

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 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: 1.5em; font-weight: bold;">2018</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2018 or fiscal plan year beginning <u>01/01/2018</u> and ending <u>12/31/2018</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.)	
	☒ 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 <u>THE HILLSHIRE BRANDS COMPANY CONSOLIDATED HOURLY PENSION PLAN</u>	1b	Three-digit plan number (PN) ▶ <u>221</u>
		1c	Effective date of plan <u>06/30/1990</u>
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>THE HILLSHIRE BRANDS COMPANY</u> <u>C/O TYSON FOODS, INC.</u> <u>P.O. BOX 2020</u> <u>SPRINGDALE, AR 72765</u>	2b	Employer Identification Number (EIN) <u>36-2089049</u>
		2c	Plan Sponsor's telephone number <u>479-290-8670</u>
		2d	Business code (see instructions) <u>311900</u>

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.	07/01/2019	LEE KIDD
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	07/01/2019	LEE KIDD
	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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2018)
v. 171027

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 or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 10248
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 a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits..... c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	<div style="background-color: #cccccc; height: 20px; width: 100%;"></div> 6a(1) 4456 6a(2) 3404 6b 3339 6c 3172 6d 9915 6e 291 6f 10206 6g 6h 71
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 1I 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
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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)** ☐ 0 **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 2018 Form M-1 annual report. If the plan was not required to file the 2018 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 _____

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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 2018 This Form is Open to Public Inspection
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For calendar plan year 2018 or fiscal plan year beginning <u>01/01/2018</u> and ending <u>12/31/2018</u>	
▶ 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 <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 or 5500-SF <u>THE HILLSHIRE BRANDS COMPANY</u>	D Employer Identification Number (EIN) <u>36-2089049</u>
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>2018</u>	
2 Assets:	
a Market value.....	2a <u>367675204</u>
b Actuarial value	2b <u>365096744</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants <u>3413</u> (2) Vested Funding Target <u>142563935</u> (3) Total Funding Target <u>142563935</u>
b For terminated vested participants	<u>2379</u> <u>39748588</u> <u>39748588</u>
c For active participants	<u>4456</u> <u>93446714</u> <u>93977814</u>
d Total	<u>10248</u> <u>275759237</u> <u>276290337</u>
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 <u>5.76 %</u>
6 Target normal cost	6 <u>1716981</u>

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	
Signature of actuary	<u>06/13/2019</u>
<u>JAMES M DERENGOWSKI</u>	Date <u>17-06555</u>
Type or print name of actuary	Most recent enrollment number <u>847-771-2000</u>
<u>AON CONSULTING, INC.</u>	Telephone number (including area code)
Firm name	
<u>4 OVERLOOK POINT LINCOLNSHIRE, IL 60069-4302</u>	
Address of the firm	

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	46056779
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	46056779
10 Interest on line 9 using prior year's actual return of <u>13.24</u> %	0	6097918
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		12152495
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>5.97</u> %.....		725504
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		12877999
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections		0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	52154697

Part III Funding Percentages

14 Funding target attainment percentage	14	113.26%
15 Adjusted funding target attainment percentage.....	15	132.14%
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	104.66%
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: 3.92%	2nd segment: 5.52%	3rd segment: 6.29%	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions)	Prior regulation:	☐ Prescribed - combined	☒ Prescribed - separate	☐ Substitute
	Current regulation:	☐ 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	1716981	
b Excess assets, if applicable, but not greater than line 31a	31b	1716981	
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	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
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

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2018
		This Form is Open to Public Inspection.

For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

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 or DFE 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	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: <u>HBC MASTER INV. TRUST FOR DB PLANS</u>		
b Name of sponsor of entity listed in (a): <u>THE HILLSHIRE BRANDS COMPANY</u>		
c EIN-PN <u>36-2089049-100</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>335243358</u>
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 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 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 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 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 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
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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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
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

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.	OMB No. 1210-0110 2018 This Form is Open to Public Inspection
For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018		
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 THE HILLSHIRE BRANDS COMPANY	D Employer Identification Number (EIN) 36-2089049	

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)	354797205	335243358
(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)		

		(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:		
(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	354797205 335243358
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	354797205 335243358

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.

		(a) Amount	(b) Total
a	Contributions:		
(1)	Received or receivable in cash from: (A) Employers	2a(1)(A)	13000000
	(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)	13000000
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)		-15741754
(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		-2741754

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	14642258	
(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)		14642258
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)	122048	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	994571	
(4) Other	2i(4)	1053216	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		2169835
j Total expenses. Add all expense amounts in column (b) and enter total	2j		16812093

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-19553847
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		X	
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		X	
e Was this plan covered by a fidelity bond?	X		9000000
4e	X		9000000
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		X	
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		X	
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		X	
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		X	
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		X	
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		X	
l Has the plan failed to provide any benefit when due under the plan?.....		X	
4l		X	
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?..... ☒ Yes ☐ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year 0.

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
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4154457. (See instructions.)

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 sections 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 2018 This Form is Open to Public Inspection.
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For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018

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>17</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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2018
v. 171027

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

b The plan year immediately preceding the current plan year

c The second preceding plan year

14a**14b****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

b The corresponding number for the second preceding plan year

15a**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

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

16a**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: 7.0% Investment-Grade Debt: 89.0% High-Yield Debt: 2.0% Real Estate: 2.0% Other: 0.0%

- 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, 2018 and 2017

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Hillshire Brands Company
Hourly Pension Plan

Report on the financial statements

We were engaged to audit the accompanying financial statements of The Hillshire Brands Company Hourly Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits – modified cash basis as of December 31, 2018 and 2017, 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 G, 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 year ended December 31, 2018 and 2017, 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.

Emphasis of matter- plan termination

As described in notes A, B and F to the financial statements, the Board of Directors of Tyson Corporation approved termination of the Plan on June 28, 2018, and management determined liquidation is imminent. The Plan was then amended on November 15, 2018 to terminate the Plan.

Emphasis of matter- modified cash 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 G, 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
June 26, 2019

The Hillshire Brands Company
Consolidated Hourly Pension Plan
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2018 and 2017 (modified cash basis)

	<u>2018</u>	<u>2017</u>
Assets		
Investment (notes C and D)		
Plan interest in The Hillshire Brands Company Master		
Investment Trust for Defined Benefit Plans	<u>\$ 335,243,358</u>	<u>\$ 354,797,205</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 335,243,358</u></u>	<u><u>\$ 354,797,205</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
Years ended December 31, 2018 and 2017 (modified cash basis)

	2018	2017
Plan interest in The Hillshire Brands Company Master Investment Trust for Defined Benefit Plans		
Net investment income (loss)	\$ (15,741,754)	\$ 41,116,510
Sponsor Contributions	13,000,000	22,000,000
Benefits paid to participants	(14,642,258)	(13,974,229)
Plan expenses	(2,169,835)	(1,688,301)
NET INCREASE (DECREASE)	(19,553,847)	47,453,980
Net assets available for benefits		
Beginning of year	354,797,205	307,343,225
End of year	<u>\$ 335,243,358</u>	<u>\$ 354,797,205</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, 2018 and 2017

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 included 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 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 that covered eligible hourly non-union and union employees of the Company. Employees who were members of collective bargaining units participated in the Plan only if their collective bargaining agreements provided 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 became a participant in the Plan after meeting eligibility requirements, as defined in the Plan document. Eligibility requirements varied by the employee's work location and union contract, as applicable.

Effective April 27, 2015, the Investment Committee of the Plan directed a restructure of the investment structure for the Plan and The Hillshire Brands Company Salaried Pension Plan. Prior to the restructure both the Plan and the Salaried Pension Plan shared ownership of a single investment pool. After the directed restructure, each plan owned its own pool of assets, however the structure of the trust remained a Master Trust.

The Plan was amended effective September 28, 2015 to allow any vested participant who had been terminated as of December 31, 2014 (including deferred beneficiaries) to make an election for a lump sum distribution between September 28, 2015 and November 25, 2015. This option did not apply to those over the age of 65, those with linked nonqualified benefits, and those with qualified domestic relations orders (QDRO's) and their alternate payees. Participants electing for lump sum distribution received benefits between December 1, 2015 and December 31, 2015.

Effective December 31, 2015, the following collective bargaining groups were frozen as to participation and benefit accruals for all employees: UFCW Local 2 St. Joseph, MO and IUOE Local 101S St. Joseph, MO.

Effective January 1, 2017, the Plan was frozen with respect to all employees (including but not limited to non-union hourly employees and collective bargaining groups UFCW Local 75 Claryville, KY, BCTGM Local 81 Traverse City, MI, and IUOE New London, WI) such that no additional benefits shall accrue under the Plan (including all Supplements) after January 1, 2017, to the extent such accruals had not already ceased for certain groups of employees pursuant to the terms of the Plan, and no employee shall become a participant in the Plan after such date.

On June 28, 2018, the Sponsor's Board of Directors resolved to terminate the Plan effective December 31, 2018, subject to regulatory approval from the PBGC and the IRS. The Plan was amended for termination on November 15, 2018 and Notices of Intent to Terminate and Notices to Interested Parties were issued on

The Hillshire Brands Company
Consolidated Hourly Pension Plan
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

October 26, 2018. The Sponsor submitted a request for a determination letter from the IRS related to the termination on November 16, 2018. See Note F for more discussion.

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, 2018 and 2017.

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.

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.

As referenced in Note A, the Sponsor's Board of Directors resolved to terminate the Plan effective December 31, 2018. If the 2018 financial statements had been prepared using the liquidation basis of accounting in accordance with U.S. GAAP, accrued expenses expected to be incurred in liquidation of the Plan of approximately \$19,900,000 and contribution receivables of approximately \$22,300,000 would have been recorded in the accompany statements of net assets available for benefits as of December 31, 2018. See Note F for further discussion of termination. See Note F for further discussion on the Plan's obligation to settle benefits.

If the Plan's 2017 financial statements had been prepared using the accrual basis of accounting for an ongoing plan in accordance with U.S. GAAP, payables of approximately \$112,111 and contribution receivables of \$13,000,000, would have been recorded in the accompanying statements of net assets available for benefits as of December 31, 2017.

New Accounting Pronouncements

In February 2017, the FASB issued ASU No. 2017-06, Plan Accounting: Defined Benefit Pension Plans (Topic 960); Defined Contribution Pension Plans (Topic 962); Health and Welfare Benefit Plans (Topic 965); Employee Benefit Plan Master Trust Reporting. This update changes reporting and disclosure requirements for plans with a master trusts and eliminates redundant disclosures for plans with 401(h) accounts. This update is effective for the fiscal periods beginning after December 15, 2018. Early adoption is permitted. Upon adoption, the amendments shall be applied retrospectively to all periods presented. Plan management is currently evaluating the impact this update will have on the Plan's financial statements.

Use of Estimates

The preparation of financial statements on the modified cash basis of accounting conformity 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.

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.

The Hillshire Brands Company
Consolidated Hourly Pension Plan
NOTES TO FINANCIAL STATEMENTS
December 31, 2018 and 2017

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.

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, 2018 and 2017, the Plan's interest in the net assets of the Master Investment Trust was approximately 25.1% and 24.4%, respectively. Investment income relating to the Master Investment Trust is allocated to the individual plans based on average balances invested by each plan.

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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, 2018 and 2017, is as follows:

	2018	2017
Investments, at fair value		
Interest in common/collective trusts	\$ <u>1,335,639,123</u>	\$ <u>1,455,802,981</u>
Total investments	1,335,639,123	1,455,802,981
Receivables	<u>11,341</u>	<u>5,959</u>
Net assets of Master Investment Trust	\$ <u>1,335,650,464</u>	\$ <u>1,455,808,940</u>

Master Investment Trust income allocated to the participating plans for the years ended December 31, 2018 and 2017, is as follows:

	2018	2017
Net appreciation (depreciation)		
Corporate stocks – common	\$ 8,353	\$ 1,395
Interest in common/collective trusts	<u>(53,436,203)</u>	<u>175,281,300</u>
Net appreciation (depreciation) in fair value of investments	(53,427,850)	175,282,695
Interest and dividends	<u>130,265</u>	<u>99,603</u>
Net investment income (loss)	\$ <u>(53,297,585)</u>	\$ <u>175,382,298</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.

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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)
- 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:

Common/Collective trusts - Based on the 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.

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:

	2018			Total
	Level 1	Level 2	Level 3	
Investments, at fair value				
Interest in common/collective trusts ⁽¹⁾	-	-	-	<u>1,335,639,123</u>
Total investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,335,639,123</u>

	2017			Total
	Level 1	Level 2	Level 3	
Investments, at fair value				
Interest in common/collective trusts ⁽¹⁾	-	-	-	<u>1,455,802,981</u>
Total investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,455,802,981</u>

(1) Common Collective Trusts that are measured at fair value using the net asset value per share practical expedient have not been categorized in the fair value hierarchy. The amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in Footnote C.

NOTE E - 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, Aon Hewitt, 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.

The estimated obligation to pay benefits based on liquidation assumptions is estimated to be approximately \$355,000,000 as of December 31, 2018. This estimate is based on the current market rate of annuities, adjusted for additional expectations of Tyson constructed from previous obligations and purchases of similar investments. See Note F for further discussion of termination of Plan.

Prior to the aforementioned termination of the Plan, the Plan's valuations were prepared based on the presumption that the Plan was ongoing. As such, the assumptions used in the valuations as of December 31, 2017 and 2016, are as follows:

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	2017	2016
Interest rate	4.33%	4.03%
Mortality	98% of the blue collar 2006 base rates from the RP- 2014 mortality study projected generationally from 2006 using Scale MP-2017	RP- 2014 mortality table projected generationally by Scale MP-2017 (adjusted from 2006) with blue collar adjustment
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.

The actuarial present value of accumulated Plan benefits as of December 31, 2017 and 2016, is as follows:

	2017	2016
Actuarial present value of accumulated Plan benefits		
Vested benefits		
Participants currently receiving payments	\$159,621,365	\$159,642,686
Other participants	<u>178,043,173</u>	<u>190,012,639</u>
Total vested benefits	337,664,538	349,655,325
Non-vested benefits	<u>33,400</u>	<u>36,695</u>
Total actuarial present value of accumulated Plan benefits	<u>\$337,697,938</u>	<u>\$349,692,020</u>

The change in the actuarial present value of accumulated Plan benefits for the year ended December 31, 2017, consists of the following:

Actuarial present value of accumulated Plan benefits as of December 31, 2016	\$349,692,020
Change during the year attributed to	
Interest Accumulation	13,813,789
Benefits paid	(13,974,229)
Assumption Changes ¹	(12,465,959)
Other Changes ²	<u>632,317</u>
Net change	<u>(11,994,082)</u>
Actuarial present value of accumulated Plan benefits as of December 31, 2017	<u>\$337,697,938</u>

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¹The changes in actuarial assumptions are due to an increase in the interest rate from 4.03% to 4.33% and a change in the mortality assumption for healthy participants from the RP-2014 mortality table projected generationally by Scale MP-2017 (adjusted from 2006) with blue collar adjustment to 98% of the blue collar 2006 base rates from the RP-2014 mortality study projected generationally from 2006 using Scale MP-2017.

²The “Other Changes” component represents the normal operation of the pension plan. It consists primarily of the increase due to ongoing benefit accruals (if any) and those items of plan experience that are not associated with plan asset performance.

NOTE F - PLAN TERMINATION AND PENSION BENEFIT GUARANTY CORPORATION MATTERS

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 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.

On June 28, 2018, the Sponsor’s Board of Directors resolved to terminate the plan effective December 31, 2018, subject to regulatory approval from the PBGC and the IRS. The Plan was amended for termination on November 15, 2018 and Notices of Intent to Terminate and Notices to Interested Parties were issued on October 26, 2018. The Sponsor submitted a request for a determination letter from the IRS related to the termination on November 16, 2018. The Sponsor determined that termination was imminent as this is a standard termination and the likelihood of the termination being blocked by a third party is remote.

As a result of the termination, each affected participant’s accrued benefit at the date of termination, to the extent funded, became fully vested and nonforfeitable. In accordance with the resolution to terminate the Plan, benefit obligations will be satisfied with distribution of plan assets available for benefits through the purchase of annuity contracts from an insurer or single lump-sum payments. The net assets of the Plan will be allocated for payment of plan benefits to the participants and beneficiaries in an order of priority determined in accordance with ERISA and its related applicable regulations and the Plan document. The majority of the benefit payments will be provided for by the then existing net assets of the Plan with additional funding from the Sponsor as needed.

NOTE G - 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, 2018 and 2017.
- 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, 2018 and 2017.
- 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 H - TAX STATUS

The Internal Revenue Service (IRS) has determined and informed the Company by a letter dated December 11, 2015, 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, 2018 and 2017, 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 from time to time. However, there are currently no audits for any tax period in progress.

NOTE I - 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 2018 and 2017 for legal, accounting and other professional services rendered by parties-in-interest were based on customary and reasonable rates for such services.

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NOTE J - SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 26, 2019, the date these financial statements were available for issuance.

In June 2019, the Sponsor submitted Form 500 – Standard Termination Notice and Schedule EA-S with the PBGC.

In June 2019, the Sponsor issued Notices of Plan Benefits and Notices of Annuity Information to appropriate participants/beneficiaries.

Schedule SB Attachment (Form 5500)—2018 Plan Year
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Schedule SB, line 26—Schedule of Active Participant Data as of January 1, 2018

Attained Age	Number of Participants									
	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25	1	115								
25-29	3	269	41							
30-34	10	247	101	31						
35-39	5	187	96	78	29					
40-44	1	142	107	93	60	21				
45-49	1	166	138	132	80	46	22			
50-54	3	134	156	180	89	43	61	21		
55-59	2	146	138	205	97	50	76	65	84	3
60-64	4	67	104	135	62	21	42	22	85	21
65-69		9	26	25	11	7	4	3	8	4
70+		3	3	8	2	2	2		1	

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Schedule SB Attachment (Form 5500)—2018 Plan Year
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Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Interest Rates for Minimum Funding Purposes	Based on segment rates with a four-month lookback (as of September 2017), each adjusted as needed to fall within the 25-year average interest rate stabilization corridor
1st Segment Rate	3.92%
2nd Segment Rate	5.52%
3rd Segment Rate	6.29%
Interest Rates for Maximum Tax Purposes	Based on segment rates with a four-month lookback (as of September 2017), without regard to interest rate stabilization
1st Segment Rate	1.75%
2nd Segment Rate	3.76%
3rd Segment Rate	4.66%
Optional Payment Form Election Percentage	100% life annuity if single 100% joint and 50% annuity if married 100% 5-year certain and life for Traverse City if single and 100% joint and 50% annuity if married 100% lump sum for Earthgrains and those with the option available in the plan
Optional Payment Form Conversion Interest Rate	8.50% Same as funding interest rates above for lump sums
Optional Payment Form Conversion Mortality	1984 Unisex Pension Table as pub (80% males) Current IRC section 417(e) table for lump sums
Retirement Age	
Active Participants	See Table 1
Terminated Vested Participants	Age 65
Mortality Rates	
Healthy and Disabled	2018 static mortality table (with new basis adoption deferred to 2019) for annuitants and non-annuitants per §1.430(h)(3)-1(e)
Withdrawal Rates	See Tables 2–3
Disability Rates	See Table 4
Decrement Timing	Middle of year decrements (except that retirement is assumed to occur at the beginning of the year)

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	for ages where the assumed retirement rate is 100%)
Surviving Spouse Benefit	It is assumed that 80% of males and 60% of females have an eligible spouse, and that males are three years older than their spouses.
Benefit Limits	Projected benefits are limited by the current IRC section 415 maximum benefit of \$220,000.
Valuation of Plan Assets	<p>Smoothed fair market value of assets over the current and prior one month, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.</p> <p>A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market values for expected long-term rates of return in excess of the third segment rate under IRC section 430(h)(2)(C)(iii).</p>
Trust Expenses Included in Target Normal Cost	\$1,716,981; prior year's administrative expenses adjusted for current year PBGC premiums
Actuarial Method	Standard unit credit cost method
Valuation Date	January 1, 2018

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Table 1

Retirement Rates

Age	Hourly and All Others	Local 7A (> 30 YOS)	Tupelo (>85 Points)
50	0.00%	30.00%	15.00%
51	0.00%	30.00%	15.00%
52	0.00%	30.00%	15.00%
53	0.00%	30.00%	15.00%
54	0.00%	30.00%	15.00%
55	8.00%	30.00%	15.00%
56	8.00%	30.00%	15.00%
57	8.00%	30.00%	15.00%
58	8.00%	30.00%	15.00%
59	8.00%	30.00%	15.00%
60	15.00%	30.00%	50.00%
61	15.00%	30.00%	50.00%
62	30.00%	30.00%	50.00%
63	10.00%	30.00%	50.00%
64	10.00%	30.00%	50.00%
65	50.00%	50.00%	50.00%
66	50.00%	50.00%	50.00%
67	50.00%	50.00%	50.00%
68	50.00%	50.00%	50.00%
69	50.00%	50.00%	50.00%
70+	100.00%	100.00%	100.00%

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Withdrawal Rates

Age	Years of Service			
	0-1	2-3	4	5+
15	44.65%	44.65%	44.65%	44.65%
16	44.65%	44.65%	44.65%	44.65%
17	44.65%	44.65%	44.65%	44.65%
18	44.65%	44.65%	44.65%	44.65%
19	27.50%	24.64%	24.64%	24.64%
20	27.50%	21.83%	21.83%	21.83%
21	27.50%	26.54%	26.54%	26.54%
22	27.81%	27.81%	27.81%	27.81%
23	27.50%	27.28%	27.28%	27.28%
24	27.50%	25.24%	25.24%	25.24%
25	27.50%	23.14%	23.14%	23.14%
26	27.50%	21.24%	21.24%	21.24%
27	27.50%	20.00%	19.41%	19.41%
28	27.50%	20.00%	17.69%	17.69%
29	27.50%	20.00%	16.28%	16.28%
30	27.50%	20.00%	15.24%	15.24%
31	27.50%	20.00%	15.00%	14.30%
32	27.50%	20.00%	15.00%	13.38%
33	27.50%	20.00%	15.00%	12.39%
34	27.50%	20.00%	15.00%	11.56%
35	27.50%	20.00%	15.00%	10.98%
36	27.50%	20.00%	15.00%	10.46%
37	27.50%	20.00%	15.00%	10.00%
38	27.50%	20.00%	15.00%	9.48%
39	27.50%	20.00%	15.00%	9.04%
40	27.50%	20.00%	15.00%	8.75%
41	27.50%	20.00%	15.00%	8.40%
42	27.50%	20.00%	15.00%	8.18%
43	27.50%	20.00%	15.00%	8.04%
44	27.50%	20.00%	15.00%	7.91%

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Withdrawal Rates

Age	Years of Service			
	0-1	2-3	4	5+
45	27.50%	20.00%	15.00%	7.76%
46	27.50%	20.00%	15.00%	7.63%
47	27.50%	20.00%	15.00%	7.48%
48	27.50%	20.00%	15.00%	7.40%
49	27.50%	20.00%	15.00%	7.31%
50	27.50%	20.00%	15.00%	7.04%
51	27.50%	20.00%	15.00%	6.85%
52	27.50%	20.00%	15.00%	6.69%
53	27.50%	20.00%	15.00%	6.38%
54	27.50%	20.00%	15.00%	5.40%
55	27.50%	20.00%	15.00%	3.65%
56	27.50%	20.00%	15.00%	2.81%
57	27.50%	20.00%	15.00%	2.58%
58	27.50%	20.00%	15.00%	2.65%
59	27.50%	20.00%	15.00%	2.84%
60	27.50%	20.00%	15.00%	2.75%
61	27.50%	20.00%	15.00%	2.91%
62	27.50%	20.00%	15.00%	3.20%
63	27.50%	20.00%	15.00%	3.13%
64	27.50%	20.00%	15.00%	3.28%
65+	0.00%	0.00%	0.00%	0.00%

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Withdrawal Rates—Union Hourly

Age	Years of Service					
	0	1	2	3	4	5+
15	35.00%	27.00%	26.79%	26.79%	26.79%	26.79%
16	35.00%	27.00%	26.79%	26.79%	26.79%	26.79%
17	35.00%	27.00%	26.79%	26.79%	26.79%	26.79%
18	35.00%	27.00%	26.79%	26.79%	26.79%	26.79%
19	35.00%	27.00%	22.50%	18.00%	14.78%	14.78%
20	35.00%	27.00%	22.50%	18.00%	13.50%	13.10%
21	35.00%	27.00%	22.50%	18.00%	15.92%	15.92%
22	35.00%	27.00%	22.50%	18.00%	16.69%	16.69%
23	35.00%	27.00%	22.50%	18.00%	16.37%	16.37%
24	35.00%	27.00%	22.50%	18.00%	15.14%	15.14%
25	35.00%	27.00%	22.50%	18.00%	13.88%	13.88%
26	35.00%	27.00%	22.50%	18.00%	13.50%	12.74%
27	35.00%	27.00%	22.50%	18.00%	13.50%	11.65%
28	35.00%	27.00%	22.50%	18.00%	13.50%	10.61%
29	35.00%	27.00%	22.50%	18.00%	13.50%	9.77%
30	35.00%	27.00%	22.50%	18.00%	13.50%	9.14%
31	35.00%	27.00%	22.50%	18.00%	13.50%	8.58%
32	35.00%	27.00%	22.50%	18.00%	13.50%	8.03%
33	35.00%	27.00%	22.50%	18.00%	13.50%	7.43%
34	35.00%	27.00%	22.50%	18.00%	13.50%	6.94%
35	35.00%	27.00%	22.50%	18.00%	13.50%	6.59%
36	35.00%	27.00%	22.50%	18.00%	13.50%	6.28%
37	35.00%	27.00%	22.50%	18.00%	13.50%	6.00%
38	35.00%	27.00%	22.50%	18.00%	13.50%	5.69%
39	35.00%	27.00%	22.50%	18.00%	13.50%	5.42%
40	35.00%	27.00%	22.50%	18.00%	13.50%	5.25%
41	35.00%	27.00%	22.50%	18.00%	13.50%	5.04%
42	35.00%	27.00%	22.50%	18.00%	13.50%	4.91%
43	35.00%	27.00%	22.50%	18.00%	13.50%	4.82%
44	35.00%	27.00%	22.50%	18.00%	13.50%	4.75%

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Withdrawal Rates—Union Hourly

Age	Years of Service					
	0	1	2	3	4	5+
45	35.00%	27.00%	22.50%	18.00%	13.50%	4.66%
46	35.00%	27.00%	22.50%	18.00%	13.50%	4.58%
47	35.00%	27.00%	22.50%	18.00%	13.50%	4.49%
48	35.00%	27.00%	22.50%	18.00%	13.50%	4.44%
49	35.00%	27.00%	22.50%	18.00%	13.50%	4.39%
50	35.00%	27.00%	22.50%	18.00%	13.50%	4.22%
51	35.00%	27.00%	22.50%	18.00%	13.50%	4.11%
52	35.00%	27.00%	22.50%	18.00%	13.50%	4.01%
53	35.00%	27.00%	22.50%	18.00%	13.50%	3.83%
54	35.00%	27.00%	22.50%	18.00%	13.50%	3.24%
55	35.00%	27.00%	22.50%	18.00%	13.50%	2.19%
56	35.00%	27.00%	22.50%	18.00%	13.50%	1.69%
57	35.00%	27.00%	22.50%	18.00%	13.50%	1.55%
58	35.00%	27.00%	22.50%	18.00%	13.50%	1.59%
59	35.00%	27.00%	22.50%	18.00%	13.50%	1.70%
60	35.00%	27.00%	22.50%	18.00%	13.50%	1.65%
61	35.00%	27.00%	22.50%	18.00%	13.50%	1.75%
62	35.00%	27.00%	22.50%	18.00%	13.50%	1.92%
63	35.00%	27.00%	22.50%	18.00%	13.50%	1.88%
64	35.00%	27.00%	22.50%	18.00%	13.50%	1.97%
65+	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Hillshire Brands Company Consolidated Hourly Pension Plan
EIN: 36-2089049 PN: 221

Table 4

Disability Rates

Age	Male	Female	Age	Male	Female
15	0.000%	0.000%	45	0.505%	0.522%
16	0.047%	0.042%	46	0.556%	0.570%
17	0.051%	0.045%	47	0.616%	0.628%
18	0.055%	0.048%	48	0.682%	0.695%
19	0.059%	0.051%	49	0.751%	0.770%
20	0.064%	0.055%	50	0.830%	0.854%
21	0.069%	0.060%	51	0.922%	0.947%
22	0.074%	0.066%	52	1.033%	1.052%
23	0.080%	0.074%	53	1.170%	1.181%
24	0.086%	0.084%	54	1.330%	1.334%
25	0.093%	0.096%	55	1.502%	1.490%
26	0.100%	0.108%	56	1.674%	1.630%
27	0.108%	0.121%	57	1.836%	1.733%
28	0.116%	0.135%	58	1.984%	1.753%
29	0.125%	0.149%	59	2.125%	1.773%
30	0.134%	0.165%	60	2.266%	1.793%
31	0.145%	0.181%	61	2.409%	1.813%
32	0.157%	0.198%	62	2.558%	1.833%
33	0.170%	0.215%	63	2.712%	1.903%
34	0.184%	0.234%	64	2.868%	1.992%
35	0.199%	0.252%	65	3.028%	2.095%
36	0.216%	0.272%	66	3.199%	2.207%
37	0.237%	0.293%	67	3.382%	2.322%
38	0.260%	0.314%	68	3.577%	2.441%
39	0.285%	0.335%	69	3.781%	2.567%
40	0.314%	0.357%	70+	0.000%	0.000%
41	0.345%	0.383%			
42	0.381%	0.413%			
43	0.419%	0.447%			
44	0.460%	0.482%			

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue Service
Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation**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

2018**This Form is Open to Public
Inspection**For calendar plan year 2018 or fiscal plan year beginning 01/01/2018 and ending 12/31/2018▶ **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>2018</u>				
2 Assets:				
a Market value.....		2a	367,675,204	
b Actuarial value.....		2b	365,096,744	
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.....		3,413	142,563,935	142,563,935
b For terminated vested participants.....		2,379	39,748,588	39,748,588
c For active participants.....		4,456	93,446,714	93,977,814
d Total.....		10,248	275,759,237	276,290,337
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	5.76%	
6 Target normal cost.....		6	1,716,981	

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	JAMES M DERENGOWSKI	06/13/2019
Signature of actuary		Date
JAMES M DERENGOWSKI		1706555
Type or print name of actuary		Most recent enrollment number
AON CONSULTING, INC.		847-771-2000
Firm name		Telephone number (including area code)
4 OVERLOOK POINT		
LINCOLNSHIRE IL 60069-4302		
Address of the firm		

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 ☐

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2018
v. 171027

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	46,056,779
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	46,056,779
10 Interest on line 9 using prior year's actual return of <u>13.24%</u>	0	6,097,918
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		12,152,495
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>5.97%</u>		725,504
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.....		12,877,999
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections.....		0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	52,154,697

Part III Funding Percentages

14	Funding target attainment percentage	14	113.26%
15	Adjusted funding target attainment percentage	15	132.14%
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	104.66%
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)

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

Equality Statement 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: 3.92 %	2nd segment: 5.52 %	3rd segment: 6.29 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....	21b		4
22 Weighted average retirement age	22		62
23 Mortality table(s) (see instructions)	Prior regulation:	☐ Prescribed - combined	☒ Prescribed - separate
	Current regulation:	☐ 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	1,716,981	
b Excess assets, if applicable, but not greater than line 31a	31b	1,716,981	
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	0	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0
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

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Hillshire Brands Company Consolidated Hourly Pension Plan
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Schedule SB, line 22—Description of Weighted Average Retirement Age

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at mid-year, except for the 100% retirement age.

Age	Hourly and All Others	Local 7A (> 30 YOS)	Tupelo (>85 Points)
50.5	0.00%	30.00%	15.00%
51.5	0.00%	30.00%	15.00%
52.5	0.00%	30.00%	15.00%
53.5	0.00%	30.00%	15.00%
54.5	0.00%	30.00%	15.00%
55.5	8.00%	30.00%	15.00%
56.5	8.00%	30.00%	15.00%
57.5	8.00%	30.00%	15.00%
58.5	8.00%	30.00%	15.00%
59.5	8.00%	30.00%	15.00%
60.5	15.00%	30.00%	50.00%
61.5	15.00%	30.00%	50.00%
62.5	30.00%	30.00%	50.00%
63.5	10.00%	30.00%	50.00%
64.5	10.00%	30.00%	50.00%
65.5	50.00%	50.00%	50.00%
66.5	50.00%	50.00%	50.00%
67.5	50.00%	50.00%	50.00%
68.5	50.00%	50.00%	50.00%
69.5	50.00%	50.00%	50.00%
70+	100.00%	100.00%	100.00%
Weighted Avg.	61.62	52.83	55.26
Participants	4,430	26	0

Final Headcount Weighted Average: 61.57

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Hillshire Brands Company Consolidated Hourly Pension Plan
EIN: 36-2089049 PN: 221

Schedule SB, Part V—Summary of Plan Provisions

The Hillshire Brands Company Consolidated Hourly Pension Plan

Effective Date June 30, 1990. The plan was amended and restated effective January 1, 2015.

History of the Plan

The Consolidated Hourly Plan is the product of the merger of numerous plans and employee groups. The provisions that apply to all locations are summarized in this section. Subsequent sections have been added to document the provisions that differ by employee group for those groups that have active participants accruing benefits.

The following employee groups have been summarized in this section:

- Sara Lee Bakery Division DeBois, Indiana
- Sara Lee Bakery Division Forest Plant
- Sara Lee Bakery Division Greenville, South Carolina
- Sara Lee Bakery Division New Hampton, Iowa
- Sara Lee Bakery Division Tarboro, North Carolina
- Sara Lee Bakery Division Traverse City, Michigan
- Sara Lee Foods—Tupelo, Mississippi
- State Fair Foods, Inc.
- Employees of Florence, Alabama, Newbern, Tennessee, Claryville, Ohio, West Point, Mississippi, Storm Lake, Iowa, and Zeeland, Michigan
- Employees of Grove City, Ohio

Benefit service accruals cease effective December 31, 2016.

Eligibility for Participation

The employee is not paid on a salaried basis, has completed one year of eligibility service (a 12 month period during which 1,000 hours of service have been completed), has attained age 21 and is not a member of a group or class of employees of the company represented by a collective bargaining representative.

Normal Retirement

Eligibility

Age 65.

Benefit

DuBois and Forest employees:

\$16.00 multiplied by years of credited service.

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New Hampton employees:

\$21.00 multiplied by years of credited service.

Grove City employees:

\$16.00 multiplied by years of credited service earned on or after November 6, 2005, up to a maximum of 25 years.

Claryville, Ohio, West Point Mississippi, Storm Land, Iowa, and Zeeland, Michigan employees:

\$32.00 multiplied by years of credited service earned on or after January 1, 2006. Credited service is limited to a maximum of 25 years.

Florence, Alabama and Newbern, Tennessee employees:

\$44.00 multiplied by years of credited service earned on or after January 1, 2006. Credited service is limited to a maximum of 25 years.

State Fair Foods:

- If credited service is less than 25 years:

\$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 years:

\$32.00 per year of the most recent 25 year of credited service and \$10 to the remaining years.

Greenville, South Carolina and Tarboro, North Carolina employees:

- \$16.00 per year of credited service earned prior to January 1, 2003; plus
- \$24.00 per year of credited service in 2014; plus
- \$32.00 per year of credited service after January 1, 2004.

Traverse City, Michigan employees:

\$29.00 per year of credited service limited to a maximum of 25 years.

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Tupelo, Mississippi employees:

- If credited service is less than 25 years:

\$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 years:

\$32.00 per year of the most recent 25 year of credited service and \$10 to the remaining years.

Benefit service accruals cease effective December 31, 2016.

Early Retirement
Eligibility

Age 55 and five years of service, except Traverse City, Michigan, age 55 and 15 year of service.

Benefit

A monthly benefit equal to the normal retirement benefit reduced by 0.5% for each month early retirement precedes normal retirement.

Late Retirement
Benefit

The greater of the continued accrual of the normal retirement benefit payable at the late retirement date or the actuarial equivalent of the normal retirement benefit payable at the late retirement date.

Vested Termination
Eligibility

Five years of service.

Benefit

The accrued benefit at the date of termination. Reduced payments may begin any time after age 55 using the same reductions as early retirement.

Disability
Eligibility

Five years of service and becomes totally and permanently disabled while employed.

Benefit

Participant shall receive up to two years of credited service for such participant's period of disability or leave of absence.

Schedule SB Attachment (Form 5500)—2018 Plan Year
The Hillshire Brands Company Consolidated Hourly Pension Plan
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Surviving Spouse
Eligibility

Five years of service and married at least one year prior to date of death.

Benefit

A monthly benefit payable to the surviving spouse beginning at the employee's earliest retirement age equal to 50% of the amount payable if the participant had retired early with a 50% joint and survivor benefit.

Normal Form of Annuity

Single life annuity or, if married, a reduced 50% joint and survivor annuity.

Optional Forms of Annuity

Single life annuity.

50%, 66⅔%, 75%, or 100% joint and survivor annuity.

5, 10 or 15 year certain and life annuity.

Social Security level income annuity.

Actuarial Equivalence

8.5% and the 1984 Unisex Pension Mortality Table.

Definitions

Years of Service

A year of service is a plan year which an employee completes at least 1,000 hours of service.

Credited Past Service

Each Participant in the plan shall continue their past credited service accrued under the terms of the plan, as specified in the supplement to each location.

Credited Future Service

New Hampton:

Elapsed time from eligibility.

Traverse City:

A full year of credited service is granted for 1,800 hours of service in a plan year.

All other locations:

A full year of credited service is granted for 1,000 hours of service in a plan year.

Schedule SB Attachment (Form 5500)—2018 Plan Year
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Sara Lee Coffee and Tea Division

Effective Date

July 1, 1981. Effective December 31, 2008, this plan merged into the Sara Lee Corporation Consolidated Hourly Pension Plan.

Eligibility for Participation

The employee is not paid on a salaried basis, has completed one year of eligibility service (a 12-month period during which 1,000 hours of service have been completed), has attained age 21 and is not a member of a group or class of employees of the company represented by a collective bargaining representative.

Normal Retirement

Eligibility

Age 65 and five years of service.

Benefit

Coffee & Tea employees:

36% of final average earnings times a fraction (not greater than 1), the numerator is the years of credited service and the denominator is 15.

Local 676:

The greater of \$15.00 times years of credited service (limited to 20 years) and accrued benefit as of March 31, 1981.

Local 546:

The greater of \$15.50 times years of credited service and accrued benefit as of March 31, 1981.

Local 738 (Bensenville, IL):

The greater of \$37.00 times years of credited service (limited to 20) and accrued benefit as of March 31, 1981.

Local 738 (Elston Ave. Chicago, IL):

The greater of \$37.00 times years of credited service (limited to 20 years) and accrued benefit as of October 31, 1981.

Local 270:

The greater of \$23.50 times years of credited service (limited to 20 years) and accrued benefit as of April 20, 1982.

Schedule SB Attachment (Form 5500)—2018 Plan Year
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Local 337:

The greater of \$40.00 times years of credited service (limited to 20) and accrued benefit as of February 31, 1982.

Benefit service accruals cease effective December 31, 2016.

Early Retirement
Eligibility

Age 55 and 10 years of service.

Benefit

A monthly benefit equal to the normal retirement benefit actuarially reduced.

Late Retirement
Benefit

The greater of the continued accrual of the normal retirement benefit payable at the late retirement date or the actuarial equivalent of the normal retirement benefit payable at the late retirement date.

Vested Termination
Eligibility

Five years of service.

Benefit

The accrued benefit at the date of termination. Reduced payments may begin any time after age 55 and 10 years using the same reductions as early retirement.

Disability
Eligibility

Five years of service and becomes totally and permanently disabled while employed.

Benefit

The disability benefit will be equal to the monthly accrued benefit payable at the deferred disability retirement date.

Surviving Spouse
Eligibility

Five years of service and married at least one year prior to date of death.

Benefit

A monthly benefit payable to the surviving spouse beginning at the employee's earliest retirement age equal to 50% of the amount payable if the participant had retired early with a 50% joint and survivor benefit.

Normal Form of Annuity

Single life annuity or, if married, a reduced 50% joint and survivor annuity.

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Optional Forms of Annuity	Single life annuity. 25%, 50%, 66⅔%, 75%, or 100% joint and survivor annuity. 5, 10, 15, or 20 year certain and life annuity. Social Security level income annuity. Single lump sum actuarial equivalent to the value of retirement income in normal form.
Actuarial Equivalence	7.0% and the 1971 Unisex Pension Mortality Table.
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 full year of credited service is granted for 1,000 hours of service in a plan year. Benefit service accruals were frozen effective December 31, 2016.
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 years out of the last 10, or the last 60 months.

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Bryan Foods, Inc.	
Effective Date	December 31, 1955. Effective December 31, 2008, this plan merged into the Sara Lee Corporation Consolidated Hourly Pension Plan.
Eligibility for Participation	The employee is age 21½ and worked six-month of employment.
Normal Retirement	
Eligibility	Age 65.
Benefit	<p>A monthly amount equal to the greater of (a) and (b):</p> <p>(a) 1.0% of average monthly compensation for each year of service; or</p> <p>(b) \$26.50 per years of service.</p> <p>Benefit service accruals cease effective December 31, 2016.</p>
Early Retirement	
Eligibility	Age 55 and 10 years of service, or the sum of age and service totaling at least 85 ("Rule of 85").
Benefit	A monthly benefit equal to the normal retirement benefit 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 normal retirement. Unreduced is participant has met "Rule of 85."
Late Retirement	
Benefit	The greater of the continued accrual of the normal retirement benefit payable at the late retirement date or the greater of the actuarial equivalent of the normal retirement benefit payable at the late retirement date or the accrued benefit at normal retirement increased by 5% for each year of service after that date.
Vested Termination	
Eligibility	Five years of service.
Benefit	The monthly accrued benefit payable at normal retirement date.
Disability	
Eligibility	Five of service and becomes totally and permanently disabled.

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Benefit	<p>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.</p> <p>If the participant is eligible for Social Security disability benefits, he may elect to receive his benefit as a lump sum.</p>
Surviving Spouse Eligibility	<p>A participant's spouse is eligible for pension benefit if the participant had attained the right to a vest pension and died before any payments commenced.</p>
Benefit	<p>A monthly benefit payable to the surviving spouse beginning at the employee's earliest retirement age equal to 50% of the amount payable if the participant had retired early with a 50% joint and survivor benefit.</p>
Normal Form of Annuity	<p>Single life annuity or, if married, a reduced 50% joint and survivor annuity.</p>
Optional Forms of Annuity	<p>Single life annuity.</p> <p>50%, 66⅔%, 75%, or 100% joint and survivor annuity.</p> <p>5, 10, or 15 year certain and life annuity.</p> <p>Social Security level income annuity.</p>
Actuarial Equivalence	<p>30-year Treasury published for the month of October immediately preceding the plan year in which the benefit commences and the "applicable mortality table" as defined in Section 417(e)(3)(A)(ii)(I) of the Internal Revenue Code.</p>
Definitions	
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.</p> <p>Benefit service accruals were frozen effective December 31, 2016.</p>
Compensation	<p>A participant's regular hourly rate time a 40-hour week, projected on an annual basis.</p>
Average Compensation	<p>The average of a participant's compensation over-all years of service.</p>

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Local 7A

Effective Date

January 1, 1995. The plan is a continuation of the Kahn and Lohery Employee's Pension Plan and, effective December 31, 2008, was merged into the Sara Lee Corporation Consolidated Hourly Pension Plan.

Eligibility for Participation

A member of the United Food and Commercial Workers (UFCW) Local No. 7A participates after completing The employee is not paid on a salaried basis, and has completed one year of eligibility service (a 12-month period during which 1,000 hours of service have been completed), has attained age 21 and is not a member of a group or class of employees of the company represented by a collective bargaining representative.

Normal Retirement

Eligibility

Age 65.

Benefit

Claryville, Kentucky

A monthly benefit according to the following schedule:

For Termination Effective	Dollar Amount Multiplied by Credited Service
01/01/2010–12/31/2010	\$23.00
01/01/2011–12/31/2011	\$23.50
01/01/2012–12/31/2012	\$24.00
01/01/2013–12/31/2013	\$24.50
01/01/2014–12/31/2014	\$25.00
01/01/2015–12/31/2015	\$25.50
01/01/2016 or later	\$26.00

Credited service is limited to 30 years.

Cincinnati, Ohio

For participants employed before June 23, 1983, \$25.50 per month multiplied by credited service up to a maximum of 30 years.

For participants employed after June 23, 1983, \$20.00 per month multiplied by credited service up to a maximum of 30 years.

The accrued benefit is increased 2.00% for each year of credited service between 30 and 35 years.

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Benefit service accruals cease effective December 31, 2016.

Early Retirement
Eligibility

Age 60 and five years of vesting service or after 30 years of vesting service.

Benefit

A monthly benefit equal to the normal retirement benefit reduced by 0.5% for each month early retirement precedes normal retirement.

For early retirement prior to age 62, 100% of the benefit will be payable until age 62 when the benefit reduces to 82% of the normal retirement benefit.

The benefit is unreduced for participants with 30 years of vesting service.

Late Retirement
Benefit

The greater of the continued accrual of the normal retirement benefit payable at the late retirement date or the actuarial equivalent of the normal retirement benefit payable at the late retirement date using the factors as defined in Supplement J-16 of the plan.

Vested Termination
Eligibility

Five years of service.

Benefit

The accrued benefit at the date of termination. Reduced payments may begin any time after age 60 using the same reductions as early retirement.

Disability
Eligibility

Permanently and totally disabled.

Benefit

The disability benefit will be equal to 82% of the monthly accrued benefit payable immediately.

Surviving Spouse
Eligibility

Five years of service.

Benefit

A monthly benefit payable to the surviving spouse beginning at the employee's earliest retirement up to age 60 equal to 50% of the amount payable if the participant had retired early with a 50% joint and survivor benefit.

Unreduced if the Participant died and attained age 60 or 61.

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Adjusted per section J-14(b) of the supplement if the participant dies after attaining ages 62 through 64.

Normal Form of Annuity

Single life annuity or, if married, a reduced 50% joint and survivor annuity.

Optional Forms of Annuity

Single life annuity.

50%, 66⅔%, 75%, or 100% joint and survivor annuity.

5, 10, or 15 year certain and life annuity.

Social Security level income annuity.

Actuarial Equivalence

7.0% and the 1984 Unisex Pension Mortality Table.

Definitions

Vesting Service

A year of vesting service is granted for a calendar year during which an employee completes at least 1,000 hours of service.

Credited Service

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

Benefit service accruals cease effective December 31, 2016.

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New London

Effective Date

November 23, 1975. Effective December 31, 2008, this plan merged into the Sara Lee Corporation Consolidated Hourly Pension Plan.

Eligibility for Participation

Member of the Independent Employees Union of Hillshire Farm Company, attained age 21 and completed one year of service.

Normal Retirement

Eligibility

Age 65.

Benefit

A monthly benefit according to the following schedule:

For Retirement Effective	Dollar Amount Multiplied by Credited Service
07/01/2014 or later	\$27.50

Credited service is limited to 35 years.

Benefit service accruals cease effective December 31, 2016.

Early Retirement

Eligibility

Age 55 and 10 years of service.

Benefit

A monthly benefit equal to the normal retirement benefit reduced as follows for commencement before normal retirement:

Age at Commencement	Early Retirement Reduction Factor
65	1.0000
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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Late Retirement
Benefit

The greater of the continued accrual of the normal retirement benefit payable at the late retirement date or the actuarial equivalent of the normal retirement benefit payable at the late retirement date using the factors as defined in Supplement K-13 of the plan.

Vested Termination
Eligibility

Five years of service.

Benefit

The accrued benefit at the date of termination. Reduced payments may begin any time after eligibility for early retirement using the reductions factors in Section K-11 of the plan. Participants that have not met the eligibility of early retirement may commence payments at age 55 reduced using the actuarial equivalence defined in Supplement K-18.

Disability
Eligibility

Permanently and totally disabled, qualifies for a Social Security disability benefit.

Benefit

The disability benefit will be equal to the monthly accrued benefit payable immediately.

Surviving Spouse
Eligibility

Five years of service and married at least one year prior to date of death.

Benefit

A monthly benefit payable to the surviving spouse beginning at the employee's earliest retirement age equal to 50% of the amount payable if the participant had retired early with a 50% joint and survivor benefit.

Normal Form of Annuity

Single life annuity or, if married, a reduced 50% joint and survivor annuity.

Optional Forms of Annuity

Single life annuity.

50%, 66⅔%, 75%, or 100% joint and survivor annuity.

5, 10, or 15 year certain and life annuity.

Social Security level income annuity.

Actuarial Equivalence

8.5% and the 1984 Unisex Pension Mortality Table.

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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 past service and future service, limited to a maximum of 35 years.

Future Service

One year for each plan year after November 23, 1975 during with 1,920 hours of service are completed. For plan years beginning on or after July 1, 2001, 1,000 hours of service is needed for a full year.

Benefit service accruals cease effective December 31, 2016.

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St. Joseph's

Effective Date

October 1, 1955. Effective December 31, 2008, this plan merged into the Sara Lee Corporation Consolidated Hourly Pension Plan.

Eligibility for Participation

An employee enters the plan on the January 1 or July 1 following the attainment of age 21, is employed at least one year and is credited with at least one year of vesting service.

Normal Retirement

Eligibility

Age 65.

Benefit

Local 101:

A monthly benefit according to the following schedule:

For Termination Effective	Dollar Amount Multiplied by Credited Service
11/01/2014 or later	\$27.00

Benefit service accruals cease effective December 31, 2015.

Local 2:

A monthly benefit according to the following schedule:

For Termination Effective	Dollar Amount Multiplied by Credited Service
11/01/2011–12/31/2012	\$26.00
01/01/2013–12/31/2013	\$26.50
01/01/2014–12/31/2014	\$26.75
01/01/2015 or later	\$27.00

Benefit service accruals cease effective December 31, 2015.

Early Retirement

Eligibility

Age 55 and 20 years of vesting service.

Benefit

A monthly benefit equal to the normal retirement benefit actuarially reduced for early commencement.

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Late Retirement
Benefit

The greater of the continued accrual of the normal retirement benefit payable at the late retirement date or the actuarial equivalent of the normal retirement benefit payable at the late retirement date using the factors defined in Supplement L-18 of the plan.

Vested Termination
Eligibility

Five years of service.

Benefit

The accrued benefit at the date of termination payable at normal retirement.

Disability
Eligibility

Permanently and totally disabled and has attained age 50 and 15 years of vesting service.

Benefit

The disability benefit will be equal to the monthly accrued benefit payable immediately and actuarially reduced for commencement before normal retirement.

Surviving Spouse
Eligibility

Five years of service.

Benefit

A monthly benefit payable to the surviving spouse beginning at the employee's earliest retirement age equal to 50% of the amount payable if the participant had retired early with a 50% joint and survivor benefit.

Normal Form of Annuity

Single life annuity or, if married, a reduced 50% joint and survivor annuity.

Optional Forms of Annuity

Single life annuity.

50%, 66⅔%, 75%, or 100% joint and survivor annuity.

5, 10, 15, or 20 year certain and life annuity.

Social Security level income annuity.

Lump sum at age 65 or starting at age 55 if the Participant has at least 20 years of service.

Actuarial Equivalence

8.5% and the 1984 Unisex Pension Mortality Table.

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Definitions

Vesting Service	A year of vesting service is granted for each year during which an employee completes at least 1,000 hours of service.
Credited Service	The sum of past service and future service.
Past Service	Employees who were active on December 31, 1975 receive credit for past service based on elapsed time ending on December 31, 1975.
Future Service	One year for each calendar year after December 31, 1975 during which the employee is a member of the plan and completes 1,000 hours of service.
	Benefit service accruals cease effective December 31, 2015.

Plan Changes Since the Prior Year

The funding and plan reporting valuations do not reflect any plan changes.

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

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Schedule SB, line 24—Change in Actuarial Assumptions

The funding valuation reflects the following assumption changes:

- A change in the unlimited expected rate of return on assets from 4.03% to 4.33%.