**Participant Loan Policy and Procedures**

**The American Greetings Retirement Savings Plan (AGRSP) - Plan 091997**

American Greetings Corporation, as plan administrator of The American Greetings Retirement Savings Plan ("Plan"), has adopted the following Participant Loan Policy and Procedures ("policy"). The policy is incorporated into the Plan by reference and forms a part of the Plan. If there is a conflict between the terms of this policy and the terms of the Plan, the terms of the Plan will govern.

**Recordkeeping of the loan program**
Recordkeeping of the loan program under the Plan is done by The Vanguard Group ("Vanguard") on behalf of the Plan Administrator. Vanguard Participant Services may be contacted at 800-523-1188 if you have any questions regarding the loan program's recordkeeping.

**Loan eligibility**
You are eligible to take out a loan if you are a participant in the Plan, have a vested account balance, and are actively employed by American Greetings Corporation or a subsidiary of American Greetings. Loans will be made available to all eligible participants on an equal basis.

**Applying for a loan and loan fees**
To apply for a loan, access your account at www.vanguard.com, call the automated VOICE® Network, or contact Vanguard Participant Services at 800-523-1188 to speak with a Participant Services associate.

A one-time Plan loan application fee is charged for each loan made to you. This fee is deducted from your loan proceeds meaning the check you receive is reduced by the loan application fee. If you apply for your loan using the Vanguard website or the VOICE Network, your loan application fee is $40. If you call Vanguard directly to request your loan from a Participant Services Associate, your loan application fee is $90. An annual maintenance fee of $20 will be automatically deducted from your account balance each year if your loan balance remains outstanding on the date the annual fee is assessed. You are not charged an annual fee in the year you take out your loan.

| Fee Type | Fee Amount |
|---|---|
| Loan application fee (if calling Vanguard a Vanguard Participant Services Associate) | $90.00 |
| Loan application fee (website or VOICE Network) | $40.00 |
| Annual maintenance fee | $20.00 |

**Types of loans**
There are two forms of loans that are available to you under this policy – a general purpose loan and a principal residence loan.

**General purpose loan** - If loan eligibility requirements are met, you may apply for a general purpose loan through a paperless process. Access your account at www.vanguard.com, call the automated VOICE® Network, or contact Vanguard Participant Services at 800-523-1188 to speak with a Participant Services associate. Upon completion of the loan request process, you can expect your loan check within 5 to 7 business days. If you prefer, you may request a loan application be sent to you via U.S. mail.

**Principal residence loan** - If loan eligibility requirements are met, you may apply for a principal residence loan by accessing your account at www.vanguard.com, calling the automated VOICE® Network, or contacting Vanguard Participant Services at 800-523-1188 to speak with a Participant Services associate. A principal residence loan application will be sent to your address on record at Vanguard.

Your completed loan application must be submitted to Vanguard for processing along with the required documentation (such as the agreement of sale or mortgage agreement). Generally, you will receive your loan check and confirmation documents within seven to ten business days following approval of your principal residence loan application by Vanguard. Loan applications will expire 45 days after the date you applied for the loan.

| Fee Type of Loan | Minimum Loan Term | Maximum Loan Term |
|---|---|---|
| General Purpose | 12 months | 54 months |
| Principal Residence | 12 months | 240 months |

**Amount and number of loans**
You may borrow the money that you have deferred into the Plan through deductions from your paycheck (Before-tax or Roth 401(k)), matching contributions contributed to the Plan on and after January 1, 2016 ("Safe Harbor Match"), and any assets that you may have available from a rollover you made into the Plan. You may not borrow the Company Match (except for Safe Harbor Match) or Profit Sharing money that your employer has contributed on your behalf. However, the balance of all of the sources (Before-tax, Roth 401(k), Rollover, Profit Sharing, Safe Harbor Match, and Company Match) in your account are used when calculating the maximum loan amount. The loan amount will be taken pro rata from the funds in which your accounts are invested.

One General Purpose loan and one Principal Residence loan may be outstanding at any given time. You must wait ninety (90) days between the payoff date of an existing loan and applying for a new loan.

Participants with an outstanding deemed loan will not be eligible for a new loan of the same type (general purpose or principal residence), as the deemed loan counts towards one outstanding loan. Participants must pay off the deemed loan (plus accrued interest) prior to being eligible for an additional loan of that type. For a description of when a loan is considered a "deemed loan", please refer to the "Deemed distribution" section below. The minimum amount you may borrow is $1,000. The maximum amount you may borrow, when added to your outstanding loan balances, cannot exceed the lesser of:

- 50% of your total vested account balances as of the date the loan is processed , or
- $50,000, minus the highest outstanding loan balance, if any, you had at any one time during the one-year period ending immediately before the date of the new loan. At the time the loan is made, up to 50% of your vested account balances under the Plan will be considered security for the loan.

The final amount available to you may be less since you may only borrow money from the following sources: Before-tax, Roth 401(k), a rollover from another Plan, and Safe Harbor Match.

**Interest rate**

Under rules of the Internal Revenue Service, or IRS, loans made to you from the Plan may not be interest-free, but must have an interest rate that is comparable to a rate that other lenders would charge on a similar loan to a similarly situated borrower. As a result, the interest rate on your loan will be the Prime Rate as received by Vanguard from Reuters (or such other independently published source is Reuters is not available) plus 1%, calculated as of the first business day of the calendar quarter of the quarter in which you applied for your loan (provided your loan application has not expired). The procedure for determining the loan interest rate is subject to change at the discretion of the Plan administrator. The interest rate applied to your loan will remain the same from the time you apply for the loan until the loan application expires (45 days from the date you apply for the loan). Likewise, the interest rate will not change during the entire term in which your loan remains outstanding. You may contact Vanguard for the current interest rate being charged for a new Plan loan. The interest you pay on your loan is credited back to your account.

**Loan repayments**

Loan repayments are made in accordance with an established repayment schedule that is set forth in your loan agreement (subject to exceptions during certain leaves of absence). When you initiate a loan from your Plan account, your loan repayments, including interest, will be deducted automatically from your paychecks on an after-tax basis according to your pay frequency. Repayments of principal and interest will be made into the sources from which the loan was made and invested in accordance with your current investment elections.

If your pay frequency changes, the Plan Administrator reserves the right to recalculate the amount of your loan repayments to ensure your loan is fully repaid as of the end of its scheduled maturity. You will be notified if this occurs.

In the event a payroll deduction for your loan repayment cannot be taken as scheduled because of insufficient pay or other reason (except for approved leaves of absence), it must be paid prior to the end of what is known as the Plan's cure period or the outstanding loan balance plus interest may become taxable to you (i.e., it will be "deemed"). Even if you fail to make a loan repayment by its due date, you may have the opportunity to "cure" the delinquency in the Plan's cure period explained in the following paragraph:

As described below, your Plan allows you to "cure" the missed payment(s) by ensuring that such missed repayments are received by Vanguard no later than the last day of the calendar quarter following the calendar quarter in which the payments were expected to be submitted.

Loans may be prepaid in full or in part at any time, without penalty, by certified check or money order made payable to Vanguard Fiduciary Trust Company, or via electronic bank transfer from your bank account. If you make a partial repayment, your next scheduled repayment will continue to be deducted from your paycheck.

You may access your account at www.vanguard.com for information on your loan balance and payoff procedures, as well as to pay off your loan. Alternatively, you may call Vanguard Participant Services at any time to verify your outstanding loan balance and request a loan payoff form.

**Loan deem while actively employed**

**Cure period** – If you have been unable to make all of the expected loan repayments by your loan's due date, (except as permitted under the leave of absence provisions) you have the opportunity to "cure" the delinquency during the Plan's cure period. Your Plan allows you to "cure" the missed payment(s) by ensuring that such missed repayments are received by Vanguard no later than the last day of the calendar quarter following the calendar quarter in which the repayments were expected to be submitted.

**Catch up payments** – You may make up missed payments by sending a certified check or money order made payable to Vanguard Fiduciary Trust Company to the address below, or via electronic bank transfer from your bank account via www.vanguard.com. Please include the loan number on your check.

| General US Mail | Overnight Mail Address |
| --- | --- |
| Vanguard | Vanguard |
| Attn: Plan 091997 | Attn: Plan 091997 |
| P.O. Box 1101 | 400 Devon Park Drive |
| Valley Forge, PA 19482-1101 | Wayne, PA 19087 |

***It is your responsibility to ensure that your loan repayments are being made when due. Missed repayments that are not repaid during the Plan's cure period may result in a taxable event. In the event that timely payroll deduction loan repayments are not being processed for your loan, you must notify Shared Services at shared.services@amgreetings.com as soon as possible to resolve the delinquency.***

**Deemed distribution**

If you do not make the missed repayment(s) by the end of the cure period applicable to those repayments, your loan will be delinquent and will be "deemed", meaning that the outstanding balance of your loan, including interest, will be treated as a deemed distribution. The amount of the deemed distribution will be reported as taxable income and may be subject to an additional 10% early distribution penalty.

Participants with an outstanding deemed loan will not be eligible for a new loan of the same type (general purpose or principal residence) as the deemed loan counts towards one outstanding loan. Participants must pay off the deemed loan (plus accrued interest) prior to being eligible for an additional loan of that type.

To repay the outstanding balance on a loan that has been a deemed distribution, you must call Vanguard Participant Services to obtain the total amount due. You must repay the amount due in a single lump sum payment.

**Leave of absence**

**Unpaid leave of absence (nonmilitary)** – If you are on an approved leave of absence without pay, or if you continue to work at a pay level insufficient after applicable withholdings to make your scheduled payments, your Plan will allow you to suspend your repayments while you remain on your approved leave of absence. Note that certain types of layoffs (i.e. layoff expected to be 12 months or less) may be treated as an approved leave of absence for purposes of the Plan. If you have questions about whether your leave of absence or layoff entitles you to suspend payments as described below, please contact Shared Services at shared.services@amgreetings.com

**Suspension of repayments** – Your Plan allows you to suspend your loan repayments while out on an approved leave of absence. The suspension will remain in effect until the earliest of the following:

- 12 months after the date your leave of absence begins.
- The end of the maximum loan term permitted for your loan type under the Plan.
- The date you return from leave.

Upon your return from leave, you must resume loan repayments. If you are still on an approved leave of absence at the end of 12 months, you must resume loan repayments at that time, or the outstanding loan balance plus accrued interest may become taxable to you at the end of the Plan's cure period. Your remaining balance plus interest will be re-amortized over the maximum permissible period, which may result in higher loan repayments and/or a longer term.

**Military leave of absence** – If your leave of absence is the result of military service in the uniformed services (as defined in chapter 43 of title 38, United States Code), your loan repayments will be suspended until the date you return from military leave. Upon your return from leave, your remaining balance plus interest will be re-amortized taking into account additional interest accrued on the loan during the military leave. In addition, if your loan interest rate is higher than 6%, you have the option to reduce the applicable interest rate during your military leave to 6%, as permitted under the Service Members Civil Relief Act. Please contact Shared Services to take advantage of this relief.

**Termination of employment**

If you terminate your employment and you have an outstanding loan balance, your Plan allows a 90 day grace period from the date of your termination of employment in which you may repay the loan in full. If you choose not to repay your outstanding loan balance within the 90 day grace period, the remaining loan balance will be defaulted, meaning that the outstanding balance of your loan, including interest, will be treated as a taxable distribution. The amount of the distribution will be reported as taxable income and may be subject to an additional 10% early distribution penalty. Likewise, if you receive a distribution from your Plan after termination of employment and while you still have an outstanding loan balance, your distribution will be reduced by the amount of the loan, and this amount will be reported as taxable and may be subject to a 10% early distribution penalty.

**Rehire following break in service**

If you terminate employment with an outstanding loan and are rehired within the Plan's cure period, and the loan has not been offset, you will not be required to repay your loan as described in the "termination of employment" section. Instead, if your loan is still outstanding when you are rehired, you will continue to be treated as an active employee, payments will recommence in the original payment amount, and the provisions of "loan default while actively employed" section will apply.

**Bankruptcy**

If you file for bankruptcy and have an outstanding loan from the Plan, your loan repayments to the Plan will not be stopped due to your bankruptcy filing. This means that your loan will continue to be outstanding and that you will be required to continue to make repayments according to the repayment schedule. Your loan will not go into default due to a bankruptcy filing, but will go into default as described above if you fail to make the required loan payments.

**Death**

In the event of your death, any outstanding loan balance becomes due and payable in full at the end of 90 days after your death. The executor/administrator of your estate may repay the balance of your loan by the end of this 90 day cure period. If your executor/administrator does not repay the loan balance within that time frame, the unpaid balance of your loan will be offset against your account balance, and your beneficiary will receive the net account balance as the death benefit. Your estate will be liable for any taxes attributable to the offset. However, if your beneficiary is your spouse, he or she may elect to assume the loan obligation prior to the end of the cure period. If no election is made, the loan balance will be offset.

**Amendment and Termination of Loan Policy**

American Greetings Corporation may amend or may terminate this Policy at any time according to the provisions of the Plan. Such amendment or termination shall not affect any of your loans approved prior to the effective date of the amendment or termination, except as provided in the Plan or in this Policy. Loans made or approved before the amendment or termination shall be governed by the Policy in effect before the amendment or termination. All participants will receive a notice of any amendment or termination of this Policy.