SUMMARY PLAN DESCRIPTION

PROFIT SHARING AND SAVINGS PLAN
OF
HALLMARK CARDS, INCORPORATED

AS OF JANUARY 1, 2019

Table of Contents

GENERAL INFORMATION

Plan Name:	Profit Sharing and Savings Plan of Hallmark Cards, Incorporated
Plan Sponsor/Employer:	Hallmark Cards, Incorporated
Employer Identification Number:	44-0272180
Plan No.	001
Other Participating Employers:	See Appendix A
Type of Plan:	Defined Contribution (401(k)/profit sharing plan)
Plan Year End:	December 31
Plan Administrator Name and Address:	Hallmark Benefit Plans Advisory Committee (the "Committee") 2501 McGee MD 510 Kansas City, MO 64108 888-545-6200
Trustee Name & Address:	State Street Bank & Trust Co. P.O. Box 351 Boston, MA 02101
Agents for Service of Legal Process:	Hallmark Cards, Incorporated 2501 McGee – MD 339 Kansas City, MO 64108 Service of legal process may also be made upon the Plan Administrator (the Committee), or the Trustee (State Street Bank and Trust Company) at the addresses listed above.
Plan Record Keeper:	Empower Retirement P.O. Box 419784 Kansas City, MO 64141-6784 1-866-233-6886 http://www.empower-retirement.com/hallmark

INTRODUCTION

The Profit Sharing and Savings Plan of Hallmark Cards, Incorporated (sometimes referred to as the "PSSP," or the "Plan") is a 401(k)/profit sharing plan, also known as a "defined contribution plan," under Section 401(a) of the Internal Revenue Code. The Plan was formerly known as the Profit Sharing Ownership and Savings Plan of Hallmark Cards, Incorporated. The Plan provides retirement income and financial security for employees through the accumulation and investment of Company and employee contributions. The PSSP was created effective March 1, 2003, when the Thrift Plan of Hallmark Cards, Incorporated and the Supplemental Thrift Plan of Hallmark Cards, Incorporated were merged into the Employee Profit Sharing and Ownership Plan of Hallmark Cards, Incorporated and the combined plan was renamed.

The PSSP is a profit sharing plan which allows the Company to share its success with employees through contributions from profits. It is also a 401(k) plan and permits employees to save for retirement on either a pre-tax, Roth and/or after-tax contribution basis. Each participant in the Plan has two separate accounts and his or her benefits are equal to the value of the assets in both accounts:

1. A Profit Sharing Account which includes amounts previously accumulated in the Employee Profit Sharing and Ownership Plan, Company profit sharing contributions and earnings or losses on those amounts.
2. A Savings Account which includes benefits accumulated in or rolled into the Hallmark Thrift Plan and Supplemental Thrift Plan prior to March 1, 2003, employee contributions (pre-tax, Roth and after-tax), Company matching contributions, amounts (if any) rolled over by the participant from another employer's plan, an IRA or Roth IRA into the PSSP, and earnings or losses on those amounts. Participants may contribute after-tax earnings to the Plan in the form of Roth Contributions or regular After-Tax contributions. Unlike after-tax contributions, Roth contributions and investment earnings on Roth contributions will be distributed tax-free, provided that they are distributed at least 5 years after the initial Roth Contribution and on or after the employee attains age 59 ½, dies or becomes disabled.

The PSSP has been adopted by Hallmark Cards, Incorporated and certain of its subsidiary corporations (for a complete list, please see Appendix A). When the term "Company" is used in this summary, it means a corporation that has adopted the Plan and employs the individual participant. All employee contributions and Company contributions (both profit sharing and matching) are made in cash and deposited with the Plan's trustee, State Street Bank and Trust Company. The Plan is overseen by the Hallmark Benefit Plans Advisory Committee who is the Plan Administrator and named fiduciary.

The purpose of this Summary Plan Description is to explain the most important PSSP provisions as simply as possible. All capitalized terms used in this Summary Plan Description are defined in the Plan. If there are any inconsistencies between this Summary Plan Description and the Plan document, the terms of the Plan document will control.

DEFINITIONS

The following terms are used in several places in this summary and participants should be familiar with them.

Hours of Service

Employees are credited with “Hours of Service” as follows:

1. Full-time employees who are exempt from the overtime provisions of the Fair Labor Standards Act and for whom no formal time reporting is maintained are credited with 190 hours of service for each calendar month and partial calendar month of employment.
2. Every other employee is credited with an hour of service for each hour the employee is directly or indirectly paid, or entitled to payment, by the Company for performance of his or her duties.

If an employee is absent for any of the following reasons, the hours the employee would normally have been scheduled to work during the period of absence will be credited as “Hours of Service:”

- Any leave of absence taken in accordance with Company rules and granted in writing for a specified period of time;
- Absence for the purpose of serving in the Armed Forces of the United States, provided the employee resumes employment with the Company after discharge with re-employment rights provided by law;
- Unpaid sick leave taken in accordance with Company rules and regulations;
- Absence due to disability; and
- Absence for any period in which an employee continues to receive regular compensation from the Company (including paid time off or “PTO”).

Year of Service

An employee who completes 1,000 or more Hours of Service in a calendar year is credited with a Year of Service. Years of Service with a subsidiary of Hallmark Cards will count as Years of Service in the PSSP; if the subsidiary was acquired by Hallmark, only service with the subsidiary during the time it is owned by Hallmark will count toward Years of Service.

Eligible Earnings

“Eligible Earnings” means compensation paid by the Company that is included in calculating contributions under the PSSP. Eligible Earnings include base pay, overtime earnings, shift premium and regularly-scheduled bonuses. Part or all of employee incentive awards may be included; employees who are eligible for an incentive program will be informed what portion (if any) of awards paid under the program will be included in Eligible Earnings. Eligible Earnings are calculated before payroll deductions for an employee’s pre-tax contributions to his or her Savings Account in the PSSP and employee contributions to the Flex Plan. Eligible Earnings do not include travel, relocation, or business expenses, reimbursement for adoption, or one-time bonuses such as special recognition bonuses. Eligible Earnings also do not include any compensation paid after retirement or termination except an employee's final paycheck and payment for accrued and unused hours of paid time off ("PTO"); for example, bonuses and incentive awards paid after retirement or termination and any severance pay are excluded from Eligible Earnings.

Federal tax law limits the amount of annual compensation that may be included as Eligible Earnings. For 2019, the limit is $280,000 and the limit is periodically adjusted to reflect increases in the cost-of-living.

PARTICIPATION

An employee is eligible to participate in the PSSP after one month of employment with the Company. Employees who are not citizens of the United States and who are regularly employed outside the United States are not eligible to participate. Casual labor employees and interns hired on a temporary basis for a specific project or a specific limited period of time are also ineligible to participate. Workers who perform services pursuant to an agreement between the Company or an Affiliate and a third party, including leased employees, are not eligible. Employees in certain divisions or locations participate in other pension benefit plans and are excluded from participation in this Plan; these are identified in more detail in Appendix A.

A former employee who rejoins the Company is immediately eligible to participate in the PSSP provided the employee completed at least one month of employment prior to his or her termination of service. Otherwise, the rehired employee must complete one month of employment after the date of reemployment.

PROFIT SHARING ACCOUNT CONTRIBUTIONS

Each year, Hallmark's Board of Directors determines the amount of Company profits to be contributed to the PSSP as a profit sharing contribution. To receive a profit sharing contribution, a participant must satisfy all of the following requirements:

1. Be actively employed on the first business day of the calendar year for which the contribution is made or be reemployed during the calendar year after completing the eligibility requirements and terminating employment in a previous year;
2. Complete 1,000 or more Hours of Service during the calendar year; and
3. Be actively employed on the last day of the calendar year for which the contribution is made.

An employee who terminates employment with the Company after attaining age 50 with 15 or more Years of Service or after attaining age 65 regardless of the number of Years of Service or who is on an approved leave of absence at year-end, will also receive a profit sharing contribution if the employee was credited with 1,000 or more Hours of Service during the year. A profit sharing contribution will also be made to the Profit Sharing Account of an employee who dies during the year, if the employee was credited with 1,000 or more Hours of Service prior to his or her death.

Profit Sharing Contributions made for the 2017 plan year and later are credited to a participant's Profit Sharing Choice subaccount.

The profit sharing contribution credited to each participant's account is expressed as a percentage of the participant's Eligible Earnings during the year and the same percentage of Eligible Earnings is credited to all participants who receive a profit sharing contribution for any year.

SAVINGS ACCOUNT CONTRIBUTIONS

Employee Contributions

An employee may make "pre-tax," "Roth" or "after-tax" contributions to his or her Savings Account out of his or her Eligible Earnings through payroll deductions.

Pre-tax employee contributions are deducted from an employee's Eligible Earnings and the contributions are not included as taxable wages for income tax purposes. Because income taxes are not paid in the year in which the pre-tax contributions are made to the Plan, income taxes must be paid on pre-tax employee contributions when they are paid out of the Plan.

Roth employee contributions are deducted from an employee's Eligible Earnings but these contributions are included as taxable wages for income tax purposes. Roth contributions and investment earnings on Roth contributions will be distributed tax-free, provided that they are distributed at least 5 years after the initial Roth Contribution and on or after the employee attains age 59 ½, dies or becomes disabled.

After-tax employee contributions are deducted from Eligible Earnings and are included as taxable wages for income tax purposes. Because income taxes are paid on these amounts in the year in which they are contributed, after-tax employee contributions are not taxed again when they are paid out of the Plan. However, investment earnings on after-tax employee contributions are taxable when paid out of the Plan.

Pre-tax, Roth and after-tax employee contributions are subject to Social Security and Medicare taxes at the time of contribution (but not again when paid out of the Plan).

Employees may choose to make pre-tax contributions, Roth contributions, after-tax contributions, or some combination of each, but all contributions must be made in increments of 1% of Eligible Earnings. For example, an employee may choose to contribute 6% pre-tax and 4% after-tax, or 3% pre-tax and 3% Roth. Employee contributions are limited to 60% of Eligible Earnings for any pay period; after-tax contributions may not exceed 10% of Eligible Earnings (out of the total of 60%).

"Catch Up" Contributions for Employees Age 50 and Over

Employees who are at least age 50 (or who attain age 50 during the calendar year) are permitted to make additional pre-tax and Roth employee contributions to their Savings Account. "Catch up" contributions for 2019 are permitted up to $6,000 in addition to the pre-tax and Roth contribution limits described above. Therefore, an employee who is 50 or older in 2019 will be able to make pre-tax and Roth contributions to the PSSP in the maximum amount of $25,000 — regular combined pre-tax or Roth contributions of $19,000 and additional catch-up contributions of $6,000. Catch-up contributions are also excluded from the limit on annual contributions described in the Limit on Contributions section. The catch up limit is adjusted periodically to reflect increases in the cost-of-living.

Employees age 50 and older who want to save above the normal limit imposed by federal law should enroll in the special catch-up contribution feature either online (http://www.empower-retirement.com/hallmark) or by phone with the Plan's Record Keeper (1-866-233-6886). Employees will be prompted to enter a dollar amount of catch-up contributions per pay period. (Employees must first contribute the maximum, either pre-tax or Roth, before making catch-up contributions.) Although any dollar amount may be entered, the catch-up contributions will be automatically stopped once the catch-up limit for the year has been contributed. Unless the participant changes his or her election, payroll deductions for the catch-up contributions will automatically begin again in the following January and continue until the catch-up limit is reached in the next year. Note: Catch-up contributions are not automatically adjusted annually to reflect any increases in the maximum amount; any increase must be initiated by the participant. Catch-up contributions may be stopped or changed at any time.

Rollover Contributions

Participants may make rollover contributions to the Plan from other qualified 401(k) and IRA retirement plans, including rollover of Roth funds. These rollover contributions will be credited to one or more rollover contribution subaccounts for the participant.

Company Matching Contributions

The Company will make a dollar-for-dollar matching contribution on a participant's pre-tax and/or Roth employee contributions of 1- 3% of Eligible Earnings and 50 cents-on-the-dollar matching contribution on such employee contributions of 4% and 5% of Eligible Earnings. Company matching contributions and investment earnings are subject to income taxes at the time payment is made from the Plan.

Company matching contributions are normally paid to the Plan and credited to a participant's account together with his or her pre-tax and/or Roth contributions. However, if a participant contributes more than 5% of Eligible Earnings for part of a year, but less than 5% for part of the year, matching contributions may not be credited at the correct level. Therefore, as soon as reasonably practical after the close of each plan year, matching contributions made on behalf of each participant will be evaluated to ensure the participant received the proper amount of matching contributions based on his pre-tax and Roth contributions as a percentage of his Eligible Earnings for the Plan Year. If the matching contributions for the plan year are not fully credited to participants according to the applicable matching contribution formula for the plan year, the participant's employer will make additional matching contributions on behalf of the participant in an amount equal to the shortfall ("true-up" matching contributions).

Enrolling or Changing Contribution Rates

All new eligible employees initially hired after December 31, 2005, will be automatically enrolled to make pre-tax employee contributions equal to 5% of his or her Eligible Earnings unless the employee elects otherwise. The Plan's Record Keeper will initiate automatic enrollment 30 days after an employee satisfies the eligibility requirements. At any time after an employee's initial employment is processed by the Record Keeper, the employee may elect to begin employee contributions, to not make employee contributions, or to change the rate of employee contributions. The election will become effective on the later of (i) the date the employee satisfies the eligibility requirements (that is, one month after employment), or (ii) the date on which the election is received and processed by the Plan's Record Keeper.

Effective beginning in 2019, each May 1, all employees who are contributing more than 0% and less than 10% will have their rate of contribution increased by 1% of Eligible Earnings unless the employee elects otherwise.

Elections to begin, stop, or change the rate of employee contributions must be made either online (http://www.empower-retirement.com/hallmark) or by phone with the Plan's Record Keeper (1-866-233-6886). If an employee will be automatically enrolled, but does not wish to make employee contributions, then he or she should contact the Record Keeper and elect 0% as a contribution rate. Auto enrollment and employee contribution changes will be effective after the Plan's Record Keeper transmits the necessary data to the Company's payroll system. Company matching contributions are discontinued when employee contributions are stopped and will resume when employee contributions resume.

LIMIT ON CONTRIBUTIONS

Pre-tax and Roth Employee Contribution

Federal law limits pre-tax and Roth employee contributions that may be made by a participant in any calendar year; the limit for 2019 is $19,000. The pre-tax and Roth employee contribution limit is adjusted periodically to reflect increases in the cost-of-living.

Annual Additions

Federal law also limits the total "annual additions" that may be allocated to a participant's PSSP Accounts in any calendar year. "Annual additions" include profit sharing contributions, pre-tax employee contributions, Roth employee contributions, after-tax employee contributions, Company matching contributions, and forfeitures. The limit on annual additions for 2019 is the lesser of (i) $56,000 (which is adjusted periodically to reflect increases in the cost-of-living) or (ii) 100% of the participant's compensation from the Company in the calendar year.

Required Testing

Because the PSSP has adopted and made a safe harbor employer contribution for an applicable plan year (e.g. the "matching contribution" formula noted above that was effective January 1, 2012), the PSSP is not subject to limitations on the amount that highly compensated employees can contribute, as pre-tax or Roth employee contributions or receive as matching contributions. There may be limitations on the amount that highly compensated employees can contribute as after-tax contributions. You will be notified if this applies to you.

VESTING AND FORFEITURES

An employee's contributions (pre-tax, Roth and after-tax) to his or her Savings Account, and any earnings on the employee contributions, are always fully vested and nonforfeitable.

If an employee was originally hired before January 1, 2006, Company matching contributions to his or her Savings Account (and earnings on the matching contributions) are also always fully vested and nonforfeitable.

If an employee was initially hired after December 31, 2005 but terminated on or before December 31, 2011, Company matching contributions and earnings on the matching contributions (tracked in a separate "matching contributions subaccount") are subject to the vesting rules described below, otherwise, matching contributions are fully vested for all employees as of January 1, 2012.

If an employee was employed on or after January 1, 2017, his or her Profit Sharing Account is always fully vested and nonforfeitable. If an employee terminated on or before December 31, 2016, his or her Profit Sharing Account is subject to the vesting rules described below.

All participants' Profit Sharing Choice subaccounts are always fully vested and nonforfeitable.

Unless fully vested as described above, participant's matching contributions subaccount and Profit Sharing Account are fully vested upon any of the following events:

1. The participant terminates employment from the Company after age 65, the Plan's normal retirement age;
2. The participant is permanently and totally disabled under the terms of the Company's Long Term Disability Plan, or the Hallmark Benefit Plans Advisory Committee determines the participant to be permanently and totally disabled;
3. The participant's termination is due to his or her death; or
4. The participant terminates with five or more Years of Service.

If a participant with fewer than five Years of Service terminates prior to age 65 for any reason other than death or permanent and total disability, vesting for his or her matching contributions subaccount (if hired after December 31, 2005 and terminated on or prior to December 31, 2011) and Profit Sharing Account (if terminated on or prior to December 31, 2016), will be determined under the following schedule:

Years of Service	Account Balance Payable	Account Balance Forfeited
1	20%	80%
2	40%	60%
3	60%	40%
4	80%	20%
5 or more	100%	0%

When a participant with fewer than five Years of Service terminates employment with the Company, the unvested portions of his or her matching contributions subaccount and Profit Sharing Account are forfeited.

- Matching contribution forfeitures are used to offset future Company matching contributions required by the Plan.
- Profit Sharing forfeitures are used to offset future profit sharing contributions.

If a participant incurs forfeitures upon his or her termination of employment and is reemployed prior to the seventh anniversary of his or her termination, the participant may repay distributions made after his or her termination. If the participant elects to repay all amounts distributed from his or her Profit Sharing Account, the profit sharing forfeitures incurred at the time of termination will be recredited to his or her Profit Sharing Account following repayment. If the participant elects to repay amounts distributed from his or her matching contributions subaccount, the matching contribution forfeitures incurred at the time of termination will be recredited to his or her Savings Account. Distributions from a participant's Savings Account do not have to be repaid to obtain reinstatement of profit sharing forfeitures. Profit Sharing Account distributions and any distributions of employee contributions from the participant's Savings Account do not have to be repaid to obtain reinstatement of matching contributions. If the employee elects not to repay the profit sharing and/or matching contributions previously distributed, no forfeitures will be recredited. If the participant incurred profit sharing forfeitures upon his or her termination, but received no distribution from his or her Profit Sharing Account, the profit sharing forfeitures will be automatically recredited. Similarly, if the participant incurred matching contribution forfeitures upon his or her termination, but received no distribution from his or her matching contribution subaccount, the matching contribution forfeitures will be automatically recredited.

INVESTMENT OF ACCOUNTS

Each participant's Profit Sharing Account and Savings Account are invested as directed by the participant among a broad menu of investment options.

Participant-Directed Investment Options

Each participant may direct the investment of funds in their profit sharing self-directed subaccounts and their Savings Accounts among seventeen different investment options:

- Conservative Lifestyle Fund
- Moderate Lifestyle Fund
- Large Cap Value Fund
- Mid Cap Growth Fund

- Aggressive Lifestyle Fund
- Stable Income Fund
- Diversified Bond Fund
- US TIPS Index
- Large Cap Growth Fund
- Large Cap Blend Fund
- Global Index ex US
- Mid Cap Value Fund
- Mid Cap Blend Index
- Small Cap Blend Fund
- Small Cap Blend Index
- Developed International Fund
- Emerging Markets International Fund

The three "lifestyle" funds offer a simple investment alternative with assets invested and rebalanced by the fund managers among a diverse group of stocks, bonds and short-term investments appropriate for the risk level selected — conservative, moderate, or aggressive. The remaining investment options permit employees to choose their own mix of investments from a diversified group of funds. Some investment options are invested in publicly-traded mutual funds, others are separate trust accounts managed by one or more investment managers. As the named fiduciary for the PSSP, the Hallmark Benefit Plans Advisory Committee is responsible to select and monitor the investment options that are available within the Plan and may add or remove investment options from time to time. If an investment option is removed, participant balances invested in that option will be transferred to a different investment option with similar objectives and risks as determined by the Committee. Participants will be notified in advance of any changes and will have the opportunity to redirect the investment of their balances before the changes are implemented. The Committee also selects and monitors the mutual funds and investment managers that manage each investment option, and may change the mutual fund or investment manager(s) for any investment option.

Additional information on each of the investment options can be obtained either online (http://www.empower-retirement.com/hallmark) or by phone with the Plan's Record Keeper (1-866-233-6886). Information available for each investment option includes the mutual fund or investment manager(s), a general description of the investment objectives and style, the portfolio's risk and return characteristics, information on the type and diversification of assets in the portfolio, the expense ratio, largest holdings in the portfolio, the value of shares or units in the investment portfolio, and current and historical investment performance. If the investment option is a publicly-traded mutual fund, a prospectus is available upon request.

Voting rights associated with the securities in the portfolio of each investment option are exercised by the investment manager(s) for that option or, for mutual funds, by a representative of the Hallmark Benefit Plans Advisory Committee. Since voting rights are not passed through to participants, materials related to the voting rights are not provided to participants.

Default Investment Options

Each participant is encouraged to select the investment allocation best suited to meet his or her individual needs. However, if a participant does not choose one or more investment options, his or her profit sharing self-directed subaccount and Savings Account will be invested in the Plan's designated Qualified Default Investment Alternative (or "QDIA"), which is the Moderate Lifestyle Fund. The QDIA is used for all account balances and contributions held or made for a participant (other than profit sharing contributions allocated to the Hallmark Stock subaccount) until the participant elects one or more of the investment alternatives provided under the Plan.

<u>Selecting and Changing Investment Options</u>

Participants may generally change investment options at any time effective on the business day on which the directions are received and processed by the Plan's Record Keeper. However, because of the administrative and transaction costs, restrictions or fees may apply to discourage or limit frequent transfers among different investment options. For example, if a participant transfers amounts to one of the international investment options (the Developed International Fund or the Emerging Markets International Fund), a fee of 2% will be assessed on a subsequent transfer of money out of the same fund to another investment option within 90 days.

A participant's current investment allocations will be applied uniformly across all of the participant's sub-accounts maintained under the Plan. A participant's chosen investment allocation will also be applied uniformly to all future self-directed contributions to the Plan made on the participant's behalf.

Participants who wish to give investment instructions or change investment options should log on to http://www.empower-retirement.com/hallmark or call the Plan's Record Keeper (866-233-6886).

<u>Investment Advice</u>

Participants may use the Advised Assets Group Online Advisor service at no charge. Powered by Financial Engines, this internet-based service offers specific investment advice based on a participant's individual risk tolerance, planned retirement age, savings level and retirement goals. The cost of the Financial Engines online tool is included in the record keeping fees paid by the Plan. To use the Online Advisor, log on to http://www.empower-retirement.com/hallmark, select "Profit Sharing Savings Plan of Hallmark Cards, Incorporated" from the "Account list" and click the "Get advice" icon.

Participants may also use Advised Assets Group Professional Management Program. Powered by Financial Engines, this is a fee-based service that offers personalized investment advice from investment professionals who monitor and direct the investment of a participant's self-directed balances. The service includes telephone access to Investment Advisor Representatives and printed Progress Reports. The annual fee for the Professional Management Program is equal to 0.55% of a participant's account balance; discounts are available for account balances in excess of $100,000. Information on the Professional Management Program is available online at http://www.empower-retirement.com/hallmark or by calling the Plan's Record Keeper (866-233-6886).

<u>Compliance with ERISA Section 404(c)</u>

The investment options for participants' Profit Sharing and Savings Accounts are intended to comply with the provisions of Section 404(c) of the Employee Retirement Income Security Act of 1974 (ERISA) and regulations issued by the Department of Labor (29 CFR Sec.

2550.404c-1). This means that each participant is allowed to direct the investment of these accounts among a broad and diversified group of investment options and the participant is responsible for the investment decisions which he or she makes. The Plan Sponsor, each subsidiary that has adopted the Plan, the Hallmark Benefit Plans Advisory Committee, each trustee, and the representatives of each of these entities are relieved of liability for any losses which are the result of following the investment instructions provided by the participant.

Valuation of Accounts

Assets are valued at the end of each business day.

The earnings or losses of each investment option are determined and allocated to participants' Profit Sharing Accounts and Savings Accounts at the end of each business day. The daily valuation may be postponed on rare occasions due to unusual circumstances (such as a power outage) or special processing. If this happens, gains or losses will be allocated on the next business day.

Plan Expenses

Administrative costs and expenses of the Plan are charged to participants. These include trustee fees, investment management fees, record keeping costs (including the Advised Asset Group Online Advisor), and auditing fees. Some expenses such as investment management fees are charged at the investment fund level and are reflected by a lower investment return. However, some expenses such as trustee fees, record keeping charges, and auditing fees are paid by periodic charges assessed against participants' Accounts. The expense ratios for all investment options are summarized online at http://www.empower-retirement.com/hallmark. From the "Account Overview-Balance" page, simply click on the link for "Investment Lineup" to view the gross expense ratios for each fund.

Participants can also see what expenses have been charged to their accounts online. To see what expenses have been charged, click the link for "Transaction History," and click on the Asset Based Charge link. Information on expense charges can also be obtained by calling the Plan's Record Keeper (866-233-6886).

Quarterly Statements

A quarterly electronic statement will be produced and made available online at http:/www.empower-retirement.com/hallmark for each participant with a balance in the Plan. This statement will include the participant's balances in his or her Accounts at the beginning and end of the quarter, the amount of employee and employer contributions during the quarter, the amount of any loans or loan payments during the quarter, and the amount of any withdrawals or distributions during the quarter. Similar information will be included for each investment option in which the participant has funds invested, together with the rate of return during the quarter for each investment option. Participants can also obtain current account balance information at any time online at http://www.empower-retirement.com/hallmark or by calling the Plan's Record Keeper (866-233-6886).

LEAVE OF ABSENCE OR DISABILITY

If a participant is on an authorized leave of absence (including military leave) on December 31 and the Company makes a profit sharing contribution, a Company profit sharing contribution will be made to his or her Profit Sharing Choice Account based on the participant's Eligible Earnings during the year provided he or she has 1,000 or more Hours of Service during the calendar year (including any hours credited during the leave of absence). A Company contribution will be allocated to a participant who is disabled at year end if the participant has 1,000 or more Hours of Service (including any hours credited while disabled) based on the participant's actual Eligible Earnings during the year.

If an employee returns to employment with the Company at the end of a military leave with reemployment rights provided by law, he or she will (i) receive a profit sharing contribution for each year during the military leave (if applicable) and (ii) be entitled to make employee contributions (pre-tax, Roth or after-tax or a combination) and receive Company matching contributions for the period of military leave. Employee contributions for a period of military leave can be made up after reemployment over a period equal to the lesser of three times the period of military leave or five years. Company matching contributions will be added to the employee contributions made up by the employee at the same rate the employee would have received Company matching contributions if not on military leave.

Profit sharing contributions and employee contributions for military leaves of absence will be based on assumed Eligible Earnings for each full and partial year of absence equal to the greater of (1) the employee's base salary at the time the leave began, or (2) the employee's Eligible Earnings during the calendar year preceding the leave.

WITHDRAWALS

Participants who are actively employed may be eligible to withdraw a portion of their balances from the PSSP. For a summary of the tax and rollover rules for payments from the PSSP, see the "Special Tax Notice Regarding Plan Payments" posted at http://www.empower-retirement.com/hallmark. Participants under age 70 ½ may make only two withdrawals per year. If a withdrawal is made on the same day from two different sources, it is counted as 1 withdrawal.

Participants over age 70½ who are actively employed may make withdrawals from their Profit Sharing and Profit Sharing Choice Accounts for any reason and in any amount, and may make two withdrawals per year from their Savings Account. Any participant, regardless of age, may withdraw his or her rollover contributions, after tax contributions, and after-tax matching contributions.

Hardship Withdrawals

A participant may withdraw a portion of his or her vested Profit Sharing Account, Profit Sharing Choice Account and Savings Account balance for one of the following specific financial hardships:

1. To purchase a home that will be the participant's primary residence or to stop foreclosure on or eviction from a primary residence. Withdrawals cannot be made for purchase of a vacation home or if the participant's present home is retained for rental.
2. To pay expenses resulting from severe personal or family illness. Withdrawals cannot be made for medical expenses which have been or will be reimbursed by insurance.
3. To pay college educational expenses incurred by the participant, his or her spouse, and his or her children for the current school year only.
4. To pay repair expenses for damage to the participant's principal residence from a qualifying casualty loss.
5. To pay for funeral or burial expenses for the participant's deceased parent, spouse, child or dependent.

The amount of financial hardship withdrawal cannot exceed the amount needed to relieve the financial hardship. The amount of a financial hardship withdrawal may include amounts necessary to pay any federal, state or local taxes (not to exceed 125% of the documented need). Before taking a hardship withdrawal, a participant must first obtain all other forms of withdrawal, available under this Plan and all other plans maintained by the Company. Financial hardship withdrawals are distributed in a single sum.

All hardship withdrawal requests must be submitted to the Plan's Record Keeper and are subject to approval by the Hallmark Benefit Plans Advisory Committee. The amount withdrawn may include amounts necessary to pay any estimated taxes and penalties on the hardship withdrawal.

<u>Withdrawals from Profit Sharing Choice Account</u>

The participant may withdraw all or any portion of his or her Profit Sharing Choice Account if the participant has either participated in the Plan for five years or the funds have been in the Account for two years.

<u>Withdrawals from Savings Account</u>

A participant may be able to withdraw a portion of his or her Savings Account while still employed, but the amount available for withdrawal always excludes Company matching contributions made in the 24-month period immediately preceding the withdrawal. If a participant has not attained age 59½, he or she may not withdraw: (i) pre-tax or Roth employee contributions, (ii) Company matching contributions on pre-tax or Roth employee contributions, and (iii) any earnings on those contributions. If a participant is age 59½ or older, all amounts in his or her Savings Account are available for withdrawal except the last 24 months of Company matching contributions.

<u>In-Plan Roth Rollovers</u>

A participant may elect to transfer all or any part of his or her Pre-Tax Deferrals and After-Tax Deferrals to an "In-Plan Roth Rollover Account." The participant will be taxed on the amount of the in-plan rollover. Any amount transferred will thereafter be treated as a Roth contribution for tax purposes. The In-Plan Roth Rollover Account will not be treated as a Rollover Account for distribution purposes, that is, the participant cannot take an in-service withdrawal prior to attaining age 59½ except in the event of hardship.

LOANS

Participants who are actively employed may borrow funds from their PSSP Accounts. All Plan loans must be repaid by payroll deduction and, therefore, loans are not available to retired or terminated participants. There are two types of loans from the PSSP:

1. General Purpose Loan — This is a loan for any reason and no documentation of the use is required. A general purpose loan must be repaid over a maximum period of fifty-four months.
2. Residence Loan — The participant must submit documentation to verify that loan proceeds will be used for the purchase of a residence. A residence loan can be repaid over a maximum of ten years.

A participant may borrow up to the smallest of the following amounts: (i) $50,000; (ii) 50% of the aggregated balances in his or her Savings Account and Profit Sharing Account. The $50,000 maximum will be reduced by the participant's highest outstanding loan balance in the 12 months preceding the date of the loan. The minimum loan amount is $1,000 and only one loan may be outstanding at a time. A $50 loan processing fee is deducted from the participant's account at the time the loan is processed. Interest is charged on the loan at a rate equal to the prime interest rate on the first day of the month in which the loan is processed, plus 1%. The interest rate is set when the loan is processed and remains the same for the term of the loan.

Payroll deductions for loan repayments will start as soon as administratively possible, but no later than the beginning of the second month following distribution of the loan proceeds. For example, if loan proceeds are distributed in June, payroll deductions will begin no later than August. A loan may be prepaid in full (but not in part) at any time by submitting to the Plan's Record Keeper a certified check or money order made payable to The Trustee of the Hallmark Cards Profit Sharing and Savings Plan.

Employees who terminate employment with an outstanding loan balance must repay the loan in full within four months of termination. If the loan has not been repaid within that time, the employee will be deemed to have received a distribution from his or her Accounts equal to the outstanding balance of the loan (including any unpaid interest). Taxes on the distribution may apply and may include 10% additional tax if the participant is under age 59½. (See Special Tax Notice Regarding Plan Payments at http://www.empower-retirement.com/hallmark for more details.) If an employee defaults on a loan repayment, the employee is not eligible to obtain a future loan until the defaulted loan is repaid in full including any unpaid interest.

DISTRIBUTION FOLLOWING TERMINATION OF EMPLOYMENT OR DEATH

After termination of employment, the vested balances in a participant's Profit Sharing Account and Savings Account are available for distribution. In the event of a participant's death, the account balances will be distributed to his or her designated beneficiary. A participant who becomes a leased employee has not terminated employment and is not entitled to a distribution unless he or she is entitled to an in-service withdrawal.

The Plan will distribute a participant's entire account balance to any participant who has an account balance less than $1,000 following his termination of employment or death. If the participant's account balance is between $1,000 and $5,000 following his termination of employment or death and the participant does not elect to receive a distribution, the Plan will automatically roll over a participant's entire account balance to a designated third party individual retirement account provider. Distributions or automatic rollovers of small account balances will occur periodically during each Plan Year as determined by the Plan Administrator.

If a participant's aggregate account balances in the PSSP are greater than $5,000, the participant or his or her beneficiary may elect distribution of benefits in any of the following options (subject to minimum distribution rules required by tax law which are discussed below):

- A single payment of the participant's entire vested balances;
- A participant or spouse beneficiary may elect a partial distribution at the time and in the amount and source specified by the participant or spouse beneficiary; or
- Installment payments subject to the following rules:
    - ➢ A participant or spouse beneficiary may elect to receive installments in a specified amount payable monthly, quarterly, semiannually or annually. The specified amount will be paid at the requested intervals until the total Plan balances are depleted. The participant or surviving spouse may change the amount or interval of installment payments at any time (subject to the minimum distribution rules).
    - ➢ A non-spouse beneficiary may elect monthly, quarterly, semiannual or annual installments for a period not to exceed 15 years. Each installment will equal the total unpaid account balances in the Plan divided by the number of remaining installments.

<u>Minimum Distribution Rules</u>

Federal tax law requires that distributions to a participant must begin by April 1 following the later of (i) the year in which the participant attains age 70½ or (ii) the year in which the participant terminates employment with the Company. If the participant dies before the required beginning date and his or her spouse is the beneficiary, distributions must begin on or before the later of (i) the last day of the year following the year in which the participant dies or (ii) the last day of the year in which the participant would have attained age 70½. Distributions to a non-spouse beneficiary must begin by the last day of the calendar year following the year in which the participant dies.

Distributions made on and after these required beginning dates must meet certain minimum payment rules established by tax law based on life expectancy tables.

Investment Following Termination

Balances in a participant's Profit Sharing Account and his or her Savings Account will be invested as directed by the participant until distributed.

BENEFICIARIES

If a participant is married on the date of death, profit sharing benefits will be paid to his or her spouse unless the participant has designated another beneficiary with the written consent of his or her spouse. To obtain the form necessary to designate a beneficiary and to provide the spouse's consent, contact the Plan's Record Keeper (866-233-6886).

If there is no surviving spouse at the time of a participant's death or if the participant has designated a different beneficiary with his or her spouse's consent, benefits from the Plan will be paid to the beneficiary designated by the participant. A participant may also designate a contingent beneficiary to receive the benefits if his or her spouse or other primary beneficiary predeceases the participant.

If a participant fails to make a valid beneficiary designation or has no living beneficiaries at the time of his or her death, PSSP benefits will be paid to first survivors in the following order: the participant's surviving spouse, the participant's surviving descendants per stirpes, the participant's parents equally, the participant's brothers and sisters equally, and the participant's estate.

Beneficiary designations are important and should be reviewed periodically. Events such as marriage, divorce, birth of a child, or death of a beneficiary may require a beneficiary change. A participant may change his or her beneficiaries at any time online at http://www.empower-retirement.com/hallmark or by contacting the Plan's Record Keeper (866-233-6886).

CLAIM PROCEDURE

The PSSP has a formal claim procedure to resolve any disputes regarding the Plan or benefits from the Plan. Use of this claims procedure is mandatory. The official Plan document sets out the full details of the claims procedure and any person who wishes to pursue a claim should review it carefully.

The PSSP imposes time limits on when a claim can be filed. Generally, any claim must be filed with the Hallmark Benefit Plans Advisory Committee, which is the Plan Administrator, within two years after the claimant knew or should have known of the actions which gave rise to the claim. For example, any claim from a denial of a distribution must be filed within two years after the claimant is notified by the Plan Administrator that he is not entitled to benefits. Any action for a breach of fiduciary duty must be filed before the earlier of three years after the earliest date on which the claimant had actual knowledge of the action or inaction giving rise to the breach or six years from the date of the last action constituting the breach or the date the fiduciary could have cured the breach.

Any claim must be in writing and submitted to the Hallmark Benefit Plans Advisory Committee, which is the Plan Administrator. A claims official appointed by the Committee will make an initial review of the claim and notify the claimant of his or her decision within 90 days after the claim is received. If special circumstances require extra time to process the claim, the claims official will notify the claimant within the original 90-day period and explain the reason for the extension and the time for completing the claim — which will be within 180 days after it was originally filed. If the claim is denied, the claims official's notice will (i) give specific reasons for the denial with reference to the pertinent plan provisions, (ii) describe any additional material the claimant may need to submit to pursue an appeal, and (iii) explain the Plan's claim review procedure.

If a claim is denied by the claims official, the claimant may request that the claim be reviewed by the Committee. Only facts and theories presented by the claimant during the initial claim procedure stage will be considered by the Committee. A request for the Committee's review must be made within 60 days after the denial by the claims official. The Committee will deliver a written decision on the claim within 60 days following receipt of the claimant's appeal. If special circumstances require extra time to process the review, the Committee will notify the claimant within the 60-day period and explain the reason for the extension and the time required to complete the claim — which will be within 120 days following receipt of the claimant's appeal.

If the Committee denies the claim after its review, the claimant's only remaining remedy is to submit the claim to impartial arbitration. Again, only facts and theories presented by the claimant during the initial claim review may be considered during arbitration. A request for arbitration must be filed within 60 days after the Committee notifies the claimant that the claim is denied.

Other rules and timeframes will apply if your claim is based on disability. Contact the Committee for more information.

PROTECTION AGAINST CREDITORS

A participant's account balance in the PSSP is not subject to garnishment, attachment, or levy by a creditor. In addition, benefits may not be assigned or transferred to another party (such as a bank for use as collateral on a loan or a trust). Any attempt by a participant to assign or transfer accrued benefits is not valid or binding on the Company or the Plan's Trustee.

QUALIFIED DOMESTIC RELATIONS ORDERS ("QDRO")

Federal law requires plans such as the PSSP to comply with court orders in certain kinds of family relations cases. For example, an order might require the Plan to pay all or a part of a participant's account balance for alimony, child support, or division of marital property. This type of court order is called a qualified domestic relations order (or "QDRO"). The Committee has approved a written procedure to determine the qualified status of a court order and to administer distributions under a QDRO. The QDRO procedure, model order and explanatory memo are available through the Plan's Record Keeper. Participants are charged $300 for the administration and processing of QDROs on their Accounts. This fee is subject to periodic adjustment by the Committee. Any claim that a court order should be determined to be a QDRO must be filed within two years after the order is submitted to the Plan Administrator for a determination.

TRANSFER TO OR FROM A SUBSIDIARY

An employee who transfers to a Company that has adopted the PSSP from a subsidiary or affiliated employer that has not adopted the PSSP is immediately eligible to participate in the Plan if the employee completed at least one month of service with the non-adopting subsidiary or affiliate before transfer. Years of Service completed with the non-adopting subsidiary or affiliate while it is owned by Hallmark Cards, Incorporated will count as Years of Service in the PSSP. If the employee has 1,000 hours of combined service with the Company and the non-adopting subsidiary during the year of transfer, he or she will be eligible to receive a Company profit sharing contribution for the year of transfer based on Eligible Earnings from the Company in the year of transfer (but excluding earnings while employed by the non-adopting subsidiary during the year of transfer). An employee who transfers to a Company that has adopted the PSSP from a company that has adopted the Hallmark Affiliates Savings Plan or the Retail Service Group Savings Plan of Hallmark Cards, Incorporated will have his or her account balances in the other plan transferred to the PSSP.

A participant who transfers to a subsidiary or affiliated employer that has not adopted the PSSP but has adopted another 401(k) plan (either the Hallmark Affiliates Savings Plan or the Retail Service Group Savings Plan of Hallmark Cards, Incorporated) will have his or her account balances in the PSSP transferred to that other plan, and his or her elections as to contributions (percentage of Eligible Earnings and type of contribution, for example pre-tax, after-tax or Roth) will carry over to that other plan, and matching contributions in the other plan will be made according to the other plan's matching contribution formula; distributions will be not permitted while employed by any Hallmark Cards, Incorporated subsidiary or affiliate. If the employee is not 100% vested in his or her Profit Sharing Account and Savings Account at the time of transfer, Years of Service under this Plan will count towards increased vesting in the other plan. If the employee has 1,000 hours of combined service with the Company and the non-adopting subsidiary in the year of transfer, he or she will be eligible to receive a Company profit sharing contribution for the year of transfer based on Eligible Earnings from the Company in the year of transfer (but excluding compensation while employed by the non-adopting subsidiary during the year of transfer). Transferred Accounts will be invested in the investment funds under the other plan that correspond to the funds in which the accounts were invested in the PSSP.

Any Employee who transfers to or from a subsidiary should contact the Hallmark Benefits Department to ensure that service at the subsidiary is properly credited.

AMENDMENT, TERMINATION AND INSURANCE

Although it currently intends to continue the PSSP indefinitely, the Plan Sponsor reserves the right to terminate the Plan or to discontinue Company contributions for any year or permanently. In the event of termination of the Plan, each participant will be fully vested in his or her account balance, the Profit Sharing Trust will be liquidated, and each participant will receive the full amount credited to his or her Accounts as of the date of the liquidation. The Plan

Sponsor also reserves the right to amend the Plan, but no amendment may reduce any participant's account balance.

Because the PSSP is fully funded at all times, the Plan is not eligible for insurance coverage for benefits from the Pension Benefit Guaranty Corporation (PBGC), a government agency established to provide insurance for other types of employee benefit plans. There is no way to buy insurance to cover investment risk. Recognizing this fact, ERISA specifically exempts plans such as the PSSP from the requirement of purchasing plan termination insurance from the PBGC.

STATEMENT OF RIGHTS UNDER ERISA

Participants in the PSSP are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). Included are the rights to:

1. Examine all plan documents, including contracts with any insurance companies, annual reports (Form 5500 Series), plan descriptions, and any other documents filed by the Plan with the United States Department of Labor. These documents are on file in the corporate Human Resources Department at each Company's Human Resources office and may be examined without charge during regular working hours.

2. Obtain copies of all plan documents and other plan information upon written request to the Company. A reasonable charge will be made to cover reproduction costs.

3. Receive a summary of the Plan's annual financial report. The Plan Sponsor will furnish each participant a copy of this report once each year.

4. Obtain a statement telling you whether you have a right to receive retirement benefits at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stopped working under the Plan right now. If you do not have a right to retirement benefits, the statement will tell you how many more years you have to work to get a right to retirement benefits. This statement is normally provided by the Plan Sponsor on a calendar quarter basis. If you do not receive a benefit statement, you must request this statement in writing. It is not required to be given more than once a year. The Plan must provide the statement free of charge.

In addition to creating rights for Plan participants, ERISA imposes duties upon those persons responsible for the operation of the Plan. These persons, called "fiduciaries," have an obligation to operate the Plan prudently and in the interest of Plan participants and beneficiaries.

ERISA also provides that an employer may not discharge or discriminate against a participant to prevent the participant from obtaining a benefit under the Plan or to exercise his or her rights under ERISA. In addition, if a claim for a benefit under the Plan is denied in whole or in part, the participant must receive a written explanation of the reason for the denial and may request that the claim be reviewed and reconsidered.

Under ERISA, there are steps a participant can take to enforce these rights. For instance, if a participant does not receive materials requested from the Plan within 30 days, the participant may file suit in a federal court. In such a case, the court may require the Company to pay the participant up to $110 a day until the materials are received, unless they were not provided because of reasons beyond the control of the Company. A participant may also file suit in a state or federal court if a claim for benefits is denied in whole or in part and the participant has exhausted his or her administrative remedies with the Plan, or if the claim is ignored. In addition, if a participant disagrees with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, the participant may file suit in federal court.

In the event Plan fiduciaries misuse the Plan's money, or if a participant is discriminated against for asserting his or her rights under ERISA, assistance may be obtained from the U.S. Department of Labor, or the participant may file suit in a federal court. In such a suit, the court will decide who will pay court costs and legal fees. If the participant is successful, the court may order the person sued to pay these costs and fees. If the participant should lose the suit, the court may order the participant to pay these costs and fees; for example, if the court were to find the participant's claim frivolous.

If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefit Security Administration.

CONTINUED RIGHTS OF EMPLOYMENT

No provision of the Plan or this Summary Plan Description (a) gives any employee any right to continued employment, (b) prohibits changes in the terms of employment of any employee, or (c) prohibits the termination of any employee's employment.

APPENDIX A
Participating Employers

Crown Center Redevelopment Corporation

Hallmark Business Expressions, LLC

Hallmark Global Services, Inc.

Hallmark Hall of Fame Productions, LLC

Hallmark Interactive, LLC

Hallmark Licensing, Inc.

Hallmark Management Services, LLC

Hallmark Marketing Corporation*

Hallmark Retail Services, Inc.

Hallmark Retail, LLC**

Hallmark.Com, LLC

Halls LLC (employees who are in the Business Partner Manager pay band except Buyers)

* Employees in the retail merchandising and installation service group of Hallmark Marketing Corporation and employees who are residents of Puerto Rico are not eligible to participate in the Profit Sharing and Savings Plan of Hallmark Cards, Incorporated ("PSSP").

** Employees of Hallmark Retail, Inc. who work at the retail store level are not eligible to participate in the PSSP.