whether the plans were operated in accordance with the qualification provisions of the IRC during the 2011 and 2012 plan years. The IRS audit closed in 2015. There are currently no other

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Consolidated Hourly Pension Plan
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2014 and 2013

audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examination for years prior to 2011.

NOTE J - RELATED-PARTY TRANSACTIONS

Certain assets of the Master Investment Trust are invested in investments managed by the Trustee of the Plan; therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan during 2014 and 2013 were for legal, accounting and other professional services rendered by parties-in-interest.

NOTE K - INTERNAL FUND TRANSFERS

The Master Investment Trust had a unitized account structure whereby each plan owned units of a fund. Transfers between plans were necessary in the cash account to adjust negative units that resulted from varying monthly expenses and rebalancing needs.

NOTE L - SUBSEQUENT EVENTS

The Plan evaluated its December 31, 2014, financial statements for subsequent events through October 15, 2015, the date the financial statements were available to be issued. The Plan is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

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EIN: 36-2089049; PN: 221
Schedule SB, Line 26 - Schedule of Active Participant Data

		Years of Service									
Attained Age		Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Up
Under 25	Number	134	142	2	0	0	0	0	0	0	0
25-29	Number	110	277	96	0	0	0	0	0	0	0
30-34	Number	77	229	162	57	0	0	0	0	0	0
35-39	Number	61	205	183	70	34	1	0	0	0	0
40-44	Number	85	211	257	94	50	25	0	0	0	0
45-49	Number	51	234	307	119	62	70	18	1	0	0
50-54	Number	56	189	385	127	54	85	45	97	4	0
55-59	Number	27	157	276	137	36	68	31	73	90	1
60-64	Number	4	83	132	57	20	35	19	24	62	7
65-69	Number	1	14	32	11	6	2	2	4	4	0
70 & Up	Number	0	3	5	3	0	2	2	1	0	1

The Hillshire Brands Company
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Schedule SB, Part V – Statement of Actuarial Assumptions and Methods

		Consolidated Hourly	
Economic Assumptions			
■	Funding Target (PPA)		
	▶ Interest Rate		
	Applicable Month	September 2013*	
	Yield curve basis	Segment Rates	
	MAP-21 applied	Yes	
	▶ Funding interest rates - Reflecting Corridors		
	First Segment Rate	4.99%	
	Second Segment Rate	6.32%	
	Third Segment Rate	6.99%	
	Effective interest rate	6.57%	
	▶ Funding interest rates - Not Reflecting Corridors		
	First Segment Rate	1.37%	
	Second Segment Rate	4.05%	
	Third Segment Rate	5.06%	
	Effective interest rate	4.51%	
	▶ Salary Increases (Varies by age)	N/A	
	▶ Wage Base	N/A	
	▶ Index Limit on Pay & Benefits	N/A	
	▶ Lump Sum Conversion Basis		
	▶ Interest Rate	2014 HATFA Segment Rates for September 2013*	
	▶ Mortality Table	Applicable 2014 mortality table as specified by Internal Revenue Code Section 417(e)(3)	
Demographic Assumptions			
■	Healthy Mortality	IRS required mortality table for 2014 funding valuation, separate static annuitant and nonannuitant tables	
		See Healthy Mortality, except for all groups in the Consolidated Hourly Plan prior to the 12/31/2008 plan merger, Local 7A and New London, which use the table described in Revenue Ruling 96-7.	
■	Disability Mortality		
		For Non-Union Hourly Employees	For Union Employees
■	Termination (Sample Rates: Male / Female) **		
	▶ Age 20	21.8%	13.1%
	▶ Age 25	23.1%	13.9%
	▶ Age 30	15.2%	9.1%
	▶ Age 35	11.0%	6.6%
	▶ Age 40	8.8%	5.3%
	▶ Age 45	7.8%	4.7%
	▶ Age 50	7.0%	4.2%
	▶ Age 55	3.7%	2.2%
	▶ Age 60	2.8%	1.7%
■	Disability (Sample Rates: Male / Female)		
	▶ Age 20	0.064% / 0.055%	
	▶ Age 25	0.093% / 0.096%	
	▶ Age 30	0.134% / 0.165%	
	▶ Age 35	0.199% / 0.252%	
	▶ Age 40	0.314% / 0.357%	
	▶ Age 45	0.505% / 0.522%	
	▶ Age 50	0.83% / 0.854%	
	▶ Age 55	1.50% / 1.49%	
	▶ Age 60	2.27% / 1.79%	

* The IRS prescribed 24-month segment rates for September based on bond yields through the preceding August.

** Rates are shown for employees with more than five years of service and differ for employees with less than five years of service
Union Employees include Local 7A, New London, St. Joseph, and Traverse City. Non-union Hourly Employees includes all other Consolidated Hourly plan participants.

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EIN: 36-2089049; PN: 221
Schedule SB, Part V – Statement of Actuarial Assumptions and Methods

Consolidated Hourly			
	<i>For Local 7A Participants with 30 or more years of service</i>	<i>For Tupelo Employees with 85 points</i>	<i>For All Other Participants</i>
■ Retirement			
▶ Age 50	30%	15%	0%
▶ Age 51	30%	15%	0%
▶ Age 52	30%	15%	0%
▶ Age 53	30%	15%	0%
▶ Age 54	30%	15%	0%
▶ Age 55	30%	15%	8%
▶ Age 56	30%	15%	8%
▶ Age 57	30%	15%	8%
▶ Age 58	30%	15%	8%
▶ Age 59	30%	15%	8%
▶ Age 60	30%	50%	15%
▶ Age 61	30%	50%	15%
▶ Age 62	30%	50%	30%
▶ Age 63	30%	50%	10%
▶ Age 64	30%	50%	10%
▶ Age 65	50%	50%	50%
▶ Age 66	50%	50%	50%
▶ Age 67	50%	50%	50%
▶ Age 68	50%	50%	50%
▶ Age 69	50%	50%	50%
▶ Age 70	100%	100%	100%
■ Weighted Average Retirement Age (Less than 30 years of service)	52.33	54.75	61.12
■ Administrative Expense Load	Prior year's actual expenses		
■ Percentage Married			
▶ Males		80%	
▶ Females		60%	
■ Spouse age	Wives three years younger than husbands		
■ Form of payment (Married / Unmarried)			
▶ Single life annuity		0% / 100%	
▶ 50% Contingent annuity		100% / 0%	
▶ 100% Contingent annuity		0%	
▶ Five-year certain only		0%	
▶ Five-year certain and life annuity		0% *	
▶ Lump Sum		0% **	

* For Traverse City, form of payment is assumed to be 100% of five-year certain and life annuity for unmarried employees and 100% of 50% contingent annuity for married employees.

** For Earthgrains and those with the option available in the Consolidated Hourly plan, form of payment is assumed to be 100% lump sum.

The Hillshire Brands Company
The Hillshire Brands Company Consolidated Hourly Pension Plan
EIN: 36-2089049; PN: 221
Schedule SB, Part V – Statement of Actuarial Assumptions and Methods

Consolidated Hourly

Actuarial Methods

■ PPA

- ▶ Normal cost and funding target
- ▶ Actuarial value of assets

Present Value of Accrued Benefits

The actuarial value of assets is the average of market values (adjusted for contributions, benefit/expense payments, and expected investment returns) as of the valuation date and one month prior. This amount is adjusted to be no greater than 110% and no less than 90% of the fair market value. The method of computing the actuarial value of assets as selected by The Hillshire Brands Company complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets, but are expected to fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term, considering PPA's smoothing rules and The Hillshire Brands Company's strategic asset investment allocation, a characteristic of this method is that it is more likely to produce an actuarial value of assets that is less than the market value of assets.

Benefits Not Valued

All benefits summarized in the plan provisions section have been valued.

Changes in Methods and
Assumptions Since Last Year

The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.

Data Sources

Towers Watson used asset data supplied by the trustee. The Company and its third party administrator furnished participant data. The Company furnished the dates and amounts of the prior year contributions as well as the accrued pension cost at year-end. Data was reviewed for reasonableness and consistency, but no audit was performed. Towers Watson is not aware of any errors or omissions in the data that would significantly affect the valuation results.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2014 This Form is Open to Public Inspection
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan THE HILLSHIRE BRANDS COMPANY CONSOLIDATED HOURLY PENSION PLAN	B Three-digit plan number (PN) ►	221
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF THE HILLSHIRE BRANDS COMPANY	D Employer Identification Number (EIN) 36-2089049	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2014</u>			
2 Assets:			
a Market value	2a	305360871	
b Actuarial value	2b	307086825	
3 Funding target/participant count breakdown			
	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	2709	112004680	112004680
b For terminated vested participants.....	4412	60787765	60787765
c For active participants.....	5898	85572591	88398974
d Total.....	13019	258365036	261191419
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5		6.57%
6 Target normal cost.....	6		9333269

Statement by Enrolled Actuary
 To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	JUDY M KRUSE <div style="text-align: center;"> Signature of actuary </div>	<div style="text-align: center;"> <u>10/14/15</u> Date 1405907 </div>
JUDY M KRUSE TOWERS WATSON 191 NORTH WACKER DRIVE, SUITE 2100 CHICAGO IL 60606-1615 <div style="text-align: center;">Address of the firm</div>		Most recent enrollment number 312-525-2500 Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover and Prefunding Balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	47087840
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	47087840
10 Interest on line 9 using prior year's actual return of <u>-6.33%</u>	0	-2980660
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.40%</u>		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	0	44107180

Part III Funding Percentages

14 Funding target attainment percentage	14	100.68%
15 Adjusted funding target attainment percentage	15	117.57%
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	119.23%
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 0
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☐ Yes ☒ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☐ Yes ☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.99%	2nd segment: 6.32%	3rd segment: 6.99%	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 61
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.		☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.		☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.		☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.		27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)		31a	9333269
b Excess assets, if applicable, but not greater than line 31a		31b	1788226
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount		33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)		34	7545043
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	7545043	7545043
36 Additional cash requirement (line 34 minus line 35)		36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)		37	0
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)		38a	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances		38b	0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)		39	0
40 Unpaid minimum required contributions for all years		40	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected		☐ 2 plus 7 years ☐ 15 years	
b Eligible plan year(s) for which the election in line 41a was made		☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011	
42 Amount of acceleration adjustment		42	
43 Excess installment acceleration amount to be carried over to future plan years		43	

The Hillshire Brands Company
The Hillshire Brands Company Consolidated Hourly Pension Plan
EIN: 36-2089049; PN: 221
Schedule SB, Line 22 – Description of Weighted Average Retirement Age

For each active participant, an expected retirement age was calculated, weighted in proportion to the probability that the individual would remain an active participant to each age and then retire at that age. (The retirement rates table in the attachment to Schedule SB, Part V – Statement of Actuarial Assumptions/Methods summarizes these probabilities.) The plan's weighted average retirement age of 61 is the arithmetic average of the expected retirement ages of all participants on January 1, 2014.

The weighted average retirement age may change each year depending on the demographics of the active participants, even if the underlying assumption does not change.

The Hillshire Brands Company
The Hillshire Brands Company Consolidated Hourly Pension Plan
EIN: 36-2089049; PN: 221
Schedule SB, Statement of Enrolled Actuary

Plan Sponsor	The Hillshire Brands Company
EIN/PN	36-2089049/221
Plan Name	The Hillshire Brands Company Consolidated Hourly Pension Plan
Valuation Date	January 1, 2014
Enrolled Actuary	Judy M. Kruse
Enrollment Number	14-05907

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years.

The Hillshire Brands Company
The Hillshire Brands Company Consolidated Hourly Pension Plan
EIN: 36-2089049; PN: 221
Schedule SB, Part V – Summary of Plan Provisions

Plan Provisions – The Hillshire Brands Company Consolidated Hourly Pension Plan

Effective Date	June 30, 1990. The plan was last amended effective as of January 1, 2010. The Plan was restated effective July 1, 2012.
Plan Merger	<p>The Consolidated Hourly plan is a product of the merger of the following plans and employee groups:</p> <ul style="list-style-type: none">■ Sara Lee Bakery Division DuBois, Indiana Hourly Employees' Pension Plan;■ Sara Lee Bakery Division Forest Plant Hourly Employees' Retirement Plan;■ Sara Lee Bakery Division Greenville, South Carolina Hourly Employees' Pension Plan;■ Sara Lee Bakery Division New Hampton, Iowa Union Employees' Pension Plan;■ Sara Lee Bakery Division Traverse City Union Employees' Retirement Plan.■ The Earthgrains Company Pension Plan for Non-Union Hourly Employees.■ Eligible employees at the Tarboro, North Carolina facility.■ Effective January 1, 2004, eligible hourly employees of "Fresh".■ Effective December 31, 2005, the Sara Lee Foods – Tupelo, Mississippi Retirement Plan for Hourly Employees and the State Fair Foods, Inc. Hourly Employees' Pension Plan merged into this plan.■ Effective December 31, 2005, non-union hourly employees who formerly participated in the SLC Salaried Plan, and those who are employed at Storm Lake, Iowa and Zeeland, Michigan facilities are covered and earn future benefits under this plan.■ Effective December 31, 2008, the following plans merged into this plan:<ul style="list-style-type: none">– Bryan Foods, Inc. Retirement Plan for Bargaining Employees– New London Facility Pension Plan for Collectively Bargained Employees– Sara Lee Foods Local 7A Pension Plan– Sara Lee Foods – St. Joseph Facility Pension Plan for Collectively Bargained Employees– Sara Lee Coffee and Tea Division of Sara Lee Corporation Bargaining Unit Employees' Pension Plan■ The Plan is structured so that provisions that apply to all locations are included in the main document. Those provisions that vary by group are in supplements. The following description of plan provisions first outlines the common provisions and then describes the provisions that vary by group.

The Hillshire Brands Company
The Hillshire Brands Company Consolidated Hourly Pension Plan
EIN: 36-2089049; PN: 221
Schedule SB, Part V – Summary of Plan Provisions

Eligibility An hourly employee becomes a participant in the plan once he completes 1,000 hours in any 12-month period commencing on the employee's date of hire, or an anniversary thereof, and has attained age 21. For benefit eligibility purposes, the 12-month period is a plan year.

The sale of the Fresh Bakery business closed on November 5, 2011. As a result, all bakery employees ceased to be eligible under the plan on that date.

Definitions

Plan year	Calendar year
Years of service	A year of service is a 12-month period during which an employee completes at least 1,000 hours of service.
Credited service	A full year of credited service is granted for 1,000 hours of service in a plan year.

Eligibility for Benefits

Normal retirement	A participant is eligible for normal retirement on or after the attainment of age 65.
Early retirement	A participant is eligible for early retirement on or after the attainment of age 55 and five years of service.
Disability retirement	A participant who becomes disabled while employed and has completed 10 years of service. Participants of Foods, and Grove City are not entitled to a disability benefit. Note that participants on disability receive vesting service and credited service at a rate of 45 hours per week for up to two years.
Vested pension	A participant is eligible for a vested pension after completion of five years of service or attainment of age 65.
Preretirement spouse's pension	A Participant's spouse is eligible for pension benefits if the participant had attained the right to a vested pension and died before any payments commenced. Participant and spouse must be married at least one year prior to date of death.

The Hillshire Brands Company
The Hillshire Brands Company Consolidated Hourly Pension Plan
EIN: 36-2089049; PN: 221
Schedule SB, Part V – Summary of Plan Provisions

Amounts of Benefits

Normal retirement	<p>See supplemental provisions for benefit descriptions, that vary by group.</p> <p>For Participants employed at the Additional Sara Lee Foods locations, the monthly accrued benefit is \$32.00 multiplied by years of credited service earned on or after January 1, 2006, up to a maximum of 25 years of credited service.</p> <p>For certain employees named in the Plan Document who were actively employed on January 1, 2006 by the Florence, Alabama and Newbern, Tennessee locations, the monthly accrued benefit is \$44.00 multiplied by years of credited service earned on or after January 1, 2006, up to a maximum of 25 years of credited service.</p> <p>For eligible employees of Grove City, the monthly accrued benefit is \$16.00 multiplied by years of credited service earned on or after November 6, 2005, up to a maximum of 25 years of credited service.</p> <p>For eligible employees of DuBois and Forest, the monthly accrued benefit is \$16.00 multiplied by years of credited service.</p> <p>For eligible employees of New Hampton, the monthly accrued benefit is \$21.00 multiplied by years of credited service.</p>
Early retirement	<p>The monthly accrued benefit calculated with years of credited service at early retirement date, reduced by 0.50% for each month the benefit commencement date precedes the normal retirement date.</p>
Disability retirement	<p>The monthly accrued benefit payable immediately, calculated with years of credited service at disability retirement date.</p>
Vested pension	<p>The monthly accrued benefit calculated with years of credited service at termination date, payable beginning at normal retirement date. If a participant has met the service requirement, he may elect early commencement of his pension on the first of any month after attainment of age 55. His accrued benefit will then be reduced for early retirement.</p>
Preretirement spouse's pension	<p>The amount which would be payable if the participant terminated on the date of death, elected payment at the earliest eligibility for early retirement in the form of a 50% contingent annuity, and died prior to the first payment.</p>
Deferred retirement	<p>The monthly accrued benefit based on credited service and benefit multiplier in effect at late retirement.</p>

The Hillshire Brands Company
The Hillshire Brands Company Consolidated Hourly Pension Plan
EIN: 36-2089049; PN: 221
Schedule SB, Part V – Summary of Plan Provisions

Forms of Payment

Normal form	<u>Unmarried</u> : Single life annuity <u>Married</u> : 50% contingent annuity
Optional forms	Optional forms of payment may be taken on an actuarially equivalent basis if the participant elects out of the normal form. This includes a 100% contingent annuity, a 75% contingent annuity, a 66 2/3% contingent annuity, or a 50% contingent annuity, a five-year certain and life annuity, a 10-year certain and life annuity, a 15-year certain and life annuity, a Social Security level income annuity, and a single life annuity (for married participants).

Supplemental plan provisions are on the following pages for participants in the following groups:

- Earthgrains Non-Union
- State Fair Foods
- Greenville, South Carolina
- Traverse City, Michigan
- Tupelo, Mississippi
- Coffee & Tea
- Local 7A
- New London
- St. Joseph
- Bryan Foods

The Hillshire Brands Company
The Hillshire Brands Company Consolidated Hourly Pension Plan
EIN: 36-2089049; PN: 221
Schedule SB, Part V – Summary of Plan Provisions

Plan Provisions – Consolidated Hourly – Earthgrains Non-Union

Effective Date of Prior Plan April 1, 1998.

Eligibility Each non-union hourly employee employed by an adopting employer shall be eligible to become a participant in the plan on the first of the month coincident with or next following the completion of one year of service and the attainment of age 21. Certain groups of acquired employees were granted immediate eligibility.

Prior to April 1, 2003, an employee was eligible to participate in the plan on the April 1 or October 1 following one year of service and attainment of age 21.

The following individuals are excluded from participating: (a) leased employees, (b) employees who are covered by a collectively bargained plan or any other pension plan, (c) persons employed on retainer or fee basis as an independent contractor, and (d) non U.S. residents.

Definitions

Years of service A year of service is a 12-month period during which an employee completes at least 1,000 hours of service.

Credited service One year of service is credited for each year with at least 1,000 hours of service while employed in a covered classification. Therefore, credited service is only to be earned during periods of covered employment (after becoming a participant in the plan).

Only the participant's most recently completed 25 years of aggregate credited service are taken into account.

A participant who completes less than 1,000 hours of service in a plan year shall receive a partial year of credited service equal to the fraction whose numerator is the number of full months of active service and whose denominator is 12.

Eligibility for Benefits

Normal retirement A participant is eligible for normal retirement on or after the attainment of age 65.

Early retirement A participant is eligible for early retirement on or after the attainment of age 55 and 5 years of service.

Vested pension A participant is eligible for a vested pension after completion of five years of service or attainment of age 65.

Preretirement spouse's pension A participant's spouse is eligible for pension benefits if the participant had attained the right to a vested pension and died before any payments commenced.

The Hillshire Brands Company
The Hillshire Brands Company Consolidated Hourly Pension Plan
EIN: 36-2089049; PN: 221
Schedule SB, Part V – Summary of Plan Provisions

Amounts of Benefits

Normal retirement	<p>A participant shall receive a benefit equal to the sum of:</p> <p>(i) Past Service Benefit: A lump sum benefit equal to the number of years of credited service earned through December 31, 2002 multiplied by \$2,000.00, and</p> <p>(ii) Future Service Benefit: A monthly retirement benefit equal to the sum of a) \$24.00 multiplied by the number of years of credited service earned after December 31, 2002 and before January 1, 2004 plus b) \$32.00 multiplied by the number of years of credited service earned on and after January 1, 2004.</p>
Early retirement	<p>Accrued benefit as of the date employment terminates.</p> <p>The sum of:</p> <p>(i) Past Service Benefit equal to the lump sum benefit (payable at age 65) based on credited service earned at early retirement date, reduced by 4/12 of 1% per month for the first 60 months and then 5/12 of 1% per month for the next 60 months.</p> <p>(ii) Future Service Benefit equal to the monthly annuity (payable at age 65) based on credited service earned at early retirement date, reduced by 0.50% per month prior to the participant's normal retirement date.</p>
Vested pension	The accrued benefit calculated with years of credited service at termination date, payable at the normal retirement date. If a participant has met the service requirement, he may elect early commencement of his pension on the first of any month after attainment of age 55. His accrued benefit will then be reduced for early retirement.
Preretirement spouse's pension	The amount that would be payable if the participant terminated on the date of death, elected payment at the earliest eligibility for early retirement in the form of a 50% contingent annuity, and died prior to the first payment.
Deferred retirement	The accrued benefit based on credited service at late retirement.

Forms of Payment

Normal form	<p><u>Past service benefit:</u> Lump sum</p> <p><u>Future service benefit:</u> <u>Unmarried:</u> Single life annuity</p> <p style="padding-left: 150px;"><u>Married:</u> 50% contingent annuity</p>
Optional forms	Optional forms of payment may be taken on an actuarially equivalent basis if the participant elects out of the Normal Form. This includes a life annuity, a five-year certain and life annuity, a 10-year certain and life annuity, a 15-year certain and life annuity, a 50% contingent annuity, a 66 2/3% contingent annuity, and a 100% contingent annuity.

The Hillshire Brands Company
The Hillshire Brands Company Consolidated Hourly Pension Plan
EIN: 36-2089049; PN: 221
Schedule SB, Part V – Summary of Plan Provisions

Plan Provisions – Consolidated Hourly – State Fair Foods

Effective Date	Effective December 31, 2005, this plan merged into the Sara Lee Corporation Consolidated Hourly Pension Plan. All future benefit accruals are earned under the provisions of the Consolidated Hourly Plan.
Eligibility	An employee becomes a participant in the plan once he completes 1,000 hours in any 12-month period commencing on the employee's date of hire, or an anniversary thereof, and has attained age 21.

Definitions

Years of service	A year of service is a 12-month period during which an employee completes at least 1,000 hours of service.
Credited service	A year of credited service is a calendar year during which a participant completes at least 1,000 hours of service.

Eligibility for Benefits

Normal retirement	A participant is eligible for normal retirement on or after the attainment of age 65.
Early retirement	A participant is eligible for early retirement on or after the attainment of age 55 and 10 years of service.
Disability retirement	A participant who becomes disabled and qualifies for a Social Security disability benefit is eligible to receive a pension under the plan if he has completed 10 years of service and disability occurs before January 1, 2006.
Vested pension	A participant is eligible for a vested pension after completion of five years of service or attainment of age 65.
Preretirement spouse's benefit	A participant's spouse is eligible for pension benefits if the participant had attained the right to a vested pension and died before any payments commenced. Participant and spouse must be married at least one year prior to date of death.

The Hillshire Brands Company
The Hillshire Brands Company Consolidated Hourly Pension Plan
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Schedule SB, Part V – Summary of Plan Provisions

Amounts of Benefits

Normal retirement	The amount of the monthly accrued benefit is \$10.00 per year of credited service before January 1, 2006 and \$32.00 per year of credited service thereafter. If credited service is greater than or equal to 25, \$32 is applied to the most recent 25 years of credited service and \$10 to the remaining years.
Early retirement	The monthly accrued benefit calculated with years of credited service at early retirement date reduced by 0.50% for each month that early retirement date precedes normal retirement date.
Disability retirement	The monthly accrued benefit calculated with years of credited service at disability retirement date.
Vested pension	The monthly accrued benefit calculated with years of credited service at termination date, payable at the normal retirement date. A participant may elect early commencement of his pension on the first of any month after attainment of age 55. His accrued benefit will then be reduced by 0.50% for each month that early retirement date precedes the normal retirement date.
Preretirement spouse's benefit	The amount that would be payable if the participant terminated on the date of death, elected payment at the earliest eligibility for early retirement in the form of a 50% contingent annuity, and died prior to the first payment.
Deferred retirement	The monthly accrued benefit calculated with years of credited service at late retirement.

Forms of Payment

Normal form	<u>Unmarried</u> : Single Life Annuity <u>Married</u> : 50% Contingent Annuity
Optional forms	Optional forms of payment may be taken on an actuarially equivalent basis if the participant elects out of the normal form. This includes a 100% contingent annuity, a 66 2/3% contingent annuity, or a 50% contingent annuity, a five-year certain and life annuity, a 10-year certain and life annuity, a 15-year certain and life annuity, and a single life annuity (for married participants).

The Hillshire Brands Company
The Hillshire Brands Company Consolidated Hourly Pension Plan
EIN: 36-2089049; PN: 221
Schedule SB, Part V – Summary of Plan Provisions

Plan Provisions – Consolidated Hourly – Greenville, South Carolina and Tarboro, North Carolina

Effective Date of Prior Plan June 30, 1985 (Greenville)

Eligibility Participation in the plan begins on the first day of the month on or after the date an employee of the Greenville, South Carolina facility or Tarboro, North Carolina facility meets the following requirements:

1. Attainment of age 21 and completion of one year of service; and
2. Compensated on an hourly basis.

Definitions

Plan year Calendar year

Years of service A year of service is a 12-month period during which an employee completes at least 1,000 hours of service.

Credited service The sum of credited past service and credited future service.

Only the participant's most recently completed 25 years of aggregate credited service is taken into account.

Credited Past Service

Greenville: Each person who became a participant on the effective date of the prior plan shall have credited past service from February 25, 1985, or, if later the participant's date of eligibility.

Tarboro: Each person who became a participant in the Consolidated Hourly Plan on June 30, 1990 shall have credited past service from July 1, 1989, or, if later, the participant's date of eligibility.

Credited Future Service

For Future Service Earned Prior to January 1, 2003:

For 1,920 hours of service during a plan year, a full year of credited future service is granted. If less than 1,920 hours of service are completed during a plan year, 1/12 of a year is granted for each 160 hours completed.

For 2003 credited service is based on 1,000 hours. If less than 1,000 hours, then 1/12 for each 160 hours is granted.

For Future Service Earned in 2003:

For 1,000 hours of service during a plan year, a full year of credited future service is granted. If less than 1,000 hours of service are completed during the plan year, 1/12 of a year is granted for each 160 hours completed.

The Hillshire Brands Company
The Hillshire Brands Company Consolidated Hourly Pension Plan
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Schedule SB, Part V – Summary of Plan Provisions

For Future Service Earned on or After January 1, 2004:

For 1,000 hours of service during a plan year, a full year of credited future service is granted.

A participant who terminates, transfers or is not actively employed due to a layoff or leave of absence shall receive a partial year of credited service provided the participant completes at least 1,000 hours of service during the plan year.

A partial year of credited service is equal to the fraction whose numerator is the number of full months of active service and whose denominator is 12.

Eligibility for Benefits

Normal retirement	A participant is eligible for normal retirement on or after the attainment of age 65.
Early retirement	A participant is eligible for early retirement on or after the attainment of age 55 and 10 years of service.
Disability retirement	A participant who becomes disabled prior to April 1, 2003 and qualifies for a Social Security disability benefit is eligible to receive a pension under the plan if he has completed 10 years of service. No disability retirement benefits are available to participants who become disabled on or after April 1, 2003.
Vested pension	A participant is eligible for a vested pension after completion of five years of service or attainment of age 65.
Preretirement spouse's pension	A Participant's spouse is eligible for pension benefits if the participant had attained the right to a vested pension and died before any payments commenced. Participant and spouse must be married at least one year prior to date of death.

Amounts of Benefits

Normal retirement	The monthly accrued benefit is the sum of \$16.00 per year of credited service earned prior to January 1, 2003, \$24.00 per year of credited service earned in 2003, and \$32.00 per year of credited service earned on or after January 1, 2004.
Early retirement	The monthly accrued benefit calculated with years of credited service at early retirement date reduced by 0.50% for each month that early retirement date precedes normal retirement date.
Disability retirement	The monthly accrued benefit calculated with years of credited service at disability retirement date.
Vested pension	The monthly accrued benefit calculated with years of credited service at termination date, payable beginning at normal retirement date. If a participant has met the service requirement and has an hour of service on or after April 1, 2003, he may elect early commencement of his pension on the first of any month after attainment of age 55. His accrued benefit will then be reduced by 0.50% for each month that early retirement date precedes normal retirement date.
Preretirement spouse's pension	The amount that would be payable if the participant terminated on the date of death, elected payment at the earliest eligibility for early retirement in the form of a 50% contingent annuity, and died prior to the first payment.
Deferred retirement	The monthly accrued benefit at late retirement.

The Hillshire Brands Company
The Hillshire Brands Company Consolidated Hourly Pension Plan
EIN: 36-2089049; PN: 221
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Forms of Payment

Normal form	<u>Unmarried</u> : Single life annuity <u>Married</u> : 50% contingent annuity
Optional forms	Optional forms of payment may be taken on an actuarially equivalent basis if the participant elects out of the normal form. This includes a 100% contingent annuity, a 75% joint and survivor annuity, a 66 2/3% contingent annuity, or a 50% contingent annuity, a five-year certain and life annuity, a 10-year certain and life annuity, a 15-year certain and life annuity, a Social Security level income annuity (only for benefits accrued prior to April 1, 2003), and a single life annuity (for married participants).

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Plan Provisions – Consolidated Hourly – Traverse City, Michigan

Effective Date of Prior Plan	February 19, 1979.
Eligibility	Participation in the plan begins on the date when an employee of the company meets the following conditions: <ol style="list-style-type: none">1. Completion of one year of service; and2. Membership in the bargaining unit represented by The Bakery, Confectionery and Tobacco Workers International Union.

Definitions

Years of service	A year of service is a 12-month period during which an employee completes at least 1,000 hours of service.
Credited service	The sum of credited past service and credited future service. Credited service is limited to 35 years. <u>Credited Past Service</u> Each person who became a participant on the effective date of the prior plan shall be given credit for service with the company prior to the effective date of the prior plan in accordance with the terms of the prior plan. <u>Credited Future Service</u> For 1,800 hours or more of service during a calendar year, one year of credited future service is granted. If less than 1,800 hours of service are completed during a calendar year, 1/10 of a year is granted for each 180 hours.

Eligibility for Benefits

Normal retirement	A participant is eligible for normal retirement on or after the attainment of age 65.
Early retirement	A participant is eligible for early retirement on or after the attainment of age 55 and 15 years of credited service.
Disability retirement	A participant who becomes disabled and qualifies for a Social Security disability benefit is eligible to receive a pension under the plan if he has completed 15 years of credited service.
Vested pension	A participant is eligible for a vested pension after completion of five years of service or attainment of age 65.
Preretirement spouse's pension	A participant's spouse is eligible for pension benefits if the participant had attained the right to a vested pension and died before any payments commenced. Participant and spouse must be married at least one year prior to date of death.

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Amounts of Benefits

Normal retirement	<p><u>Monthly Accrued Benefit</u></p> <p>A flat dollar amount per year of credited service in accordance with the following schedule:</p> <table> <tr> <th><i>Retirement Date</i></th><th><i>Amount</i></th></tr> <tr> <td>January 1, 2014 or later</td><td>\$29.50</td></tr> <tr> <td>January 1, 2013 to December 31, 2013</td><td>\$28.75</td></tr> <tr> <td>January 1, 2011 to December 31, 2012</td><td>\$28.00</td></tr> <tr> <td>January 1, 2009 to December 31, 2010</td><td>\$27.00</td></tr> <tr> <td>January 1, 2008 to December 31, 2008</td><td>\$26.00</td></tr> </table>	<i>Retirement Date</i>	<i>Amount</i>	January 1, 2014 or later	\$29.50	January 1, 2013 to December 31, 2013	\$28.75	January 1, 2011 to December 31, 2012	\$28.00	January 1, 2009 to December 31, 2010	\$27.00	January 1, 2008 to December 31, 2008	\$26.00
<i>Retirement Date</i>	<i>Amount</i>												
January 1, 2014 or later	\$29.50												
January 1, 2013 to December 31, 2013	\$28.75												
January 1, 2011 to December 31, 2012	\$28.00												
January 1, 2009 to December 31, 2010	\$27.00												
January 1, 2008 to December 31, 2008	\$26.00												
Early retirement	The monthly accrued benefit calculated with years of credited service at early retirement date reduced by 0.50% for each month that early retirement date precedes normal retirement date.												
Disability retirement	The monthly accrued benefit calculated with years of credited service at disability retirement date.												
Vested pension	The monthly accrued benefit calculated with years of credited service at termination date, payable beginning at normal retirement date. If a participant has completed 15 years of service, he may elect early commencement of his pension on the first of any month after attainment of age 55. His accrued benefit will then be reduced for early retirement.												
Preretirement spouse's pension	The amount that would be payable if the participant terminated on the date of death, elected payment at the earliest eligibility for early retirement in the form of a 50% contingent annuity, and died prior to the first payment.												
Deferred retirement	The monthly accrued benefit based on credited service and benefit multiplier in effect at late retirement.												

Forms of Payment

Normal form	<p><u>Unmarried</u>: Five-year certain and life annuity</p> <p><u>Married</u>: Five-year certain and life annuity</p>
Optional forms	Optional forms of payment may be taken on an actuarially equivalent basis if the participant elects out of the normal form. This includes a 100% contingent annuity, a 75% joint and survivor annuity, a 66 2/3% contingent annuity, or a 50% contingent annuity, a 10-year certain and life annuity, a 15-year certain and life annuity, a Social Security level income annuity, and a single life annuity (for married participants).

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Plan Provisions – Consolidated Hourly – Tupelo, Mississippi

Effective Date of Prior Plan	October 1, 1998. Effective December 31, 2005, the Tupelo plan merged into the Sara Lee Corporation Consolidated Hourly Pension Plan. All future benefit accruals are earned under the provisions of the Consolidated Hourly Plan.
Eligibility	An employee becomes a participant in the plan once he completes 1,000 hours in any 12-month period commencing on the employee's date of hire, or an anniversary thereof, and has attained age 21.

Definitions

Years of service	A year of service is a calendar year during which an employee completes at least 1,000 hours of service.
Credited service	A year of credited service is a calendar year during which a participant completes at least 1,000 hours of service.

Eligibility of Benefits

Normal retirement	A participant is eligible for normal retirement on or after the attainment of age 65.
Early retirement	A participant is eligible for early retirement on or after the attainment of age 55 and 10 years of service, or on or after the sum of age and service totaling at least 85 ("Rule of 85").
Disability retirement	A participant who becomes permanently and totally disabled, as determined by the Pension Committee, is eligible to receive a pension under the plan if he has completed five years of service and becomes disabled before January 1, 2006.
Vested pension	A participant is eligible for a vested pension after completion of five years of service or attainment of age 65.
Preretirement spouse's pension	A participant's spouse is eligible for pension benefits if the participant had attained the right to a vested pension and died before any payments commenced.

Amounts of Benefits

Normal retirement	The monthly accrued benefit is \$24.00 per year of credited service before January 1, 2006 and \$32.00 per year of credited service thereafter. If credited service is greater than or equal to 25, \$32 is applied to the most recent 25 years of credited service and \$24 to the remaining years.
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Early retirement	<p>For employees hired prior to January 1, 2006, the monthly accrued benefit is unreduced if the “Rule of 85” is satisfied. For other early retirement eligibility:</p> <p>The monthly accrued benefit calculated with years of credited service at January 1, 2006, reduced by 5/9 of 1% for each month that early retirement date precedes the normal retirement date and is after age 60. The benefit is further reduced 5/18 of 1% for each month that early retirement date precedes age 60.</p> <p>Additionally, the monthly accrued benefit calculated with years of credited service from January 1, 2006 to early retirement date, reduced by 0.50% for each month that early retirement date precedes the normal retirement date.</p> <p>For employees terminating prior to January 1, 2006 the benefit is 1/15 for each of the first five years and 1/30 for each of the next five years by which early retirement date precedes the normal retirement date.</p>
Disability retirement	<p>The monthly accrued benefit calculated with years of credited service as of the date of disability, reduced 1/15 for each of the first five years and 1/30 for each of the next five years by which the payment date precedes the normal retirement date and actuarially reduced for each additional year. If the participant is eligible for Social Security disability benefits, he may elect to receive his benefit as a lump sum.</p>
Vested pension	<p>The monthly accrued benefit calculated with years of credited service at termination date, payable at the normal retirement date. A participant may elect early commencement of his pension on the first of any month after attainment of age 55. His accrued benefit will then be reduced by 0.50% for each month that early retirement date precedes the normal retirement date.</p>
Preretirement spouse's pension	<p>The amount that would be payable if the participant terminated on the date of death, elected payment at the earliest eligibility for early retirement in the form of a 50% contingent annuity, and died prior to the first payment.</p>
Deferred retirement	<p>The monthly accrued benefit based on years of credited service at late retirement.</p>

Forms of Payment

Normal form	<p><u>Unmarried</u>: Single life annuity</p> <p><u>Married</u>: 50% contingent annuity</p>
Optional forms	<p>Optional forms of payment may be taken on an actuarially equivalent basis if the participant elects out of the normal form. This includes a 100% contingent annuity, a 75% joint and survivor annuity, a 66 2/3% contingent annuity, or a 50% contingent annuity, a five-year certain and life annuity, a 10-year certain and life annuity, a 15-year certain and life annuity, and a single life annuity (for married participants).</p>

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Plan Provisions – Consolidated Hourly – Sara Lee Coffee and Tea

Effective Date	July 1, 1981. Effective December 31, 2008, this plan merged into the Sara Lee Corporation Consolidated Hourly Pension Plan.
Plan Year	Calendar Year
Participation Date	An employee enters the plan on the January 1 or July 1 after meeting the following requirements: <ol style="list-style-type: none">1. Age 21,2. 1,000 hours of service during the 12-month period after date of hire, or any plan year after that date, and3. Employed by the company in a collective bargaining unit to which the plan has been extended.

Definitions

Years of service	A participant earns one year of service for each plan year during which he works 1,000 or more hours after attaining age 18.
Credited service	<p><i>For Local 408 Participants:</i></p> <p>An employee receives 1/12 of a year of credited service for every 167 hours worked (up to 2,000 hours) in each plan year in which he works 1,000 or more hours. In the year of retirement or termination, an employee receives 1/12 of a year of credited service for each 167 hours completed even if less than 1,000 hours.</p> <p>During the short plan year from July 1 to December 31, 2002, the plan granted participants with 1/12 of a year of credited service for each 167 hours worked.</p> <p><i>For non-Local 408 participants:</i></p> <p>For service prior to July 1, 1981, credited service is determined in accordance with the terms of the plan in effect prior to that date. For service after July 1, 1981, an employee receives 1/12 of a year of credited service for each complete calendar month in which he is a plan participant and which is a plan year in which he works 1,000 or more hours. In the year of retirement or termination, an employee receives 1/12 of a year of credited service for each 167 hours completed even if less than 1,000 hours.</p> <p>During the short plan year from July 1 to December 31, 2002, the plan granted all participants who were active participants as of December 31, 2002 with six months of credited service (or their period of participation if shorter) regardless of the number of hours worked.</p>
Pensionable earnings	Total cash compensation, including bonuses, commissions, overtime pay and 401(k) contributions.
Final average earnings	The highest monthly average earnings in five consecutive calendar years out of the last 10, or the last 60 months.

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Eligibility for Benefits

Normal retirement	A participant is eligible for normal retirement on or after the attainment of age 65 and five years of service.
Early retirement	Local 408 participants are eligible for early retirement after the attainment of age 55 and one year of service. For Locals other than 408, a participant is eligible for early retirement after the attainment of age 55 and 10 years of service.
Disability retirement	A participant in Local 337, 546 or 676 who becomes permanently and totally disabled and qualifies for a Social Security disability benefit may retire and shall be eligible to receive a pension under the plan.
Vested pension	A participant is eligible for a vested pension after completion of five years of service.
Preretirement spouse's pension	Local 408 participants are eligible for a pre-retirement death benefit upon completion of five years of service if they are married. For Locals other than 408, a participant is eligible for a pre-retirement death benefit upon completion of five years of service if he has been married to the same spouse for one year.
Postretirement spouse's pension	Local 408 participants are eligible for a post-retirement death benefit if they have been in payment status for at least 31 days and had 10 years of service.

Amounts of Benefits

Normal retirement	<p><u>Monthly Accrued Benefit</u></p> <p>For participants in Local 265 (formerly 115), the monthly accrued benefit is 38% of final average earnings. However, for participants with less than 15 years of credited service, the benefit is reduced by 1/15 for each year less than 15 years.</p> <p>For participants in Local 408, the monthly accrued benefit is equal to the sum of A plus B below:</p> <p>A. The monthly accrued benefit earned after September 4, 1998 and prior to July 1, 2007 is equal to the greater of the following two amounts:</p> <ol style="list-style-type: none"> 1. \$33.00 multiplied by years of credited service accrued under the plan after September 4, 1998 and prior to July 1, 2007; or 2. One-twelfth of: 1.75% multiplied by annual calendar year earnings after September 4, 1998 but prior to July 1, 2007, that is less than or equal to 80% of the Social Security wage base; plus an amount equal to 2.50% multiplied by the portion of annual earnings after September 4, 1998 but prior to July 1, 2007 that is greater than 80% of the Social Security wage base. <p>B. The monthly accrued benefit earned on and after July 1, 2007 is equal to \$33.00 multiplied by years of credited</p>
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service accrued under the plan on and after July 1, 2007.

Locals other than Local 265 (formerly 115) are governed by a supplement to the plan. The monthly pension for Locals other than 265 (formerly 115) and 408 is the greater of the amount as determined by the supplement, or the amount as determined by the preceding rules for Local 265 (formerly 115) accrued to the supplement's effective date. The benefits are outlined in the table below.

Union Local	Current Rate of Monthly Pension per year of Credited Service	Limit on Years of Credited Service	Effective Date for Supplement	Ultimate Rate of Monthly Pension per Year of Credited Service	Effective Date for Ultimate Rate
270	\$23.50	None	4/21/1982	\$23.50	5/01/2010
337	40.00	None	3/01/1982	40.00	7/04/2010
546	15.50	None	4/01/1981	15.50	12/01/2007
676	15.00	20	4/01/1981	15.00	4/01/1981
738 Bensenville	37.00	None	11/01/1981	37.00	3/01/2010
738 Elston Ave	37.00	None	11/01/1981	37.00	3/01/2010

Early retirement For Local 337 and 408 participants, the monthly accrued benefit calculated above, reduced by 1/3 of 1% for each month the participant elects to receive benefits prior to reaching age 62.

For Locals other than 337 and 408, the monthly accrued benefit actuarially reduced for commencement before normal retirement date.

Disability retirement The monthly accrued benefit calculated at the time of disability, commencing at normal retirement date.

Vested pension A monthly pension equal to the accrued benefit payable beginning at the normal retirement date.

A Local 337 or 408 participants may elect early commencement of his pension on the first day of any month after attainment of age 55. His pension will then be reduced on an actuarially equivalent basis.

If a participant of a Local other than 337 or 408 had 10 or more years of service, he may elect early commencement of his pension on the first day of any month after attainment of age 55. His pension will then be reduced on an actuarially equivalent basis.

Preretirement spouse's pension

a) If a participant who has completed 5 years of Service and attained age 55 dies, his spouse to whom he has been married for one year (the one-year period ending with his death) will be entitled to the spousal portion of the 50% J&S annuity appropriately reduced commencing on the first of the month following the participant's death.

b) If a participant who has completed 5 years of service and has not attained age 55 dies, his spouse to whom he has been married for one year (the one year period ending with his death) is entitled to a spousal portion of the 50% J&S annuity, appropriately reduced, commencing on the first of the month following the date the participant would have attained age 55.

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c) For Local 408 participants

- there is no requirement for the minimum length of marriage
- the spouse may defer payments to a later date, but not later than the participant's Normal Retirement Date
- if the participant dies while actively employed by the company or a related employer and before attaining age 55 and 10 years of service, the spouse will receive the benefit equal to the greater of:
 - the monthly benefit as determined above, or
 - a monthly income commencing the first of the month following the participant's death and equal to 50% of the monthly income in the normal form payable to the participant at age 62 (or the date of his death if later) but based on his credited service and earnings after The Quaker Retirement Plan became non-contributory to him.

Postretirement spouse's pension	Lump sum equal to the participant's annual pension, calculated as a life annuity, or \$5,000.00, whichever is greater, paid to the participant's designated beneficiary.
Deferred retirement	The monthly accrued benefit at late retirement.

Forms of Payment

Normal form	<u>Unmarried:</u> Single life annuity <u>Married:</u> 50% contingent annuity
Optional forms	Optional forms of payment may be taken on an actuarially equivalent basis if the participant elects out of the Normal Form. This includes a 100% contingent annuity, a 75% contingent annuity, a 50% contingent annuity, a 25% contingent annuity, a five-year certain and life annuity, a 10-year certain and life annuity, a 15-year certain and life annuity, a 20-year certain and life annuity, a lump sum, and a single life annuity (for married participants).

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Plan Provisions – Consolidated Hourly – Local 7A

Effective Date	January 1, 1995. The plan is a continuation of the Kahn and Lohrey Employee's Pension Plan and, effective December 31, 2008, was merged into the Sara Lee Corporation Consolidated Hourly Pension Plan.
Eligibility	An employee of the Company who is a member of the United Food and Commercial Workers (UFCW) Local No. 7A participates after completing one year of employment with Sara Lee Foods at the Cincinnati, Ohio, (Spring Grove Ave.) or Claryville, Kentucky facility or with a controlled group member.

Definitions

Plan year	Calendar year
Vesting service	<p>A year of vesting service is a plan year during which an employee completes at least 1,000 hours of service.</p> <p>During the short plan year from July 1 to December 31, 2002, the plan granted all employees who were active as of December 31, 2002 with one full year of vesting service regardless of the number of hours worked.</p>
Credited service	<p>A year of credited service is a plan year during which a participant completes at least 1,000 hours of service. Credited service is computed at the rate of 1/12 of a year for each 83 hours of service.</p> <p>During the short plan year from July 1 to December 31, 2002, the plan granted participants with 1/12 of a year of credited service for each 83 hours worked during their period of participation. Credited service during the six-month period may exceed one-half of a year.</p>

Eligibility for Benefits

Normal retirement	A participant is eligible for normal retirement on or after the attainment of age 65.
Early retirement	A participant is eligible for early retirement on or after the attainment of age 60 and five years of vesting service, or after the completion of 30 years of vesting service.
Disability retirement	A participant who becomes permanently and totally disabled is eligible to receive a pension under the plan.
Vested pension	A participant is eligible for a vested pension after completion of five years of vesting service or attainment of age 65.
Preretirement spouse's pension	A participant's spouse is eligible for pension benefits if the participant had attained the right to a vested pension and died before any payments commenced. Participant and spouse must be married at least one year prior to date of death.

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Amounts of Benefits

Normal retirement	<p><u>Monthly Accrued Benefit</u></p> <p><i>Participants employed at the Claryville facility:</i></p> <p>A flat dollar amount per year of credited service (maximum of 30 years) in accordance with the following schedule:</p> <table> <tr> <th><i>Termination Date</i></th><th><i>Amount</i></th></tr> <tr> <td>January 1, 2016 to later</td><td>\$26.00</td></tr> <tr> <td>January 1, 2015 to December 31, 2015</td><td>\$25.50</td></tr> <tr> <td>January 1, 2014 to December 31, 2014</td><td>\$25.00</td></tr> <tr> <td>January 1, 2013 to December 31, 2013</td><td>\$24.50</td></tr> <tr> <td>January 1, 2012 to December 31, 2012</td><td>\$24.00</td></tr> <tr> <td>January 1, 2011 to December 31, 2011</td><td>\$23.50</td></tr> <tr> <td>January 1, 2010 to December 31, 2010</td><td>\$23.00</td></tr> <tr> <td>January 1, 2009 to December 31, 2009</td><td>\$22.50</td></tr> <tr> <td>January 1, 2008 to December 31, 2008</td><td>\$22.00</td></tr> </table> <p><i>Participants employed at the Cincinnati facility:</i></p> <p>Effective January 1, 2007:</p> <p>For participants employed before June 23, 1983, \$25.50 per month multiplied by credited service (maximum of 30 years). For participants employed after June 23, 1983, \$20.00 per month multiplied by credited service (maximum of 30 years). The accrued benefit is increased 2.00% for each year of credited service between 30 and 35 years.</p>	<i>Termination Date</i>	<i>Amount</i>	January 1, 2016 to later	\$26.00	January 1, 2015 to December 31, 2015	\$25.50	January 1, 2014 to December 31, 2014	\$25.00	January 1, 2013 to December 31, 2013	\$24.50	January 1, 2012 to December 31, 2012	\$24.00	January 1, 2011 to December 31, 2011	\$23.50	January 1, 2010 to December 31, 2010	\$23.00	January 1, 2009 to December 31, 2009	\$22.50	January 1, 2008 to December 31, 2008	\$22.00
<i>Termination Date</i>	<i>Amount</i>																				
January 1, 2016 to later	\$26.00																				
January 1, 2015 to December 31, 2015	\$25.50																				
January 1, 2014 to December 31, 2014	\$25.00																				
January 1, 2013 to December 31, 2013	\$24.50																				
January 1, 2012 to December 31, 2012	\$24.00																				
January 1, 2011 to December 31, 2011	\$23.50																				
January 1, 2010 to December 31, 2010	\$23.00																				
January 1, 2009 to December 31, 2009	\$22.50																				
January 1, 2008 to December 31, 2008	\$22.00																				
Early retirement	<p>The monthly accrued benefit calculated with years of credited service at early retirement date reduced by 0.50% for each month that early retirement date precedes normal retirement date. For commencement prior to age 62, the monthly accrued benefit calculated with years of credited service at early retirement date, unreduced until age 62, when the benefit is reduced 18.00%. The monthly accrued benefit is unreduced for a participant with 30 years of vesting service.</p>																				
Disability retirement	<p>82.00% of the monthly accrued benefit calculated with years of credited service at disability retirement date.</p>																				
Vested pension	<p>The monthly accrued benefit calculated with years of credited service at termination date, payable at the normal retirement date. The 2.00% increase for credited service between 30 and 35 years does apply to a vested pension. A participant may elect early commencement of his pension on the first of any month after attainment of age 60. His accrued benefit will then be reduced by 0.50% for each month that early retirement date precedes normal retirement date. For commencement prior to age 62, the monthly accrued benefit calculated with years of credited service at early retirement date, unreduced until age 62, when the benefit is reduced 18.00%.</p>																				
Preretirement spouse's pension	<p>The amount that would be payable if the participant terminated on the date of death, elected payment at the earliest eligibility for early retirement in the form of a 50% contingent annuity, and died prior to the first payment.</p>																				
Deferred retirement	<p>The monthly accrued benefit based on credited service and benefit multiplier in effect at late retirement.</p>																				

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Forms of Payment

Normal form	<u>Unmarried</u> : Single life annuity <u>Married</u> : 50% contingent annuity
Optional forms	Optional forms of payment may be taken on an actuarially equivalent basis if the participant elects out of the normal form. This includes a 100% contingent annuity, a 75% contingent annuity, a 66 2/3% contingent annuity, or a 50% contingent annuity, a five-year certain and life annuity, a 10-year certain and life annuity, a 15-year certain and life annuity, a Social Security level income annuity, and a single life annuity (for married participants).

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Plan Provisions – Consolidated Hourly – New London

Effective Date	November 23, 1975. Effective December 31, 2008, this plan merged into the Sara Lee Corporation Consolidated Hourly Pension Plan.
Eligibility	Employees of the Company who are members of the Independent Employees Union of Hillshire Farm Company participate upon attaining age 21 and completing one year of service.

Definitions

Plan year	Calendar year
Years of service	<p>A year of service is a 12-month period during which an employee completes at least 1,000 hours of service. For determining plan eligibility, years of service are counted from date of hire. For purposes of determining service for benefit eligibility, years of service are based on plan years.</p> <p>During the short plan year from July 1 to December 31, 2002, the plan granted all employees who were active as of December 31, 2002, with one full year of vesting service regardless of the number of hours worked.</p>
Credited service	<p><u>Past Service</u></p> <p>Years (to nearest 1/12 of a year) of uninterrupted employment prior to November 23, 1975 and after the later of (1) last date of hire and (2) the date the participant has both attained age 25 and completed 12 months of continuous employment.</p> <p><u>Future Service</u></p> <p>One year for each plan year after November 23, 1975 during which 1,920 hours of service (1,000 hours of service for plan years beginning on or after July 1, 2001) are completed. For less than 1,920 hours of service (1,000 hours of service for plan years beginning on or after July 1, 2001), 1/12 of a year is credited for each 160 hours of service (83 hours of service for plan years beginning on or after July 1, 2001).</p> <p>Credited service is the sum of past service and future service and is limited to a maximum of 35 years. During the short plan year from July 1 to December 31, 2002, the Plan granted participants with 1/12 of a year of credited service for each 83 hours worked during their period of participation. Credited service during the six-month period may exceed one-half of a year.</p>

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Eligibility for Benefits

Normal retirement	A participant is eligible for normal retirement on or after the attainment of age 65.
Early retirement	A participant is eligible for early retirement on or after the attainment of age 55 and 10 years of service.
Disability retirement	A participant who becomes permanently and totally disabled, qualifies for a Social Security disability benefit, and has completed 10 years of service is eligible to receive a pension under the plan.
Vested pension	A participant is eligible for a vested pension after completion of five years of service or attainment of age 65.
Preretirement spouse's pension	A participant's spouse is eligible for pension benefits if the participant had attained the right to a vested pension and died before any payments commenced. Participant and spouse must be married at least one year prior to date of death.

Amounts of Benefits

Normal retirement	<p><u>Monthly Accrued Benefit</u></p> <p>A flat dollar amount per year of credited service, limited to 35 years, in accordance with the following schedule:</p> <table> <tr> <th><i>Retirement Date</i></th><th><i>Amount</i></th></tr> <tr> <td>July 1, 2014 or later</td><td>\$27.50</td></tr> <tr> <td>July 1, 2013 to June 30, 2014</td><td>\$26.50</td></tr> <tr> <td>July 1, 2012 to June 30, 2013</td><td>\$25.50</td></tr> <tr> <td>July 1, 2011 to June 30, 2012</td><td>\$25.00</td></tr> <tr> <td>July 1, 2010 to June 30, 2011</td><td>\$24.50</td></tr> <tr> <td>July 1, 2009 to June 30, 2010</td><td>\$24.00</td></tr> <tr> <td>July 1, 2008 to June 30, 2009</td><td>\$23.00</td></tr> </table>	<i>Retirement Date</i>	<i>Amount</i>	July 1, 2014 or later	\$27.50	July 1, 2013 to June 30, 2014	\$26.50	July 1, 2012 to June 30, 2013	\$25.50	July 1, 2011 to June 30, 2012	\$25.00	July 1, 2010 to June 30, 2011	\$24.50	July 1, 2009 to June 30, 2010	\$24.00	July 1, 2008 to June 30, 2009	\$23.00				
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July 1, 2010 to June 30, 2011	\$24.50																				
July 1, 2009 to June 30, 2010	\$24.00																				
July 1, 2008 to June 30, 2009	\$23.00																				
Early retirement	<p>The monthly accrued benefit calculated with years of credited service as of the date employment terminates, reduced as follows for commencement before normal retirement date:</p> <table> <tr><td>64</td><td>0.8849</td></tr> <tr><td>63</td><td>0.7851</td></tr> <tr><td>62</td><td>0.6983</td></tr> <tr><td>61</td><td>0.6225</td></tr> <tr><td>60</td><td>0.5561</td></tr> <tr><td>59</td><td>0.4977</td></tr> <tr><td>58</td><td>0.4464</td></tr> <tr><td>57</td><td>0.4010</td></tr> <tr><td>56</td><td>0.3608</td></tr> <tr><td>55</td><td>0.3252</td></tr> </table>	64	0.8849	63	0.7851	62	0.6983	61	0.6225	60	0.5561	59	0.4977	58	0.4464	57	0.4010	56	0.3608	55	0.3252
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59	0.4977																				
58	0.4464																				
57	0.4010																				
56	0.3608																				
55	0.3252																				
Disability retirement	The monthly accrued benefit calculated with years of credited service at disability retirement date.																				

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Vested pension	The monthly accrued benefit calculated with years of credited service at termination date, payable at the normal retirement date.
Preretirement spouse's pension	The amount that would be payable if the participant terminated on the date of death, elected payment at the earliest eligibility for early retirement in the form of a 50% contingent annuity, and died prior to the first payment.
Deferred retirement	The monthly accrued benefit based on credited service and benefit multiplier in effect at late retirement but not less than the actuarial equivalent of the monthly accrued benefit at normal retirement.

Forms of Payment

Normal form	<u>Unmarried</u> : Single life annuity <u>Married</u> : 50% contingent annuity
Optional forms	Optional forms of payment may be taken on an actuarially equivalent basis if the participant elects out of the normal form. This includes a 100% contingent annuity, a 66 2/3% contingent annuity, a 50% contingent annuity, a five-year certain and life annuity, a 10-year certain and life annuity, a 15-year certain and life annuity, a Social Security level income annuity, and a single life annuity (for married participants).

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Plan Provisions – Consolidated Hourly – St. Joseph's Employees Pension Plan

Effective Date	October 1, 1955. Effective December 31, 2008, this plan merged into the Sara Lee Corporation Consolidated Hourly Pension Plan.
Plan Year	Calendar Year
Eligibility	An employee of the Company enters the plan on the January 1 or July 1 he: <ol style="list-style-type: none">1. attains age 21; and2. is employed at least one year; and3. is credited with at least one year of vesting service.

Definitions

Vesting service	<p><u>Past Service (Prior to January 1, 1976)</u> Years and completed months of continuous employment from the most recent date of hire to December 31, 1975, rounded up to the next full year.</p> <p><u>Future Service (After December 31, 1975)</u> A participant earns one year of vesting service for each year of employment in which he completes at least 1,000 hours of service with the employer.</p>
Credited service	<p><u>Past Service (Prior to January 1, 1976)</u> Employees who were active on 12/31/1975 receive credit for Past Service based on elapsed time ending on 12/31/1975 and starting the later of:</p> <p style="padding-left: 40px;">(a) 10/01/1950, (b) the date that is 2 years after their most recent hire date (prior to 12/31/1975), and (c) the date they attain age 25.</p> <p><u>Future Service (After December 31, 1975)</u> One year for each calendar year after December 31, 1975 during which the employee (1) is a member of this plan and (2) completes 1,000 hours of service.</p> <p>Credited service is the sum of past service and future service.</p>

Eligibility for Benefits

Normal retirement	A participant is eligible for normal retirement on or after the attainment of age 65.
Early retirement	A participant is eligible for early retirement on or after the attainment of age 55 and 20 years of vesting service.
Disability retirement	A participant who becomes permanently and totally disabled and has attained age 50 and 15 years of vesting service is

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eligible to receive a disability pension under the plan

Vested pension	A participant is eligible for a vested pension after completion of five years of vesting service or attainment of age 65.
Preretirement spouse's pension	A participant's spouse is eligible for pension benefits if the participant had attained the right to a vested pension and died before any payments commenced.

Amounts of Benefits

Normal retirement Monthly Accrued Benefit

For Local 101 members, a flat dollar amount per year of credited service in accordance with the following schedule:

<i>Retirement Date</i>	<i>Amount</i>
November 1, 2014 or later	\$27.00
November 1, 2013 to October 31, 2014	26.50
November 1, 2012 to October 31, 2013	26.00
November 1, 2011 to October 31, 2012	25.50
November 1, 2010 to October 31, 2011	25.00
November 1, 2009 to October 31, 2010	24.50
November 1, 2008 to October 31, 2009	24.00
November 1, 2005 to October 31, 2008	23.50

For Local 2 members, a flat dollar amount per year of credited service in accordance with the following schedule:

<i>Retirement Date</i>	<i>Amount</i>
January 1, 2015 or later	\$27.00
January 1, 2014 to December 31, 2014	26.75
January 1, 2013 to December 31, 2013	26.50
November 1, 2011 to December 31, 2012	26.00
November 1, 2010 to October 31, 2011	25.75
November 1, 2009 to October 31, 2010	25.50
November 1, 2008 to October 31, 2009	25.00
November 1, 2007 to October 31, 2008	24.50

Early retirement	The monthly accrued benefit calculated with years of credited service as of the date employment terminates, actuarially reduced for commencement before normal retirement date.
Disability pension	The monthly accrued benefit calculated with years of credited service at disability retirement date, actuarially reduced for commencement before normal retirement date.
Vested pension	The monthly accrued benefit calculated with years of credited service at termination date, payable at the normal retirement date.

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Preretirement spouse's pension	The amount that would be payable if the participant terminated on the date of death, elected payment at the earliest eligibility for early retirement in the form of a 50% contingent annuity, and died prior to the first payment.
Deferred retirement	The monthly accrued benefit based on credited service and benefit multiplier in effect at late retirement.

Forms of Payment

Normal form	<u>Unmarried</u> : Single life annuity <u>Married</u> : 50% contingent annuity
Optional forms	Optional forms of payment may be taken on an actuarially equivalent basis if the participant elects out of the normal form. This includes a 100% contingent annuity, a 75% contingent annuity, a 66 2/3% contingent annuity, a 50% contingent annuity, a five-year certain and life annuity, a 10-year certain and life annuity, a 15-year certain and life annuity, a 20-year certain and life annuity, a lump sum, and a single life annuity (for married participants).

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Plan Provisions – Consolidated Hourly – Bryan Foods

Effective Date	December 31, 1955. Effective December 31, 2008, this plan merged into the Sara Lee Corporation Consolidated Hourly Pension Plan.
Eligibility	<p>An employee enters the plan on the January 1 or July 1 following the effective date when the employee of the company who is represented by a collective bargaining agreement with respect to terms of employment meets the following conditions:</p> <ol style="list-style-type: none">1. Attainment of age 20 1/2; and2. Completion of six months of employment. <p>The West Point facility closed on March 31, 2007 and there are no remaining active participants in the plan.</p>

Definitions

Years of service	<p>One year of service for each calendar year from July 1, 1976, during which an employee has completed 1,000 hours of service plus the number of completed years and months from date of employment to July 1, 1976.</p> <p>During the short plan year from July 1 to December 31, 2002, the plan granted all employees who were active participants as of December 31, 2002, with one full year of service regardless of the number of hours worked.</p>
Compensation	A participant's regular hourly rate times a 40-hour week, projected on an annual basis.
Average compensation	The average of a participant's compensation over all years of service.

Eligibility for Benefits

Normal retirement	A participant is eligible for normal retirement on or after the attainment of age 65.
Early retirement	A participant is eligible for early retirement on or after the attainment of age 55 and 10 years of service, or the sum of age and service totaling at least 85 ("Rule of 85").
Disability retirement	A participant is eligible for disability retirement if he has five years of service and becomes permanently and totally disabled as determined by the Pension Committee.
Vested pension	A participant is eligible for a vested pension after completion of five years of service.
Preretirement spouse's pension	A participant's spouse is eligible for pension benefits if the participant had attained the right to a vested pension and died before any payments commenced.

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Amounts of Benefits

Normal retirement	<p><u>Monthly Accrued Benefit:</u></p> <p>The greater of:</p> <ol style="list-style-type: none"> 1. 1.00% of average monthly compensation for each year of service; or 2. \$26.50 multiplied by years of service.
Early retirement	The monthly accrued benefit calculated with years of service at retirement date reduced 1/15 for each of the first five years and 1/30 for each of the next five years by which the payment date precedes the normal retirement date. If the participant meets the “Rule of 85”, no reduction is made for early commencement.
Disability retirement	The monthly accrued benefit on the date of disability, reduced 1/15 for each of the first five years and 1/30 for each of the next five years by which the payment date precedes the normal retirement date and actuarially reduced for each additional year. If the participant is eligible for Social Security disability benefits, he may elect to receive his benefit as a lump sum.
Vested pension	The monthly accrued benefit payable beginning at normal retirement date. If a participant had 10 or more years of service, he may elect early commencement of his pension on the first day of any month after attainment of age 55. His accrued benefit will then be reduced by 1/15 for each of the first five years and 1/30 for each of the next five years by which the payment date precedes the normal retirement date.
Preretirement spouse's pension	The amount that would be payable if the participant terminated on his date of death, elected payment at the earliest eligibility for early retirement in the form of a 50% contingent annuity, and died prior to the first payment.
Deferred retirement	The monthly accrued benefit at late retirement.

Forms of Payment

Normal form	<p><u>Unmarried:</u> Single life annuity</p> <p><u>Married:</u> 50% contingent annuity</p>
Optional forms	Optional forms of payment may be taken on an actuarially equivalent basis if the participant elects out of the normal form. This includes a 100% contingent annuity, a 50% contingent annuity, a 10-year certain and life annuity, and a single life annuity (for married participants).

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Benefits are generally converted from the normal form of payment to the optional form of payment on an actuarially equivalent basis, which varies depending on the plan formula. Benefits accrued under multiple prior plan formulas may be converted using multiple bases.

The following actuarial equivalence bases apply to The Hillshire Brands Company Consolidated Hourly Pension Plan:

<u>Mortality</u>	<u>Interest</u>
UP84-Unisex	8.5%
UP84-Unisex	8.0%
UP84-Unisex	7.0%
417(e)(3) Applicable Mortality Table	Annual rate of interest on 30-year Treasury securities published for the month of October immediately preceding the plan year in which the benefit commencement or lump sum distribution occurs
1971 GAM for males with one-year setback	7.0%

Note that this summary is intended to be a reasonably representative sample of the optional form conversion factors for the plan. It is not intended to be an exhaustive list of all the factors used in the conversion of benefits from the normal form of payment to any optional form of payment offered by the plan.

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Schedule SB, Line 25 – Change in Methods

The valuation software used to produce the actuarial information submitted on this schedule has been changed and such modification may be considered to be a method change. The percentage changes in funding target, target normal cost and plan assets due to the refinements in the software are each less than 2% (disregarding the effects of any changes that are automatically approved under final IRC 430 regulations), and the modifications to the software were designed to produce results no less accurate than the results produced by the software prior to the change. Therefore the change in funding method due to a change in valuation software receives automatic approval under IRS Announcement 2010-3.

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Schedule SB, Line 24 – Change in Actuarial Assumptions

The non-prescribed actuarial assumptions were reviewed against current methodologies; the plan's assumption for expenses included in target normal cost has been modified to better reflect anticipated experience.