

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>KAPSTONE PAPER AND PACKAGING CORPORATION DEFINED BENEFIT RETIREMENT PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/2007</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>01/01/2007</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>				
1c Effective date of plan <u>01/01/2007</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>WESTROCK COMPANY</u> <u>1000 ABERNATHY RD</u> <u>ATLANTA, GA 30328</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>20-2699372</u></td> </tr> <tr> <td>2c Plan Sponsor's telephone number <u>847-239-8878</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>322100</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>20-2699372</u>	2c Plan Sponsor's telephone number <u>847-239-8878</u>	2d Business code (see instructions) <u>322100</u>	
2b Employer Identification Number (EIN) <u>20-2699372</u>					
2c Plan Sponsor's telephone number <u>847-239-8878</u>					
2d Business code (see instructions) <u>322100</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.	10/15/2019	JOHN STAKEL
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	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 WESTROCK COMPANY RETIREMENT PLAN ADMINISTRATIVE COMMITTEE 1000 ABERNATHY RD ATLANTA, GA 30328	3b Administrator's EIN 47-3335141 3c Administrator's telephone number 770-448-2193
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 KAPSTONE PAPER AND PACKAGING CORPORATION c Plan Name KAPSTONE PAPER AND PACKAGING CORPORATION DEFINED BENEFIT RETIREMENT PLAN	4b EIN 20-2699372 4d PN 002
5 Total number of participants at the beginning of the plan year	5 5264
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year	6a(1) 1712
a(2) Total number of active participants at the end of the plan year	6a(2) 0
b Retired or separated participants receiving benefits.....	6b 0
c Other retired or separated participants entitled to future benefits	6c 0
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 0
f Total. Add lines 6d and 6e	6f 0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 0
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: 1A 1B 1C 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>KAPSTONE PAPER AND PACKAGING CORPORATION DEFINED BENEFIT RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>WESTROCK COMPANY</u>	D Employer Identification Number (EIN) <u>20-2699372</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>612613760</u>
b Actuarial value	2b <u>582844585</u>
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants <u>2728</u> (2) Vested Funding Target <u>360251443</u> (3) Total Funding Target <u>360251443</u>
b For terminated vested participants	<u>1077</u> <u>46158426</u> <u>46158426</u>
c For active participants	<u>1712</u> <u>120281695</u> <u>126795799</u>
d Total	<u>5517</u> <u>526691564</u> <u>533205668</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>5.63 %</u>
6 Target normal cost	6 <u>5034940</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	
<u>JIM RIGHTNOUR, ASA</u>	<u>09/15/2019</u>
Signature of actuary	Date
<u>MERCER (US), INC.</u>	<u>17-07312</u>
Type or print name of actuary	Most recent enrollment number
<u>1051 EAST CARY STREET, SUITE 900</u> <u>RICHMOND, VA 23219</u>	<u>804-344-3783</u>
Firm name	Telephone number (including area code)
<u></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).....	17217101	0
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).....	17217101	0
10 Interest on line 9 using prior year's actual return of 14.53 %	2501645	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 5.83 %.....		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	19718746	0

Part III Funding Percentages

14 Funding target attainment percentage	14	105.61%
15 Adjusted funding target attainment percentage.....	15	109.30%
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	113.83%
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
		Current regulation:	☐ Prescribed - combined	☐ Prescribed - separate
			☐ Substitute	☐ 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	5034940
b	Excess assets, if applicable, but not greater than line 31a	31b	5034940
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
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	
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		

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	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 KAPSTONE PAPER AND PACKAGING CORPORATION DEFINED BENEFIT RETIREMENT PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 WESTROCK COMPANY	D Employer Identification Number (EIN) 20-2699372	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
WELLS FARGO BANK, N.A.
95-4428141

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
HARBOURVEST PARTNERS LP
74-3130888

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
HARBOURVEST PARTNERS VI-PART ASSOC
04-3464297

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
THE VANGUARD GROUP, INC.
23-1945930

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

NORTHGATE PRIVATE EQUITY PARTNERS I

20-4662154

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

WELLINGTON TRUST COMPANY, NA

20-5853753

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 50	INVESTMENT	592183	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

FID INV INST OPS CO

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 50	RECORDKEEPER	538425	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

STANDISH MELLON ASSET MANAGEMENT CO

25-1890416

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 50	INVESTMENT	525232	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PAVILLION ADVISORY GROUP INC

04-3831795

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 50	INVESTMENT	247200	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

INDEPENDENT FRANCHISE LLP

20-2699372

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 50	INVESTMENT	49791	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

WELL FARGO BANK, N.A.

95-4428141

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
26 50	TRUSTEE	44184	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

LEGAL AND GENERAL

20-8058531

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 50	INVESTMENT	25453	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

GRANT THORTON LLP

36-6055558

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 50	AUDITOR	21306	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	MATT AVERY	b EIN:	04-2647786
c Position:	ACTUARY		
d Address:	233 S. WACKER DRIVE, SUITE 4850 CHICAGO, IL 60606	e Telephone:	312-239-9101

Explanation: THE PLAN SPONSOR CHOSE TO CHANGE ACTUARIES FROM FIDELITY TO MERCER AS PART OF AN ACQUISITION

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	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 <hr/> 2018 <hr/> 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>KAPSTONE PAPER AND PACKAGING CORPORATION DEFINED BENEFIT RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>WESTROCK COMPANY</u>	D Employer Identification Number (EIN) <u>20-2699372</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: LEGAL AND GENERAL RUSSELL 3000 COLL

b Name of sponsor of entity listed in (a): RELiance TRUST COMPANY OF DELAWARE

c EIN-PN <u>35-7085469-008</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE: WTC-CTF GLOBAL SEL CAP APPRECIATION

b Name of sponsor of entity listed in (a): WELLINGTON TRUST COMPANY, NA

c EIN-PN <u>20-5853753-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

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

b Name of sponsor of entity listed in (a):

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

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 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 KAPSTONE PAPER AND PACKAGING CORPORATION DEFINED BENEFIT RETIREMENT PLAN	B Three-digit plan number (PN) ► 002
C Plan sponsor's name as shown on line 2a of Form 5500 WESTROCK COMPANY	D Employer Identification Number (EIN) 20-2699372

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)	7697688	0
(2) U.S. Government securities	1c(2)	76658567	0
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)	229275445	0
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common.....	1c(4)(B)	96750	0
(5) Partnership/joint venture interests	1c(5)	11180331	0
(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)	112411139	0
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(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)	64660500	0
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	111086556	0

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	613066976	0

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	453216	0
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	453216	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	612613760	0
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Part II Income and Expense Statement

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

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	471978	
(B) U.S. Government securities	2b(1)(B)	2419279	
(C) Corporate debt instruments	2b(1)(C)	9292713	
(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)		12183970
(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)	212807	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		212807
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	228543651	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	232380121	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-3836470
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-18444385	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-18444385

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		608722
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(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)		-7400606
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		-16675962

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	37788716	
(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)		37788716
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)	21306	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)	1439859	
(4) Other	2i(4)	1428620	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		2889785
j Total expenses. Add all expense amounts in column (b) and enter total	2j		40678501

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-57354463
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		555259297

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		10000000
4e	X		10000000
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 _____.

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)
WESTROCK COMPANY CONSOLIDATED PENSION PLAN	47-3335141	027

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 _____. (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>KAPSTONE PAPER AND PACKAGING CORPORATION DEFINED BENEFIT RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>WESTROCK COMPANY</u>	D Employer Identification Number (EIN) <u>20-2699372</u>

Part I	Distributions
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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>42-0127290</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>10</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
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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.
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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: 51.0% Investment-Grade Debt: 28.0% High-Yield Debt: 10.0% Real Estate: 5.0% Other: 6.0%

- 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):

KapStone Paper and Packaging Corporation
Defined Benefit Retirement Plan

Financial Statements and Report of Independent Certified Public Accountants
December 31, 2018 and 2017

**KapStone Paper and Packaging Corporation
Defined Benefit Retirement Plan**

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Participants and Administrator
KapStone Paper and Packaging Corporation Defined Benefit Retirement Plan

Report on the financial statements

We were engaged to audit the accompanying financial statements of KapStone Paper and Packaging Corporation Defined Benefit Retirement Plan (the "Plan"), which comprise the statements of net assets available for benefits as of December 31, 2018, and the related statement of changes in net assets available for benefits for the year ended December 31, 2018, 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 accounting principles generally accepted in the United States of America; this includes 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 2018 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 opinion on the 2018 financial statements.

Basis for disclaimer of opinion on the 2018 financial statements

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 4, except for comparing such information with the related information included in the 2018 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 a certification from this entity as of and for the year ended December 31, 2018, stating that the certified information provided to the Plan administrator is complete and accurate.

Disclaimer of opinion on the 2018 financial statements

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.

Report on supplementary Information and report on 2017 financial statements

The supplemental schedule of reportable transactions is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

We have audited the accompanying financial statement of the Plan, which comprise the statement of the net assets available for benefits as of December 31, 2017, and the related statement of changes in net assets available for benefits for the year ended December 31, 2017. In our report dated October 1, 2018, we expressed our opinion that such financial statement presents fairly, in all material respects, net assets available for benefits of the Plan as of December 31, 2017, and the changes in net assets available for benefits for the year ended December 31, 2017, in accordance with accounting principles generally accepted in the United States of America.

Report on form and content in compliance with DOL rules and regulations for 2018 financial statements

The form and content of the information included in the 2018 financial statements and supplemental schedule, other than that derived from the certified information described in Note 4, 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.



Seattle, Washington
October 15, 2019

KapStone Paper and Packaging Corporation
Defined Benefit Retirement Plan
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
AS OF DECEMBER 31, 2018 AND 2017

	2018	2017
ASSETS		
Investments, at fair value		
Cash and cash equivalents	\$ -	\$ 7,697,688
Equity securities	-	177,168,389
Fixed income:		
Corporate bonds and notes	-	229,275,445
U.S. government securities	-	76,658,567
Hedge funds	-	111,086,556
Limited partnership investments	-	11,180,331
TOTAL ASSETS	-	613,066,976
LIABILITIES		
Plan expenses payable	-	453,216
NET ASSETS AVAILABLE FOR BENEFITS	\$ -	\$ 612,613,760

The accompanying notes are an integral part of these financial statements.

KapStone Paper and Packaging Corporation
Defined Benefit Retirement Plan
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ADDITIONS		
Investment income (loss)		
Net (depreciation) appreciation in fair value of investments	\$ (17,499,381)	\$ 80,048,805
Interest and dividends	814,650	1,721,826
TOTAL (DEDUCTIONS) ADDITIONS	<u>(16,684,731)</u>	<u>81,770,631</u>
DEDUCTIONS		
Benefits paid to participants	37,789,140	39,104,730
Plan expenses	2,880,593	3,825,046
NET INCREASE (DECREASE)	<u>(57,354,464)</u>	<u>38,840,855</u>
Transfer to successor plan (see note 1)	(555,259,296)	
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	612,613,760	573,772,905
End of year	<u>\$ -</u>	<u>\$ 612,613,760</u>

The accompanying notes are an integral part of these financial statements.

KapStone Paper and Packaging Corporation
Defined Benefit Retirement Plan
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018 AND 2017,
AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 1 - DESCRIPTION OF THE PLAN

The following brief description of the KapStone Paper and Packaging Corporation Defined Benefit Retirement Plan (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

General

Established on January 1, 2007, the Plan is a defined benefit pension plan covering eligible employees of KapStone Paper and Packaging Corporation (“KapStone” or the “Company”) who have met certain eligibility requirements for participation in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

Effective November 2, 2018, KapStone was acquired by WestRock Company. Effective as of the close of business on December 31, 2018, the Plan was merged into the WestRock Company Consolidated Pension Plan.

Pension Benefits

The Plan provides pension benefits for certain employees who meet eligibility requirements at normal retirement age (65), late retirement age (greater than 65), or a reduced amount at an earlier age if service requirements are met. Benefit calculations are generally based on length of service multiplied by a specified bargained rate or length of service and average compensation for the highest five of the last ten years of service. The Plan also provides certain minimum and maximum pension benefits. Under conditions specified in the Plan, a participant may elect to receive pension benefits in the form of a joint and survivor annuity or a lump sum payment. If certain requirements are met, a death benefit of \$1,000 will be paid to the beneficiary of a retired former Longview participant upon his/her death.

If a participant becomes disabled and has met the specified service requirement, the participant will receive benefits based on the accumulated benefits to the date of disability without reduction due to age, or with a reduction due to age in certain circumstances.

Pre-Retirement Death Benefits

In general, the legal spouse of a vested participant who dies prior to their benefit commencement date is eligible to receive a pre-retirement death benefit. If certain requirements are met, the surviving spouse shall receive monthly annuity payments on the earliest date, on or after the date of the participant’s death, on which the participant could have elected to retire had he terminated on the date of his death. The death benefit shall equal the amount payable under a 50 percent joint and survivor annuity form of payment.

In the case of a participant who has a Cash Account Benefit, the death benefit payable to a legal spouse shall equal the amount of a single life annuity that is actuarially equivalent to the Cash Account balance as of the date death benefits commence. The legal spouse may also elect a lump sum payment in lieu of the monthly annuity payments. If a non-spouse beneficiary has been designated by the participant, the death benefit will be payable in a lump sum as soon as administratively possible after the participant’s death.

Eligibility and Vesting

The Plan covers certain employees who have fulfilled a length of service requirement and/or an hours of service requirement. Participation in the Plan has been frozen for most groups of employees and is closed to new entrants. Only the Charleston Union and Roanoke Rapids Union have a defined group of grandfathered employees that remain eligible to continue to accrue benefits.

The service requirement for vesting varies. Legacy KapStone (Roanoke Rapids and Charleston) participants become fully vested upon completion of five years of vesting service. Legacy Longview (Longview, Seattle, Yakima, Oakland, Twin Falls, Spanish Fork, Cedar City) become fully vested upon completion of three years of vesting service. If termination occurs before rendering the required years of vesting service, the right to receive the portion of accumulated plan benefits attributable to the Company's contributions is forfeited. If the employment service resumes and five consecutive one-year breaks in service do not occur, membership in the Plan will be immediate and all service for benefit accrual purposes before and after the break in service shall be aggregated.

Funding Policy

All contributions to the Plan are made by the Company. The Company's contribution is based upon the actuarially determined amount required to fund the current year's normal cost plus an amount sufficient to fund prior service obligations. In the event that the minimum funding required by ERISA is greater than the above-described contribution amount, the Company's contribution will be the amount required by ERISA.

Based on the January 1, 2018 and 2017 actuarial reports, minimum funding requirements for ERISA purposes were \$0 for both the 2018 and 2017 plan years. The Plan is in compliance with applicable minimum funding requirements for the plan years ended December 31, 2018 and 2017.

Although it has not expressed any intention to do so, the Company has the right, under the Plan, to discontinue its contributions at any time, and to terminate the Plan subject to the provisions set forth in ERISA.

Disposition of Funds upon Termination of the Plan

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- a) To provide for refunds of voluntary contributions made by active and retired members;
- b) Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under plan provisions in effect at any time during the five years preceding plan termination.
- c) Other vested benefits insured by the PBGC, up to the applicable limitations.
- d) All other vested benefits (that is, vested benefits not insured by the PBGC).
- e) All non-vested benefits.

Payments may be made in lump sums, annuities or as otherwise determined by the Investment Committee.

Certain benefits are insured by the Pension Benefit Guaranty Corporation ("PBGC"), if the Plan terminates. The PBGC typically 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. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants, the corresponding ceilings are actuarially adjusted downward.

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 for accumulated benefit obligations and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

Plan Amendment

Plan amendments effective for the year ending December 31, 2018 were incorporated in the Plan description.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies followed by the Plan:

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets, 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, and changes therein. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for a 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 in the period in which it is earned. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Risks and Uncertainties

The Plan utilizes various investment securities. Investment securities, in general, are exposed to various risks, such as interest rate risk, credit risk and overall market volatility. Due to the level of risk associated with certain investment securities, it is 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 financial statements.

Contributions to the Plan and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions will occur in the near term and, due to the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

Plan Expenses

A portion of the Plan's administrative expenses, such as modelling scenarios and audit fees, are paid by the Company. As provided in the Plan agreement, all other administrative expenses, such as investment advisory fees and day-to-day administrative fees, are paid by the Plan.

Tax Status

The Internal Revenue Service ("IRS") has determined and informed the Plan by a letter dated October 17, 2013, that the Plan and related trusts are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). Although the Plan has been amended, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with applicable requirements of the IRC.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. The type and amount of benefits are defined by the Plan document and vary by location. Benefits payable under all circumstances – retirement, death, disability and termination of employment – are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by the Plan's actuary 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 (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

Significant assumptions underlying the actuarial valuation as of December 31, 2017 are:

Assumed rate of return on investment	6.50%
Life expectancy	RP-2014 Blue Collar Mortality Tables adjusted backward to 2006 (the central year of the RP-2014 data set) with Scale MP-2014 and projected with MP-2017 Mortality Improvement Scale applied on a generational basis
	Annuitant, male and female
Normal Retirement age	Age 62 to 65, varies by location

Significant assumptions underlying the actuarial valuation as of December 31, 2016 are:

Assumed rate of return on investment	6.50%
Life expectancy	RP-2014 Blue Collar Mortality Tables adjusted backward to 2006 (the central year of the RP-2014 data set) with Scale MP-2014 and projected with MP-2016 Mortality Improvement Scale applied on a generational basis
	Annuitant, male and female
Normal Retirement age	Age 62 to 65, varies by location

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2018 and 2017. Had the valuations been performed as of December 31, there would not be material modification.

NOTE 3 - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Participants' interests in the Plan are actuarially determined as of the beginning of each plan year. The present value of obligations for plan benefits is determined to be the present value of retirement benefits accumulated by participants during the current and prior years to be paid at or during retirement, less benefits forfeited or previously paid.

Accumulated plan benefits as of December 31, 2017, the valuation date, are summarized as follows:

	As of December 31, 2017
Actuarial present value of accumulated plan benefits:	
Vested benefits:	
Participants currently receiving payments	\$ 334,288,090
Participants entitled to deferred benefits	43,919,490
Other participants	99,810,025
Total vested benefits	478,017,605
Non-vested benefits	12,732,591
Total actuarial present value of accumulated plan benefits	\$ 490,750,196

The changes in accumulated plan benefits, for the year ended December 31, 2017, are as follows:

	Year Ended December 31, 2017
Actuarial present value of accumulated plan benefits at December 31, 2016	\$ 496,014,116
Increase (decrease) during the year attributable to:	
Decrease in discount period	31,032,666
Benefits paid	(37,771,600)
Change in actuarial assumptions	(3,330,164)
Plan amendments	1,890,058
Additional benefits earned, including experience gains and losses	2,915,120
Net decrease	(5,263,920)
Actuarial present value of accumulated plan benefits at December 31, 2017	\$ 490,750,196

Actuarial present value of accumulated plan benefits merged to the WestRock Company Consolidated Pension Plan on December 31, 2018 is approximately \$573,421,000.

NOTE 4 – CERTIFIED PLAN ASSETS

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 Regulation for Reporting and Disclosure under ERISA. Under this provision of ERISA, investment information related activity certified as complete and accurate by a qualified institution need not be subjected to an independent audit.

The Plan administrator has obtained a certification from Wells Fargo Bank, N.A., the trustee, as of and for the year ended December 31, 2018 that the following information included in the Plan’s financial statements is complete and accurate

- Investment assets as shown on the statement of net assets available for benefits as of December 31, 2018, excluding certain assets classified under hedge funds as disclosed in Note 5.
- Net depreciation in the fair value of investments, interest and dividends, excluding 6,052,335.47_in net appreciation (depreciation) in investments classified as hedge funds.
- Schedule H, Part IV, Line 4j – schedule of reportable transactions for the year ended December 31, 2018.

Accordingly, at the request of the Plan administrator, the Plan’s independent certified public accountants performed no procedures on investment information and related activity, other than to agree the information to the trust statements certified by the Plan’s trustee and provided to them by the Plan administrator. The Plan administrator did not make this request for investment information and related activity as of and for the year ended December 31, 2017.

NOTE 5 - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 820, *Fair Value Measurements and Disclosures*, establishes a three-level hierarchy for disclosure of assets and liabilities recorded at fair value. The classification of assets and liabilities within the hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources while unobservable inputs reflect estimates about market data. The level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 – Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Plan has the ability to access at the measurement date. An active market is one in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, at the measurement date. Fair value is determined through the use of models or other valuation methodologies. Such methodologies include 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 asset or liability; and 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 inputs must be observable for substantially the full term of the asset or liability.

Level 3 – Level 3 pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

Following is a description of the valuation methodologies used for assets measured at fair value for the Plan. There have been no changes in the methodologies used at December 31, 2017.

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

Common stocks and mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate bonds and notes, U.S. government securities: Valued at the closing trade price on day of valuation based on information from third-party pricing services as obtained by Wells Fargo.

Limited partnership investments: Limited partnership investments generally have limited liquidity and are made through long-term partnerships or joint ventures that invest in pools of capital invested in primarily non-publicly traded entities. Underlying investments include venture capital, buyout, and special situations investing. Private equity management firms typically acquire and then reorganize private companies to create increased long-term value. Valuation is based on statements received from the investment managers, transaction data, analysis of and judgments about underlying investments and other third-party information deemed reliable for the purposes of developing an estimate of fair market value.

Hedge funds – Hedge funds are privately owned institutional investment funds that generally have moderate liquidity. Hedge funds seek specified levels of return, regardless of market conditions, and generally have a low correlation to public equity and debt markets. Hedge funds often invest substantially in financial market instruments (stocks, bonds, commodities, currencies, derivatives, etc.) using a broad range of trading activities to manage portfolio risks. Plan holdings in hedge funds are valued using the net asset value (“NAV”) provided by the administrator of the fund and reviewed by the Plan. The NAV is based on the value of the underlying assets owned by the fund, minus liabilities and divided by the number of shares or units outstanding. These assets are reported at NAV as a practical expediency. For the year ended December 31, 2017, the Plan held hedge funds with restrictions on redemption for the first year after funds are invested and funds restricting investment redemption to a 25% gate in any given quarter.

The Plan believes that the reported amounts for these investments are a reasonable estimate of their fair value at December 31, 2017. However, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value at the reporting date.

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 management of 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.

The following table presents the Plan's assets measured at fair value as of December 31, 2017:

ASSET TYPE	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 7,697,688	\$ -	\$ -	\$ 7,697,688
Common stocks and mutual funds	64,757,250	112,411,139	-	177,168,389
Fixed income				
Bond Funds	-	-	-	-
Corporate bonds and notes	-	229,275,445	-	229,275,445
U.S. government securities	-	76,658,567	-	76,658,567
Limited partnership investments	-	-	11,180,331	11,180,331
Classified asset total	<u>\$ 72,454,938</u>	<u>\$ 418,345,151</u>	<u>\$ 11,180,331</u>	<u>\$ 501,980,420</u>
Assets measured at Net Asset Value				
Hedge funds				
Fixed income funds				37,976,210
Equity funds				73,110,346
Total assets at fair value				<u>\$ 613,066,976</u>

Transfers between Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value to another. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. There were no significant transfers between levels within the Plan for the years ended December 31, 2018 and 2017.

Changes in Fair Value of Level 3 Assets and Related Gains and Losses

The following tables present a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2018 and 2017.

Year ended December 31, 2018	Limited Partnership Investments
Balance, beginning of year	\$ 11,180,331
Transfers into Level 3	-
Transfers out of Level 3	-
Total gains or losses	
Included in changes in net assets	1,109,332
Purchases, issuances, sales, and settlements	
Purchases	-
Issuances	-
Sales	(4,740,807)
Settlements	(7,548,856)
Balance, end of year	<u>\$ -</u>
The amount of total gains or losses for the year included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	
	<u>\$ -</u>

Year ended December 31, 2017	Limited Partnership Investments
Balance, beginning of year	\$ 13,343,264
Transfers into Level 3	-
Transfers out of Level 3	-
Total gains or losses	
Included in changes in net assets	1,007,511
Purchases, issuances, sales, and settlements	
Purchases	262,500
Issuances	-
Sales	(3,432,944)
Settlements	-
Balance, end of year	\$ 11,180,331
The amount of total gains or losses for the year included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	
	\$ 219,510

The following table summarizes investments measured at fair value based on NAV, per share, as of December 31, 2017.

Year Ended	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
December 31, 2017				
Hedge funds				
Fixed income funds	\$ 37,976,210	\$ -	(a)	(a)
Equity funds	73,110,346	-	(a)	(a)

(a) Hedge funds are privately owned institutional investment funds that generally have moderate liquidity. Hedge funds seek specified levels of return, regardless of market conditions, and generally have a low correlation to public equity and debt markets. Hedge funds often invest substantially in financial market instruments (stocks, bonds, commodities, currencies, derivatives, etc.) using a broad range of trading activities to manage portfolio risks. Plan holdings in hedge funds are valued using the NAV provided by the administrator of the fund and reviewed by the Plan. The NAV is based on the value of the underlying assets owned by the fund, minus liabilities and divided by the number of shares or units outstanding. These assets are reported at NAV as a practical expedient. For the years ended December 31, 2018 and December 31, 2017, respectively, the Plan held hedge funds with restrictions on redemption for the first year after funds are invested, and funds restricting investment redemption to a 25% gate in any given quarter.

NOTE 6 - COMMITMENTS

As of December 31, 2017, the Plan has a commitment to contribute capital to limited partnership groups totaling approximately \$2,797,400.

NOTE 7 - RELATED PARTY TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by Fidelity Investments (FMR LLC) or Wells Fargo Bank, N.A., or an affiliate thereof. As such, these transactions qualify as exempt party-in-interest transactions.

NOTE 8 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 15, 2019, the date of the report of independent certified public accountants, noting no additional matters that require disclosure or adjustment to the financial statements.

KapStone Paper and Packaging Corporation
Defined Benefit Retirement Plan
SUPPLEMENTAL SCHEDULE

KAPSTONE PAPER AND PACKAGING CORPORATION DEFINED BENEFIT RETIREMENT PLAN

EIN: 20-2699372 PLAN # 002

SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS

YEAR ENDED DECEMBER 31, 2018

(a) Identity of Party Involved	(b) Description of Assets	(c) Purchase Price	(d) Selling Price	(g) Cost of Assets	(h) Current Value of Asset on Transaction Date	(i) Net (Loss)/Gain
Category (i) – Individual transactions in excess of 5% of beginning of the year plan assets						
Wells Fargo, N.A.	WF Govt Money Market Fund	\$ 56,859,312			\$ 56,859,312	
Wells Fargo, N.A.	WF Govt Money Market Fund	98,984,598			98,984,598	
Wells Fargo, N.A.	WF Govt Money Market Fund	44,370,217			44,370,217	
Wells Fargo, N.A.	WF Govt Money Market Fund	48,288,559			48,288,559	
Wells Fargo, N.A.	WF Govt Money Market Fund	96,621,001			96,621,001	
Wells Fargo, N.A.	WF Govt Money Market Fund		48,298,993	48,298,993		-
Wells Fargo, N.A.	WF Govt Money Market Fund		48,322,008	48,322,008		-
Wells Fargo, N.A.	WF Govt Money Market Fund		98,982,013	98,982,013		-
Independent Franchise Partners	Global Equity, LP		48,338,350	37,400,000		10,938,350
Legal & General	Russell 3000 Fund CIT		56,859,312	52,152,452		4,706,860
Wells Fargo, N.A.	WTC-CTF Global Select		48,295,597	37,346,799		10,948,798
Category (iii) – Series of transactions in excess of 5% of beginning of the year plan assets						
Wells Fargo, N.A.	WF Govt Money Market Fund	\$ 521,637,177			\$ 521,637,177	
Wells Fargo, N.A.	WF Govt Money Market Fund		529,198,336	529,198,336		-
Legal & General	Russell 3000 Fund CIT	2,738,267			2,738,267	
Legal & General	Russell 3000 Fund CIT		60,632,078	55,515,030		5,117,048
Wells Fargo, N.A.	WTC-CTF Global Select	370,452			370,452	
Wells Fargo, N.A.	WTC-CTF Global Select		54,887,780	42,138,901		12,748,879

There were no category (ii) or (iv) transactions during the year ended December 31, 2018.

Schedule SB, Line 26 — Schedule of Active Participant Data

DISTRIBUTION OF ACTIVE PARTICIPANTS AS OF JANUARY 1, 2018

All Active Participants

ATTAINED AGE	YEARS OF CREDITED SERVICE										TOTAL
	UNDER 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & UP	
Under 25		3	1								4
25-29		18	18	1							37
30-34		16	51	23	1						91
35-39		19	45	56	15						135
40-44		13	45	50	37	26					171
45-49		14	45	40	43	94	43	4			283
50-54		15	48	36	40	74	83	47	4		347
55-59		16	35	24	25	59	83	71	49	17	379
60-64		8	17	24	9	23	37	44	34	20	216
65-69		3	9	8	2	5	7	3	1	10	48
70 & up							1				1
Total		125	314	262	172	281	254	169	88	47	1,712

In each cell, the number shown is the count of active participants for each age/service combination.

Schedule SB, Line 26 — Schedule of Active Participant Data
DISTRIBUTION OF ACTIVE PARTICIPANTS AS OF JANUARY 1, 2018
Cash Balance Benefits Only

ATTAINED AGE	YEARS OF CREDITED SERVICE										TOTAL
	UNDER 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & UP	
Under 25			1								1
25-29		10	6								16
30-34		7	19	3	1						30
35-39		9	20	11	9						49
			\$28,199								
40-44		6	17	8	16	17					64
45-49		7	17	12	16	62	16				130
						\$31,841					
50-54		11	24	11	19	46	37	15			163
			\$48,175			\$28,352	\$59,156				
55-59		11	21	7	12	34	35	37	19	8	184
			\$58,108			\$38,680	\$56,827	\$70,574			
60-64		5	15	14	5	12	16	15	15	10	107
65-69		3	8	6	1	3	2			4	27
70 & up											0
Total	0	69	148	72	79	174	106	67	34	22	771
											\$45,071

In each cell, the top number is the count of active participants with cash balance accounts for each age/service combination and the bottom number is the average cash balance account. Note average balance information is not shown for cells with fewer than 20 participants.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

ACTUARIAL ASSUMPTIONS FOR JANUARY 1, 2018 FUNDING VALUATION

DISCOUNT RATE		-	-	-
SPONSOR ELECTIONS				
o	Segment rates or full yield curve	Segment		
o	Look-back months	4		
		<u>Stabilized rates</u>	<u>Nonstabilized rates</u>	
o	First 5 years	3.92	1.75	
o	Next 15 years	5.52	3.76	
o	Over 20 years	6.29	4.66	
Mortality sponsor elections				
o	Healthy participants	Section 430(h)(3) prescribed separate static annuitant and nonannuitant mortality tables. These tables are based on the RP-2000 mortality tables projected with mortality improvement to the valuation year plus 7 and 15 years based on Scale AA. KapStone Paper and Packaging Company elected to delay using the new mortality tables mandated by the IRS until the 2019 plan year.		
o	Disabled participants	Same as healthy		
Cash balance plans				
o	Interest accumulation rate	2001 and 2010 Cash Account: 3.00% compounded annually 2009 Cash Account: 6.00% compounded quarterly		
o	Whipsaw calculations	No		
Annuity conversion				
o	Mortality table	2018 IRC Section 471(e) unisex mortality		
o	Interest rate basis	417(e) rates as of November 2017		
417(e) lump sums		Not applicable.		
Other economic assumptions				
o	Salary increases	Not applicable.		
o	Flat-dollar benefit increases	Not applicable.		
o	Social Security wage base	Not applicable.		
o	Cost of Living Adjustment	There is a 4% Cost of Living Adjustment applied to the Longview Non-Union Bridge benefit.		
o	Expected investment return	6.50%.		
o	Expenses	Estimated based on the non-investment related administrative expenses, net of PBGC premiums, paid from the Trust in the prior year, plus current year's PBGC premium (\$2,982,000 for January 1, 2018 plan year).		

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

DEMOGRAPHIC ASSUMPTIONS																																				
-																																				
o	Withdrawal	Longview: See tables of sample rates. KapStone: 2003 Society of Actuaries Small Plan Age Table, multiplied by 0.25																																		
o	Disability incidence	Longview Union: See tables of sample rates. Longview Non-Union: None. KapStone participants: 1987 Commisioner's Group Disability Table.																																		
o	Retirement age	<table><tr><th>Attained age</th><th>Longview Non-Union</th><th>Longview Union</th></tr><tr><td>55-56</td><td>7.0%</td><td>5.0%</td></tr><tr><td>57</td><td>7.0%</td><td>3.0%</td></tr><tr><td>58-59</td><td>7.0%</td><td>4.0%</td></tr><tr><td>60</td><td>20.0%</td><td>5.0%</td></tr><tr><td>61</td><td>25.0%</td><td>5.0%</td></tr><tr><td>62</td><td>50.0%</td><td>35.0%</td></tr><tr><td>63</td><td>35.0%</td><td>30.0%</td></tr><tr><td>64</td><td>35.0%</td><td>35.0%</td></tr><tr><td>65-69</td><td>35.0%</td><td>100.0%</td></tr><tr><td>70+</td><td>100.0%</td><td>100.0%</td></tr></table>		Attained age	Longview Non-Union	Longview Union	55-56	7.0%	5.0%	57	7.0%	3.0%	58-59	7.0%	4.0%	60	20.0%	5.0%	61	25.0%	5.0%	62	50.0%	35.0%	63	35.0%	30.0%	64	35.0%	35.0%	65-69	35.0%	100.0%	70+	100.0%	100.0%
Attained age	Longview Non-Union	Longview Union																																		
55-56	7.0%	5.0%																																		
57	7.0%	3.0%																																		
58-59	7.0%	4.0%																																		
60	20.0%	5.0%																																		
61	25.0%	5.0%																																		
62	50.0%	35.0%																																		
63	35.0%	30.0%																																		
64	35.0%	35.0%																																		
65-69	35.0%	100.0%																																		
70+	100.0%	100.0%																																		
Table above used for Longview participants.																																				
KapStone																																				
<ul style="list-style-type: none">- Roanoke: 100% at age 62- Charleston: Later of attained age 62 and 20 years of service, but not later than age 65																																				
o	Benefit commencement age for																																			
	▪ Future vested deferred	Age 65 (cash balance benefits immediate at termination)																																		
	▪ Current vested deferred	Age 65																																		
o	Spouse assumptions	Male participants	Female participants																																	
	▪ Percentage married	100%	100%																																	
	▪ Spouse age difference	4 years younger	4 years older																																	

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Form of payment	<u>Lump sum</u>	<u>Single life</u>	<u>50% J&S</u>	<u>100% J&S</u>
o Active retirements				
▪ Longview Non-Union Cash Accounts	40%	60%	0%	0%
▪ All other Cash Accounts	100%	0%	0%	0%
▪ Frozen Formula Benefit	0%	100%	0%	0%
o Future vested deferred				
▪ Longview Non-Union Cash Accounts	40%	60%	0%	0%
▪ All other Cash Accounts	100%	0%	0%	0%
▪ Frozen Formula Benefit	0%	100%	0%	0%
o Future disabilities				
▪ Cash Accounts	100%	0%	0%	0%
▪ Frozen Formula Benefit	0%	100%	0%	0%
o Future deaths				
▪ Cash Accounts	100%	0%	0%	0%
▪ Frozen Formula Benefit	0%	0%	100%	0%
o Current vested deferred				
▪ Cash Accounts	100%	0%	0%	0%
▪ Frozen Formula Benefit	0%	100%	0%	0%
Unpredictable contingent event assumptions	Not Applicable			
At-risk assumptions	Not Applicable			

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Table of Sample Rates
Withdrawal Rates

ATTAINED AGE	PERCENTAGE LONGVIEW NON- UNION MALE	PERCENTAGE LONGVIEW NON- UNION FEMALE	PERCENTAGE LONGVIEW UNION MALE	PERCENTAGE LONGVIEW UNION FEMALE
20	26.1%	31.5%	22.5%	31.5%
25	20.3%	21.7%	16.5%	23.3%
30	15.0%	15.0%	12.1%	16.0%
35	11.1%	11.1%	8.6%	10.8%
40	8.5%	8.5%	5.6%	6.9%
45	6.3%	6.3%	3.8%	4.8%
50	5.4%	5.4%	3.3%	4.2%
55	4.9%	4.9%	2.6%	3.5%
60	4.3%	4.3%	1.9%	3.0%
64	4.0%	4.0%	1.3%	2.6%

Disability Incidence – Longview Union

ATTAINED AGE	DISABILITY PERCENTAGE
45	0.25%
50	0.75%
55	1.25%
60	1.25%
65	0.00%

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

RATIONALE FOR ECONOMIC ASSUMPTIONS - FUNDING

- o Expected Rate of Return on Plan Assets – The assumption is based on the median simulated investment return (net of expenses) using capital market assumptions published in Mercer Investment Consulting's Capital Markets Outlook as of December 31, 2017.
- o Expenses – This assumption is based on prior year administrative expenses, excluding investment management fees, adjusted to reflect differences in PBGC premiums between the current year and prior year.
- o Lump Sum Conversion Interest Rates – These rates are based on the lump sum interest rates as defined in the plan and most recently available as of the valuation date.
- o Cash Balance Interest Accumulation Rates – We have relied on the prior actuary's assumption, which seems reasonable based on prior year experience gain/loss.

RATIONALE FOR DEMOGRAPHIC ASSUMPTIONS - FUNDING

- o Withdrawal - We have relied on assumptions established by the prior actuary, which are reasonable based on prior year experience gain/loss.
- o Disability Incidence - We have relied on assumptions established by the prior actuary, which are reasonable based on prior year experience gain/loss.
- o Retirement Rates - We have relied on assumptions established by the prior actuary, which are reasonable based on prior year experience gain/loss.
- o Deferred Vested Benefit Commencement Age - We have relied on assumptions established by the prior actuary, which are reasonable based on prior year experience gain/loss.
- o Percent Married - We have relied on assumptions established by the prior actuary, which are reasonable based on prior year experience gain/loss.
- o Spousal Age Difference - We have relied on assumptions established by the prior actuary, which are reasonable based on prior year experience gain/loss.
- o Form of Payment – We have relied on assumptions established by the prior actuary, which are reasonable based on prior year experience gain/loss.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

ACTUARIAL METHODS FOR FUNDING

Asset Methods

We used financial data submitted by the trustee as of the valuation date without further audit. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and we have no reason to doubt its substantial accuracy.

The market value is the asset amount provided by the plan sponsor less the accrued expenses for the plan year plus discounted contributions.

The asset valuation method is an average of the adjusted market value for each year during the last 2 years preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110% and no less than 90% of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant Methods

Participants or former participants are included or excluded from the valuation as described below:

- o **Participants included:** The plan sponsor, or its contracted benefit administrators, provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- o **Participants excluded:** No actuarial liability is included for non-vested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- o **Insurance contracts:** The plan does not have any insurance contracts.

Minimum Funding Methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- o The plan's valuation date is the beginning of the plan year.
- o An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual are the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- o The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

KAPSTONE PAPER AND PACKAGING CORPORATION DEFINED BENEFIT RETIREMENT PLAN

EIN: 20-2699372 PLAN # 002

SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS

YEAR ENDED DECEMBER 31, 2018

(a) Identity of Party Involved	(b) Description of Assets	(c) Purchase Price	(d) Selling Price	(g) Cost of Assets	(h) Current Value of Asset on Transaction Date	(i) Net (Loss)/Gain
Category (i) – Individual transactions in excess of 5% of beginning of the year plan assets						
Wells Fargo, N.A.	WF Govt Money Market Fund	\$ 56,859,312			\$ 56,859,312	
Wells Fargo, N.A.	WF Govt Money Market Fund	98,984,598			98,984,598	
Wells Fargo, N.A.	WF Govt Money Market Fund	44,370,217			44,370,217	
Wells Fargo, N.A.	WF Govt Money Market Fund	48,288,559			48,288,559	
Wells Fargo, N.A.	WF Govt Money Market Fund	96,621,001			96,621,001	
Wells Fargo, N.A.	WF Govt Money Market Fund		48,298,993	48,298,993		-
Wells Fargo, N.A.	WF Govt Money Market Fund		48,322,008	48,322,008		-
Wells Fargo, N.A.	WF Govt Money Market Fund		98,982,013	98,982,013		-
Independent Franchise Partners	Global Equity, LP		48,338,350	37,400,000		10,938,350
Legal & General	Russell 3000 Fund CIT		56,859,312	52,152,452		4,706,860
Wells Fargo, N.A.	WTC-CTF Global Select		48,295,597	37,346,799		10,948,798
Category (iii) – Series of transactions in excess of 5% of beginning of the year plan assets						
Wells Fargo, N.A.	WF Govt Money Market Fund	\$ 521,637,177			\$ 521,637,177	
Wells Fargo, N.A.	WF Govt Money Market Fund		529,198,336	529,198,336		-
Legal & General	Russell 3000 Fund CIT	2,738,267			2,738,267	
Legal & General	Russell 3000 Fund CIT		60,632,078	55,515,030		5,117,048
Wells Fargo, N.A.	WTC-CTF Global Select	370,452			370,452	
Wells Fargo, N.A.	WTC-CTF Global Select		54,887,780	42,138,901		12,748,879

There were no category (ii) or (iv) transactions during the year ended December 31, 2018.

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

► **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 KapStone Paper and Packaging Corporation Defined Benefit Retirement Plan	B Three-digit plan number (PN) ►	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF KAPSTONE PAPER AND PACKAGING CORPORATION	D Employer Identification Number (EIN) 20-2699372	
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	612,613,760		
b Actuarial value	2b	582,844,585		
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	2,728	360,251,443	360,251,443	
b For terminated vested participants	1,077	46,158,426	46,158,426	
c For active participants	1,712	120,281,695	126,795,799	
d Total	5,517	526,691,564	533,205,668	
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		5.63%	
6 Target normal cost	6		5,034,940	

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>9/15/2018</u> Date 1707312
JIM RIGHTNOUR, ASA Type or print name of actuary		Most recent enrollment number 804-344-3783
Mercer (US), Inc. Firm name		Telephone number (including area code)
1051 EAST CARY STREET, SUITE 900 RICHMOND VA 23219 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).....	17,217,101	0
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).....	17,217,101	0
10 Interest on line 9 using prior year's actual return of <u>14.53%</u>	2,501,645	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year).....		0
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.83%</u>		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return.....		0
c Total available at beginning of current plan year to add to prefunding balance.....		0
d Portion of (c) to be added to prefunding balance.....		0
12 Other reductions in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	19,718,746	0

Part III Funding Percentages

14 Funding target attainment percentage	14	105.61%
15 Adjusted funding target attainment percentage.....	15	109.30%
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	113.83%
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	5,034,940
b Excess assets, if applicable, but not greater than line 31a		31b	5,034,940
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	0
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	
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, Line 22 — Description of Weighted Average Retirement Age

Participant Group: Roanoke Employees

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 62.00.

(A)	(B)	(C)	(D)	(E)
RETIREMENT AGE	RETIREMENT PERCENT	LX	NUMBER OF EMPLOYEES EXPECTED TO RETIRE (B) X (C)	(A) X (D)
55	0.00%	100.00	0.00	0.00
56	0.00%	100.00	0.00	0.00
57	0.00%	100.00	0.00	0.00
58	0.00%	100.00	0.00	0.00
59	0.00%	100.00	0.00	0.00
60	0.00%	100.00	0.00	0.00
61	0.00%	100.00	0.00	0.00
62	100.00%	100.00	100.00	6,200.00
Total			100.00	6,200.00
Average				62.00

Schedule SB, Line 22 — Description of Weighted Average Retirement Age

Participant Group: Longview Union Employees

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 61.89.

(A)	(B)	(C)	(D)	(E)
RETIREMENT AGE	RETIREMENT PERCENT	LX	NUMBER OF EMPLOYEES EXPECTED TO RETIRE (B) X (C)	(A) X (D)
55	5.00%	100.00	5.00	275.00
56	5.00%	95.00	4.75	266.00
57	3.00%	90.25	2.71	154.33
58	4.00%	87.54	3.50	203.10
59	4.00%	84.04	3.36	198.34
60	5.00%	80.68	4.03	242.04
61	5.00%	76.65	3.83	233.77
62	35.00%	72.81	25.48	1,580.04
63	30.00%	47.33	14.20	894.51
64	35.00%	33.13	11.60	742.11
65	100.00%	21.53	21.53	1,399.74
Total			100.00	6,188.96
Average				61.89

Schedule SB, Line 22 — Description of Weighted Average Retirement Age

Participant Group: Longview Non-Union Employees

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 60.59.

(A)	(B)	(C)	(D)	(E)
RETIREMENT AGE	RETIREMENT PERCENT	LX	NUMBER OF EMPLOYEES EXPECTED TO RETIRE (B) X (C)	(A) X (D)
55	7.00%	100.00	7.00	385.00
56	7.00%	93.00	6.51	364.56
57	7.00%	86.49	6.05	345.10
58	7.00%	80.44	5.63	326.57
59	7.00%	74.81	5.24	308.95
60	20.00%	69.57	13.91	834.83
61	25.00%	55.66	13.91	848.74
62	50.00%	41.74	20.87	1,293.98
63	35.00%	20.87	7.30	460.20
64	35.00%	13.57	4.75	303.88
65	35.00%	8.82	3.09	200.61
66	35.00%	5.73	2.01	132.40
67	35.00%	3.73	1.30	87.36
68	35.00%	2.42	0.85	57.63
69	35.00%	1.57	0.55	38.01
70	100.00%	1.02	1.02	71.62
Total			100.00	6,059.43
Average				60.59

Schedule SB, Line 22 — Description of Weighted Average Retirement Age

The makeup of the plan's active population as of January 1, 2018 is summarized below, resulting in a weighted average retirement age of 61.58 for the plan.

(A) Former Plan	(B) Percent of Total Active Population	(C) Weighted Retirement Age of Former Plan	(D) (B) x (C)
Roanoke	17.93%	62.00	11.12
Longview Union	24.18%	61.89	14.97
Longview Nonunion	28.27%	60.59	17.13
Charleston ¹	29.61%	62.00	18.36
Total	100.00%		61.58

¹Charleston: Later of attained age 62 and 20 years of service, but not later than age 65. Nearly all Charleston participants expected to meet retirement eligibility at age 62.

Schedule SB, Part V — Summary of Plan Provisions

SUMMARY OF PLAN PROVISIONS

Effective date and plan year	The plan was merged with The Longview Union and Non-Union plans effective December 31, 2014, and was restated on January 1, 2015. The plan year is from January 1 to December 31.
Significant events that occurred during the year	WestRock Company acquired KapStone Paper and Packaging Corporation on November 2, 2018.
Sponsoring employer	WestRock Company
Employer contributions	The employer contributes such amount, and at such times as required under accepted actuarial principles in order to meet all applicable funding requirements.
Participant contributions	Employee contributions are neither required nor permitted.

PLAN PROVISIONS FOR KAPSTONE PLAN

Effective date and plan year	The plan originated on January 1, 2007.	
Status of the plan	<p>No new employees are eligible to participate in the plan.</p> <p>Benefit accruals for Charleston Non-Grandfathered employees were frozen as of June 1, 2017. Charleston employees who had attained age 55 or whose age plus vesting service equaled at least 70 as of June 1, 2017 were grandfathered and continue to accrue benefits.</p> <p>Benefit accruals for Roanoke Rapids Non-Grandfathered employees were frozen as of September 1, 2017. Roanoke Rapids employees who had attained age 55 or whose age plus vesting service equaled at least 70 as of June 1, 2017 were grandfathered and continue to accrue benefits.</p> <p>Fordyce participants are no longer eligible for benefit accruals following the location's sale on March 30, 2009.</p>	
Covered employees	All union employees who are not eligible to participate in the Longview Union or the Longview Non-Union plan. The plan was closed to all new participants September 1, 2017.	
Participating employers	Employees are only eligible to participate if they were eligible by the freeze date of their applicable locations. Effective dates for each location:	
	Plant	Effective Date
	Charleston	01/01/2007
	Roanoke Rapids	01/01/2007
	Fordyce	01/01/2007

Schedule SB, Part V — Summary of Plan Provisions

Actuarial equivalence	<p>For the Social Security Level Income option, the plan uses the greater of 417(e) mortality and interest (using November rates), and the 1983 Group Annuity Mortality (Rev. Ruling 95-6) with 7.5% interest.</p> <p>For Optional Forms 1983 Group Annuity Mortality (Rev Rul 95-6) is used with 7.5% interest.</p> <p>All other actuarial equivalence uses 417(e) mortality and interest, using the November rates.</p>
Service considered	<p>For Charleston Employees, vesting service includes years and partial months of employment, including continuous service with MeadWestvaco Corporation. For all other locations, one year of vesting service is granted following the attainment of 1,000 hours in each year of employment, including continuous service with International Paper Company prior to 2007.</p> <p>Credited service is defined in the same manner as vesting service, except MeadWestvaco service is not included in credited service for Charleston Employees.</p>
Normal retirement date	The first day of the month coincident with or next following the month in which a participant attains age 65.
Late retirement date	A participant's late retirement date is the first day of the month next following the day on which the participant retires after his or her Normal Retirement Date or the next month following a month in which the participant has less than 40 hours of service.
Early retirement date	Charleston participants can retire upon attaining age 55 and 5 years of vesting service. All other participants can retire upon attaining age 55 and 10 years of vesting service, or is they were age 50 with 20 years of service as of mill closure date.
Disability benefit eligibility	Participants must be eligible for and receiving Social Security disability. Charleston participants must also have 10 years of vesting service.
Normal retirement benefit	<p>A participant who retires on his Normal Retirement date will receive a monthly pension benefit equal to the participant's Benefit Service multiplied by the benefit factor as specified in the supplement applicable to the participant's location as detailed in the following sections.</p> <p>Benefits for Charleston participants are offset by any benefit accrued as of June 30, 2008 under the MeadWestvaco Bargained Hourly Plan.</p>
Late retirement benefit	The amount of a participant's late retirement benefit is paid in accordance with the determination of the Normal Retirement Benefit calculated above based on Benefit Service and the benefit factor at the participant's Late Retirement Date, including actuarial adjustments for those over 70 ½, as the plan provides suspension of benefit notices.

Schedule SB, Part V — Summary of Plan Provisions

Early retirement benefit	For Charleston employees, Accrued Benefit is reduced for commencement prior to age 65 as follows:		
	<u>Accrual Service</u>		
	<u>Age</u>	<u><20</u>	<u>20+</u>
	65	100%	100%
	64	97	100
	63	94	100
	62	91	100
	61	85	94
	60	79	88
	59	73	82
	58	67	76
	57	61	70
	56	55	64
	55	49	58
	For participants who retired under MeadWestvaco Plan with less than 20 years of accrual service, and have over 20 years of accrual service at later retirement under this plan, the early retirement benefit is increased by the difference between the early retirement benefit payable under the MeadWestvaco plan and this plan.		
	For all other employees, Accrued Benefit is unreduced if age 61 with at least 20 years of Vesting Service at termination. Otherwise, Accrued benefit is reduced as follows:		
	<u>Age</u>	<u>Pct</u>	
	65	100%	
	64	100	
	63	100	
	62	100	
	61	94	
	60	87	
59	83		
58	78		
57	73		
56	69		
55	65		

Schedule SB, Part V — Summary of Plan Provisions

Deferred vested benefit	Accrued benefit at date of termination payable at normal retirement date for participants who terminated 100% vested with 5 years of vesting service. Benefit can be commenced prior to normal retirement in accordance with the early retirement date above. The deferred vested benefit for Charleston employees will receive the same reduction as the early retirement benefit. For all other Kapstone employees, the benefit is reduced 8% per year for the first 5 years and 4% per year for the next 5 years for commencement prior to age 65.
Disability benefit	For Charleston employees, Accrued benefit commencing at disability date. The MWV offset is not applied until benefits commence under that plan. For all other employees, the accrued benefit at disability date, commencing immediately. The maximum of the accrued benefit and a temporary benefit of \$250 per month is payable until normal retirement date to participants with 10 years of Vesting Service at disability date, and whose projected normal retirement benefit is less than \$250 per month.
Death benefit	For participants that are married and vested upon death, the survivor portion of a 50% Joint and Survivor annuity is payable to surviving spouse at participant's earliest retirement date.
Optional forms	The normal form of payment is a Single Life Annuity if single, and a 50% Joint and Survivor if married. Additional forms of payment include 75% Joint and Survivor; 100% Joint and Survivor; and Single Life Annuities with certain periods of 5, 10, 15, or 20 years. A Level Income Option is also available as a Life, 50% Joint and Survivor annuity, or temporary to age 62. Benefits payable in a form other than a Single Life Annuity are actuarially equivalent to the Single Life Annuity benefit.

Schedule SB, Part V — Summary of Plan Provisions

SUMMARY OF SUPPLEMENTS FOR THE KAPSTONE PAPER AND PACKAGING CORPORATION DEFINED BENEFIT RETIREMENT PLAN

(Where different from primary plan provisions)

Location	PLAN CODE	ALT PART	NORMAL RET	EARLY RETIREMENT		EARLY REDUCTION (PER MONTH)	DISABILITY ELIGIBILITY	VESTING SERVICE	BENEFIT SERVICE	MONTHLY DIS MIN	DATE LAST WORKED IS AFTER	BENEFIT FACTOR IS
				UNRED	RED							
A. Charleston												
									Closed to new hires 6/1/2017		04/01/2013 04/01/2017 04/01/2021 04/01/2022 04/01/2023	51.50 55.00 56.00 57.00 58.00
B. Roanoke Rapids ¹												
									Closed to new hires 9/1/2017		01/01/2014 01/01/2018	51.50 55.00
C. Fordyce (sold 3/30/2009) ²												
											01/01/2007	30.00

¹ An additional \$3 multiplier applies for years of service in the Retirement Plan of International Paper Company prior to 1/1/2007.

² An additional \$2 multiplier applies for years of service in the Retirement Plan of International Paper Company prior to 1/1/2007.

Schedule SB, Part V — Summary of Plan Provisions

PLAN PROVISIONS FOR LONGVIEW UNION PLAN

Effective date and plan year	The plan originated on January 1, 1948.
Status of the plan	<p>No new employees are eligible to participate in the plan.</p> <p>The Bargained Pension and Cash Account Benefit for AWPPW Local 153 and AWPPW Local 817 (AWPPW) participants were frozen effective December 31, 2010. Interest credits are still accruing on the cash account benefit.</p> <p>Western Container Division, Oakland Graphic Communications Union District Council No. 2 (Oakland) participants hired prior to October 1, 2017 are still accruing benefits.</p>
Covered employees	All union employees who are not eligible to participate in the KapStone or the Longview Non-Union plan. The plan was closed to all new participants effective October 1, 2017 for Oakland location.
Participating employers	Employees are only eligible to participate if they were eligible by the freeze date of their applicable locations. The locations under the Longview Union Plan are AWPPW Local 153 and AWPPW Local 817 and Western Container Division, Oakland Graphic Communications Union District Council #2.
Actuarial equivalence	<p>For Optional Forms and the Bargained Pension Benefit late retirement increases, the plan uses the 1951 Group Annuity Mortality Table (male rates for participant; female rates for beneficiary/joint annuitant) and 7.00% interest.</p> <p>The Cash Account annuity conversion uses 417(e) mortality and interest, using the November rates.</p> <p>The Bargained Pension Lump Sum uses the greater of the two bases listed previously.</p> <p>For Cash Account Benefit Late Retirement Increases, the plan uses 417(e) mortality with no pre-retirement mortality, and the 10-year Treasury rate from the November preceding commencement.</p>

Schedule SB, Part V — Summary of Plan Provisions

Employment Service	<p>For participants of AWPPW Local 153 and AWPPW Local 817 employment service is the greatest of:</p> <p>(a) Longview Qualifying Service – A - Continuous service with Affiliated Companies prior to 1976 plus each employment year that ends after 1975 during which the employee has 870 or more hours of service.</p> <p>(b) Longview Qualifying Service – B - Continuous service with Affiliated Companies prior to 1976 plus each continuous period of service beginning on the Longview Union Participant's latest date of hire or rehire that ends after 1975, during which the employee has 1,000 or more hours of service in each twelve-month period that begins on the Longview Union Participant's latest date of hire or rehire and anniversaries thereof.</p> <p>(c) Years and fractions of years of continuous employment as an Eligible Longview Union Employee ending on the Participant's Termination Date.</p> <p>For participants of The Western Container Division, Oakland Graphic Communications Union District Council #2 employment service is the greater of:</p> <p>(a) Longview Qualifying Service – earned while an Eligible Employee after 1976, which consists of each employment year that ends after 1975 during which the employee has 870 or more hours of service;</p> <p>(b) Years and fractions of years (based on days) of continuous employment during pay periods in which employee has Earnings while an Oakland Employee, ending on the Participant's Termination Date.</p>
Normal retirement date	The first day of the month coincident with or next following the month in which a participant attains age 65.
Late retirement date	A participant's late retirement date is the first day of the month next following the day on which the participant retires after his or her Normal Retirement Date.
Early retirement date	<p>AWPPW participants can retire upon attaining age 55 and 15 years of employment service.</p> <p>Oakland participants can retire upon attaining age 55 and 20 years of Qualifying Service – that is Continuous service with Affiliated Companies prior to 1976 plus each continuous period of service beginning on the Longview Union Participant's latest date of hire or rehire that ends after 1975, during which the employee has 1,000 or more hours of service in each twelve-month period that begins on the Longview Union Participant's latest date of hire or rehire and anniversaries thereof.</p>
Disability benefit eligibility	Participants must be eligible for Social Security disability and have not yet attained age 65. AWPPW participants must also have 10 years of employment service. Oakland participants must have 15 years of Qualifying Service (part (b) only of service defined above) .

Schedule SB, Part V — Summary of Plan Provisions

Cash Account Benefit	<p>The Cash Account Balance for AWPPW participants is equal to the cumulative total of the 2001 and 2010 Cash Accounts. All accounts are frozen, and only interest credits apply prospectively. Interest credits are based on the 10-year Treasury constant maturity rate for the November prior to each calendar year, applied to the balance at the beginning of each plan year and credited at the end of each month.</p> <p>Oakland participants have no cash accounts.</p>																
Normal retirement benefit	<p>For AWPPW participants, the Normal Retirement Benefit is the Frozen Bargained Pension Benefit (frozen as of December 31, 2010) plus the Cash Account Benefit as of Normal Retirement Date.</p> <p>The normal retirement benefit for Oakland participants is equal to employment service multiplied by the following rate in accordance with the participant's termination date.</p> <table> <tr> <th><u>Termination Date on or After</u></th><th><u>Rate</u></th></tr> <tr> <td>1/1/2005</td><td>\$32.00</td></tr> <tr> <td>1/1/2006</td><td>\$33.00</td></tr> <tr> <td>1/1/2007</td><td>\$34.00</td></tr> <tr> <td>1/1/2008</td><td>\$35.00</td></tr> <tr> <td>1/1/2009</td><td>\$36.00</td></tr> <tr> <td>1/1/2011</td><td>\$38.00</td></tr> <tr> <td>1/1/2015</td><td>\$39.00</td></tr> </table>	<u>Termination Date on or After</u>	<u>Rate</u>	1/1/2005	\$32.00	1/1/2006	\$33.00	1/1/2007	\$34.00	1/1/2008	\$35.00	1/1/2009	\$36.00	1/1/2011	\$38.00	1/1/2015	\$39.00
<u>Termination Date on or After</u>	<u>Rate</u>																
1/1/2005	\$32.00																
1/1/2006	\$33.00																
1/1/2007	\$34.00																
1/1/2008	\$35.00																
1/1/2009	\$36.00																
1/1/2011	\$38.00																
1/1/2015	\$39.00																
Late retirement benefit	<p>For AWPPW participants, the participant's Late Retirement Benefit is paid in accordance with the determination of the Normal Retirement Benefit, including actuarial adjustments for those over 70 ½, as the plan provides suspension of benefits notices.</p> <p>For Oakland participants, the greater of the benefit calculated in accordance with the Normal Retirement Benefit above, including continued accruals to the Late Retirement Date, and the Normal Retirement Benefit actuarially increased to the Late Retirement Date, as suspension of benefits notices are not automatically provided.</p>																
Early retirement benefit	<p>For AWPPW the Early Retirement Benefit is the frozen Bargained Pension Benefit, reduced 3% per year for each year that commencement precedes age 62 plus the participant's Cash Account Benefit as of the Early Retirement Date.</p> <p>An Oakland participant's Early Retirement Benefit is equal to the vested Retirement Benefit as of the Early Retirement Date, reduced by 1/15 for each of the first five years and 1/30 for each of the next 5 years by which the Early Retirement Date precedes the Normal Retirement Age. The benefit is unreduced if participant is age 62 and has 30 years of Employment Service.</p>																
Deferred vested benefit	<p>Participants will become 100% vested with 3 years of Employment Service or at Normal Retirement Age. AWPPW participants' Bargained Pension deferred vested benefits will be actuarially reduced for commencement prior to Normal Retirement Date. Otherwise, all deferred vested benefits are paid in accordance with the above Normal, Late, and Early retirement rules above.</p>																

Schedule SB, Part V — Summary of Plan Provisions

Disability benefit	<p>Disability benefits (excluding Cash Account benefits) commence immediately for all participants. The Bargained Pension Benefit is unreduced for early commencement, and payable until the earlier of recovery, retirement or death.</p> <p>If an AWPPW participant elects to also receive the Cash Account Benefit prior to retirement, then only the Bargained Pension is payable at actual Retirement Date.</p>
Death benefit	<p>For the AWPPW Bargained Pension Benefit, the surviving spouse of a participant who dies while employed by the employer will receive the survivor portion of a 50% Joint and Survivor annuity benefit payable at the participant's earliest retirement date. If the participant dies while disabled and in pay status, the surviving spouse will receive the survivor portion of a 100% Joint and Survivor annuity. The benefits under both scenarios are reduced for early commencement by the applicable vested termination or early retirement factors, subject to the following:</p> <ul style="list-style-type: none"> (i) If the participant's age plus Employment Service is greater than or equal to 70, the applicable vested or early retirement reductions apply; (ii) If the participant dies with 15 years of Employment Service and before age 55 or while disabled and in pay status, and before their age plus Employment Service is greater than or equal to 70, vested termination reductions apply. <p>The surviving spouse of an Oakland participant will receive the survivor portion of a 50% Joint and Survivor annuity, payable at the participant's earliest retirement date.</p>
Optional forms	<p>The normal form of payment is a Single Life Annuity if single, and a 50% Joint and Survivor if married. Additional forms of payment include 75% Joint and Survivor and 100% Joint and Survivor annuities.</p> <p>Participants may elect to take one or both of their Cash Accounts as a lump sum and the remaining benefit as an annuity. The lump sum value of the Cash Account Benefit(s) is the Cash Account Balance(s).</p> <p>Bargained Pension Benefits are payable as a Lump Sum only if less than \$5,000.</p> <p>Benefits payable in a form other than a Single Life Annuity are actuarially equivalent to the Single Life Annuity benefit.</p>

Schedule SB, Part V — Summary of Plan Provisions

PLAN PROVISIONS FOR LONGVIEW NON-UNION PLAN

Effective date and plan year	The plan originated on January 1, 1971.
Status of the plan	No new employees are eligible to participate in the plan. Accruals for traditional pension benefits were frozen effective December 31, 2008. Pay credits to the Cash Account were frozen effective December 31, 2014. Interest credits are still accruing on the cash account benefit.
Covered employees	All Non-Union employees who are not eligible to participate in the KapStone or the Longview Union plan. The plan was closed to all new participants December 31, 2014.
Participating employers	Employees are only eligible to participate if they were eligible by the freeze date of their applicable locations.
Actuarial equivalence	<p>The Cash Account annuity conversion uses 417(e) mortality and interest based on the November rates from the prior year.</p> <p>For Optional Forms, the plan uses 417(e) mortality and interest based on the November rates from the prior year. A minimum benefit applies to the 2001 Cash Account and Frozen Formula benefits and is equal to the present value of the accrued benefit as of December 31, 2008 using 1951 Group Annuity Mortality Table (male rates for participant and female rates for beneficiary/joint annuitant) and 7% interest.</p> <p>For late retirement increases to the Cash Account Benefit, 417(e) mortality (no pre-retirement mortality) and greater of 3rd segment rate (from November of prior year) or 4% is applicable. For late retirement increases to the 2001 Cash Account Benefit, the basis is 417(e) mortality (no pre-retirement mortality) and the 10-year Treasury rate (from November of prior year). For late retirement increases to the Frozen Formula Benefit, 417(e) mortality and interest (from November of prior year).</p>
Employment Service	<p>For participants hired prior to 2009, employment service is the sum of (1), (2) and (3):</p> <ol style="list-style-type: none"> (1) Greater of (a) or (b) as of 2008 anniversary of most recent hire date prior to 2008: <ol style="list-style-type: none"> (a) Longview Non-Union Qualifying Service = Pre-1976 service under prior plan + anniversary years of service (from original hire date) after 1975 with at least 870 hours; or (b) Longview Non-Union Qualifying Service = continuous full-time employment with Affiliated companies. (2) Greater of (a) or (b) for the period subsequent to 2008 anniversary of most recent hire date prior to 2008: <ol style="list-style-type: none"> (a) Longview Non-Union Qualifying Service through December 31, 2008; or (b) Service with employer or Affiliated Company through 2009 anniversary date (3) Service with employer or Affiliated Company subsequent to service period in (2) above.
Normal retirement date	The first day of the month coincident with or next following the month in which a participant attains age 65.

Schedule SB, Part V — Summary of Plan Provisions

Late retirement date	A participant's late retirement date is the first day of the month next following the day on which the participant retires after his or her Normal Retirement Date.
Early retirement date	A participant can retire upon attaining age 55 and completion of a 15-year period of service.
Disability benefit eligibility	Participants must be entitled to company-sponsored LTD benefit and have completed 15-year period of service.
Cash Account Benefit	The Cash Account balance is equal to the cumulative total of the 2001 and 2009 Cash Accounts. All accounts are frozen, and only interest credits apply prospectively. Interest credits are based on the 10-year treasury rate for November prior to each calendar year for the 2001 Cash Account and the greater of the 3 rd segment rate for November of the prior year or 4% for the 2009 Cash Account, applied to the balance at the beginning of each year and credited at the end of each month.
Normal retirement benefit	The normal retirement benefit is equal to the frozen accrued benefit as of December 31, 2008 plus the Cash Account Benefit.
Late retirement benefit	The greater of the participant's late retirement benefit calculated in accordance with the normal retirement benefit above and the normal retirement benefit actuarially increased to the late retirement date, as suspension of benefits notices are not automatically provided.
Early retirement benefit	Equal to the sum of Cash Account Benefit as of the Early Retirement Date and the December 31, 2008 frozen accrued benefit reduced by 5% per year that commencement precedes age 62 if participant is at least age 55 with 15 years of service; otherwise full actuarial reduction from age 65. In addition, a temporary Bridge Benefit is payable until the earlier of age 65 or death to participants who, as of 12/31/2008, were age 45 with 5 or more Period of Service years, and who were not both age 50 with 10 or more Period of Service years. The benefit is \$600 per month (for 2014), increased each January 1 with the greater of the 3 rd segment rate for November prior to Plan Year or 4%.
Deferred vested benefit	Participant will become 100% vested with 3 years of employment service or at Normal Retirement Age. Frozen Formula Benefit is actuarially reduced for commencement prior to Normal Retirement Date, plus the Cash Account and 2001 Cash Account Benefits determined as of termination date. The benefits are payable at any date elected by the participant. The Frozen Formula Benefit, Cash Account Benefit and 2001 Cash Account Benefit may commence at different dates.
Disability benefit	Disability benefits commence immediately. Frozen Formula Benefit is unreduced for early commencement, and payable until earlier of recovery, retirement or death.

Schedule SB, Part V — Summary of Plan Provisions

Death benefit	<p>The surviving spouse of a participant who dies while employed by the employer will receive the survivor portion of a 50% Joint and Survivor annuity benefit payable at the participant's earliest retirement date. If the participant dies while disabled and in pay status, the surviving spouse will receive the survivor portion of a 100% Joint and Survivor annuity. The benefits under both scenarios are reduced for early commencement by the applicable vested termination or early retirement factors, subject to the following:</p> <p class="list-item-l1">(i) If the participant's age plus Employment Service is greater than or equal to 70, the frozen benefit is reduced by 3% per year for commencement prior to normal retirement date.</p> <p>The Cash Account is payable as an immediate lump sum to the surviving spouse, beneficiary or the estate. A surviving spouse may elect to receive the actuarially equivalent value as a single life annuity. A special \$1,000 lump sum is also paid to the beneficiary if the participant was eligible for early, normal, late, or disability retirement, and not eligible for company-sponsored insurance.</p>
Optional forms	<p>The normal form of payment is a Single Life Annuity if single, and a 50% Joint and Survivor annuity if married. Additional forms of payment include 75% Joint and Survivor and 100% Joint and Survivor annuities.</p> <p>Participants may elect to receive one or both of their Cash Accounts as a lump sum and the remaining benefit as an annuity. The lump sum value of the Cash Account Benefit(s) is the Cash Account Balance(s).</p> <p>Participants may elect separate commencement dates for each Cash Account Benefit and the frozen accrued benefit as of December 31, 2008. Benefits payable in a form other than a Single Life Annuity are actuarially equivalent to the Single Life Annuity benefit.</p>

Schedule SB, Part V — Summary of Plan Provisions

Benefits Included or Excluded

All benefits provided by the plan, as amended through the dates noted below for each legacy plan, are included in this valuation:

- o **Most recent plan amendments included:**

Last amended effective January 1, 2018

- o **Plan amendments excluded:**

For funding purposes, amendments, including bargaining increases, effective after the current plan year are excluded from the valuation.

- o **Late retirement increases:**

Active participants: Participants over normal retirement age are valued with the larger of the accrued benefit at the valuation date or the benefit at normal retirement age actuarially increased to the valuation date using applicable late retirement actuarial equivalence.

Deferred vested participants: Oakland and Longview Non-Union current deferred vested participants over normal retirement age are valued with the greater of the accrued benefit at the valuation date or the benefit at normal retirement age actuarially increased to the valuation date using applicable late retirement actuarial equivalence. Other current deferred vested participants over normal retirement age are valued with the larger of the accrued benefit at the valuation date or the benefit at age 70.5 actuarially increased to the valuation date using applicable late retirement actuarial equivalence.

- o **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.

- o **IRC Section 416 rules for top-heavy plans:** We did not test whether this plan is top-heavy (when the present value of benefits for key employees equals or exceeds 60% of the present value for all participants). However, we expect that the plan is not top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Schedule SB, Part V — Summary of Plan Provisions

PLAN PROVISIONS SPECIFIC TO FUNDING

Additional Benefits Included or Excluded

o **IRC Section 436 benefit restrictions:**

Unpredictable contingent events: This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.

Plan amendments: See above.

Prohibited payments: Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.

Benefit accruals: The plan's funding target and target normal cost do not reflect any limitation on benefit accruals.

- o **Scheduled benefit increases:** Scheduled benefit increases reflected in plan amendments after the valuation date and/or effective after the end of the current plan year are excluded from minimum funding requirements.
- o **Unpredictable contingent event benefits:** The plan does not have any unpredictable contingent event benefits.

PLAN CHANGES SINCE PRIOR VALUATION DATE

Scheduled Benefit Increases

The following table describes current changes in the benefit rates used for PPA funding purposes since the prior valuation.

Location	End of Year Rate in 1/1/2017 Valuation	End of Year Rate in 1/1/2018 Valuation
Roanoke Rapids	51.50	55.00

Schedule SB, Line 25 — Change in Method

METHOD CHANGES SINCE PRIOR VALUATION

This is the first year that Mercer has performed the actuarial valuation for this plan. Last year's valuation was completed by Fidelity. This change qualifies for automatic IRS approval for the January 1, 2018 valuation

Schedule SB, Line 24 — Change in Actuarial Assumptions

ACTUARIAL ASSUMPTION CHANGES SINCE PRIOR VALUATION

Funding

- o Interest discounts (MAP-21 stabilized basis) and mortality rates were updated from 2017 to 2018 in accordance with PPA and sponsor elections.
- o Non-stabilized interest discounts were updated from those applicable to the plan year beginning January 1, 2017 to the plan year beginning January 1, 2018 in accordance with PPA and sponsor elections.
- o The rates and mortality used for lump sum conversion were updated to use those in effect under 417(e) for 2018.
- o The expense assumption included in normal cost changed from \$3,477,000 to \$TBD to better reflect anticipated future experience for the 2018 plan year.