

## **Safe Harbor 401(k) Plan Notice**

If you have received this Safe Harbor Notice, our records show that you are a Participant in the American Greetings Retirement Savings Plan (the "Plan"), or that you are an eligible associate who is soon to become a Participant. This annual Safe Harbor Notice is required by the Internal Revenue Service (IRS) to provide important information about your participation in the Plan for the Plan year that begins January 1, 2016 and ends December 31, 2016. The Plan allows both Participants and American Greetings Corporation (the "Company") to make contributions to the Plan. The contribution made by the Company is a "Safe Harbor" company match contribution. A plan with a Safe Harbor design automatically satisfies certain nondiscrimination testing requirements by providing a specified level of contributions and meeting certain other requirements.

Please carefully read and consider the following information before you decide whether to begin making contributions to the Plan, to continue making contributions or to change the amount you already contribute. Please be aware, however, that the Plan has specific legal documents that control the Plan's provisions. In the event there is a discrepancy between this notice and the terms of the Plan, the Plan's legal documents will control.

### **Payroll deferrals**

If you are eligible to participate in the Plan, you may elect a contribution rate to the Plan in an amount from 1% to 50% of your compensation (as defined below) as pre-tax basis ("Pre-Tax Contributions") or on an after-tax basis as "Roth Contributions". Aside from the 50% limitation, the IRS limits the dollar amount of compensation that you may contribute under the Plan as pre-tax and Roth contributions. For 2016, you can defer up to \$18,000 of compensation, but this limit may be adjusted in future years. If you are 50 years of age and older and you contribute the maximum amount of compensation to the Plan, you may make additional pre-tax or Roth contributions called "Catch-Up Contributions." For 2016, you may contribute \$6,000 in Catch-Up contributions, though the IRS may adjust this limit for future years. You can change your contribution rate to the Plan daily. If you don't elect to change your contributions when you initially become eligible to participate in the Plan, you may be automatically enrolled, as described in the "Making and Changing Contribution Elections and Automatic Enrollment" section below.

For Plan purposes, "Compensation" generally means the compensation reported by the Company on Form W-2.

### **Safe harbor contribution (also referred to as company match)**

The Company will make a matching contribution to your account equal to 100% of the amount of your payroll deferral contributions, including Catch-Up Contributions, up to 6% of your eligible compensation. Your match will be calculated on a per pay period and will be made whether you are automatically enrolled or elect your payroll deferral contributions.

Union associates may refer to their collective bargaining agreement for additional information regarding other Plan contributions that Union associates may be eligible to receive in certain circumstances.

### **Suspension or reduction of safe harbor matching contributions**

The Company retains the right to reduce or suspend the safe harbor matching contribution under the Plan. If the Company chooses to do so, you will receive a supplemental notice explaining the reduction or suspension of the safe harbor matching contribution at least 30 days before the change is effective. The Company will contribute any safe harbor matching contribution you have earned up to that point. At this time the Company has no such intention to suspend or reduce the safe harbor matching contribution.

### **Other Contributions**

You may roll over amounts from other qualified retirement plans into the Plan.

### **Making and Changing Contribution Elections and Automatic Enrollment**

At all times you have the right to elect how much to contribute to your Plan, or you may choose not to contribute to the Plan at all. If you want to change your contribution rate or choose not to contribute, please contact Vanguard using the instructions at the end of this notice.

The Plan utilizes Vanguard's One Step® feature, through which you may be automatically enrolled in the Plan and have your contribution rate automatically increased each year. If you do not opt out of participation when you are initially eligible, you will be automatically enrolled with an initial contribution rate of 3%. Each year after the first year of participation (generally as soon as possible after the first day of June of each year), this contribution rate is increased by 1% until you reach a contribution rate of 8%, the Plan's designated automatic savings limit. Once you reach this limit, you may make an affirmative election to defer up to 50% of your compensation, as described above.

On January 1, 2016, the Plan will also auto-enroll, at a contribution rate of 3%, all associates eligible to participate who are currently enrolled at 0% (with certain exceptions). If you are one of the eligible associates who will be automatically enrolled on that date, you will be notified and have the ability to opt-out.

### **Vesting and withdrawal options**

You will always be fully vested in your payroll deferral and safe harbor contributions to the Plan. You will also be fully vested in matching contributions immediately. To be fully vested means that the contributions (together with any investment gain or loss) will always belong to you, and you will not lose them when you leave your job. For more information on vesting, please refer to [americangreetingsbenefits.com](http://americangreetingsbenefits.com).

Even if you are vested in your Plan account, there are limits on when you may withdraw your funds. Generally you may only withdraw vested money after you leave the Company, reach age 59-1/2, or become disabled. Also, there is generally an extra 10% tax on distributions before age 59-1/2. Your beneficiary will receive any vested amount remaining in your account when you die.

You also can borrow certain amounts from your vested Plan account, and may be able to take out certain vested money if you have a financial hardship. Hardship distributions are limited to the dollar amount of your Pre-Tax and Roth contributions. They may not be taken from earnings or employer contributions. Hardship distributions must be for a specified reason – for qualifying medical expenses, costs of purchasing your principal residence (or preventing eviction from or foreclosure on your principal residence, or repairing qualifying damages to your principal residence), qualifying post-secondary education expenses, or qualifying burial or funeral expenses. Before you can take a hardship distribution, you must have taken other permitted withdrawals and loans from the Plan. You can learn more about the Plan's hardship withdrawal and loan rules at [americangreetingsbenefits.com](http://americangreetingsbenefits.com)

### **Direct your investments**

You may direct the investment of your contributions to one or more of the Plan's available funds, which include a broad range of investment alternatives, intended to allow you to achieve a diversified portfolio. All investing is subject to risk. Diversification does not ensure a profit or protect against a loss in a declining market. If you want to make changes, contact Vanguard using the instructions below.

### **Default Investment Fund**

Your Plan also designates a default fund where your contributions will be invested if you have not made an alternative investment election, or you are automatically enrolled and did not make an investment election. If you don't make an election to invest in a different fund, all of your contributions will be invested in the default fund. The default fund that applies to you is the fund closest to the year you will turn age 65. You have the right to invest in funds other than the default investment fund. If you want to make changes, contact Vanguard using the instructions below.

### **Connect with Vanguard®**

To contact Vanguard to make changes to your current elections or for more information about any fund, including investment objectives, risks, charges, and expenses, or to obtain a prospectus, please refer to the instructions below.

The prospectus contains important information about the fund. Read and consider the prospectus information carefully before you invest. You can also download Vanguard fund prospectuses at [www.vanguard.com](http://www.vanguard.com).

- **Online.** Go to **Vanguard.com** for 24-hour access to financial-planning tools and information. Once you've enrolled, you can register for immediate secure online account access at **[www.vanguard.com/register](http://www.vanguard.com/register)**. You will need your plan number: 091997.
- **By phone.** Call Vanguard's 24-hour automated VOICE® Network at **800-523-1188**. To use VOICE, you will need a personal identification number (PIN).
- **With personal assistance.** Vanguard Participant Services associates are available to assist you at **800-523-1188** Monday through Friday from 8:30 a.m. to 9 p.m., Eastern time.

**For further information:** Please refer to [americangreetingsbenefits.com](http://americangreetingsbenefits.com) where you will find a Summary Plan Description for a complete explanation of the Plan features. You can also contact Vanguard using the instructions above to discuss Plan related questions.

Sincerely,

American Greetings Corporation

*The Plan is designed to meet the requirements under Section 404(c) of the Employee Retirement Income Security Act of 1974, as amended, for a self-directed account plan. This means that you have the right to direct the investment of your account under the Plan among all of the various investment options. Because you are making the investment decisions for your account, the Plan's fiduciaries are generally not responsible for investment results, including investment losses, because of your investment decisions and related instructions.*

All investing is subject to risk, including the possible loss of the money you invest.

\* This is the fund in which your contributions will be invested if you do not actively make a different investment allocation decision. If your default fund is a date-specific target date investment, your contributions will be invested in the most appropriate fund for someone your age, based on the funds offered by your plan as of the date you are enrolled in the plan. Should your plan subsequently offer a different date-specific target date investment that also may be appropriate for someone your age, your contributions will continue to be invested in the initial target date investment. You can choose different investments for your contributions at any time.

Investments in target-date funds are subject to the risks of their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund would retire and leave the work force. The fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in target date funds is not guaranteed at any time, including on or after the target date.

*An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in such a fund.*

*An investment in a stable value fund is neither insured nor guaranteed by the U.S. government. There is no assurance that the fund will be able to maintain a stable net asset value, and it is possible to lose money by investing in the fund.*

Vanguard Retirement Savings Trust is not a mutual fund. It is a collective trust available only to tax-qualified plans and their eligible participants. The collective trust mandates are managed by Vanguard Fiduciary Trust Company, a subsidiary of The Vanguard Group, Inc.

**Tax implications:** You will be responsible for paying any applicable federal, state, local, or foreign taxes on a distribution or withdrawal. Early withdrawals may be subject to a 10% federal penalty tax. To the extent required by law, Vanguard will make the appropriate withholding for tax purposes.

Vanguard Marketing Corporation, Distributor.

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