SUMMARY PLAN DESCRIPTION

CASH BALANCE RETIREMENT PLAN
OF
HALLMARK CARDS, INCORPORATED

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GENERAL INFORMATION

Plan Name:	Cash Balance Retirement Plan of Hallmark Cards, Incorporated
Plan Sponsor/Employer:	Hallmark Cards, Incorporated 2501 McGee, MD#510 Kansas City, MO 64108
Employer Identification Number:	44-0272180
Plan No.	002
Other Participating Employers:	See Appendix A
Type of Plan:	Defined benefit and cash balance plan
Plan Year End:	December 31
Plan Administrator Name and Address:	Hallmark Benefit Plan Advisory Committee (the "Committee") 2501 McGee, MD #510 Kansas City, MO 64108 888-545-6200
Trustee Name and Address:	State Street Bank and Trust Company 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.

INTRODUCTION

The Cash Balance Retirement Plan of Hallmark Cards, Incorporated (sometimes also referred to as the "Retirement Plan" or the "Cash Balance Plan") is a "defined benefit pension plan," under Section 401(a) of the Internal Revenue Code. This means a participant's benefits are determined by provisions set out in the Plan document and are not affected by the investment earnings or losses on Plan assets. The Retirement Plan is intended to provide benefits to supplement retirement income from the Profit Sharing Ownership and Savings Plan and Social Security. Benefits from all of these programs will provide employees with financial support needed to enjoy an active life during their retirement years.

The Retirement Plan was originally adopted effective December 27, 1943. The Plan was amended and restated effective December 31, 1996 to be a "cash balance" plan in which each participant's benefits are expressed as a hypothetical account which is credited with "pay credits" based on the participant's compensation and "account credits" based on interest rates of U.S. treasury securities. **Pay credits to the Plan were discontinued for all participants effective January 1, 2010**, but account credits will continue to accrue on each participant's cash balance account until his or her retirement or termination and distribution of benefits.

Employees who terminated or retired before December 1, 1996 will be governed by the provisions of the Retirement Plan as in effect on the date of their retirement or termination. Certain rights and benefits under the Retirement Plan as in effect prior to its conversion to a cash balance plan may also be available to employees who attained normal retirement age (65) or attained age 50 and had 15 or more Years of Service (as defined below) before January 1, 2007. See the discussion of the ""transition benefit" later in this summary.

The Cash Balance Plan has been adopted by Hallmark Cards, Incorporated and certain of its subsidiary corporations (for a complete list, 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. The Plan is funded entirely by Company contributions which are deposited in the Hallmark Cards, Incorporated Master Trust established October 1, 1996 with State Street Bank and Trust Company, as trustee. The Plan is overseen by the Hallmark Benefit Plans Advisory Committee who is the Plan Administrator.

The purpose of this summary plan description is to explain the most important provisions of the Cash Balance Retirement Plan as simply as possible. If there are any inconsistencies between this summary plan description and the Plan document, the terms of the Plan document will control.

Effective December 31, 2013, the Retirement Plan of Litho-Krome Company, LLC, (the "L-K Plan") was merged into the Cash Balance Retirement Plan. Participants in the L-K Plan receive a supplemental statement describing certain plan provisions applicable to them. Except as described in the supplemental statement, the provisions of this summary plan description are also applicable to the participants in the former L-K Plan.

DEFINITIONS

Participants should be familiar with the following terms which are used in several places in this summary.

Domestic Partner. For purposes of the Cash Balance Retirement Plan, a domestic partner means a person (of either sex) other than a spouse with whom a participant cohabits in a domestic relationship that satisfies all of the following:

- Neither the participant nor the domestic partner is legally married;
- Both participant and the domestic partner are at least 18 years of age and are unrelated;
- The domestic partnership has been in existence for a period of at least 12 consecutive months, and the participant and domestic partner have shared the same residence for at least 6 months; and
- The domestic partner relationship satisfies at least two of the following four conditions:
  - Participant and domestic partner have common or joint ownership of a residence;
  - Participant and domestic partner have granted each other a durable power of attorney for health care or financial management;
  - Participant and domestic partner have at least two of the following: (i) joint ownership of a motor vehicle, (ii) a joint bank account, (iii) a joint credit account, or (iv) a lease for a residence that identifies both as tenants;
  - Participant has designated the domestic partner as a primary beneficiary for one or more of the following: (i) a life insurance policy on the life of the participant (including Hallmark life insurance), (ii) participant's last will and testament, or (iii) a qualified pension benefit plan in which the participant participates (including this Cash Balance Plan or the Hallmark Profit Sharing Ownership and Savings Plan).

A participant must document the domestic partnership through an affidavit and by providing copies of relevant documents identified above. If a participant terminated his or her employment before December 1, 1996, the provisions regarding a domestic partner will not be applicable.

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").

Spouse means an individual married to a participant if the marriage, including a common law marriage or same-sex marriage, is valid under the law of the state or other jurisdiction where the marriage was entered into, regardless of the married couple's domicile.

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 Retirement Plan; 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.

PARTICIPATION

An employee hired before January 1, 2006, is eligible to participate in the Cash Balance Plan if he or she completed 1,000 Hours of Service on or before the last day of the month in which the first anniversary of employment occurred, or during any calendar year ending on or before December 31, 2009.

Employees first hired after December 31, 2005 are not eligible to participate in the Plan and will receive no benefits from the Plan.

CASH BALANCE ACCOUNT

Each participant's benefits in the Retirement Plan are expressed in the form of a hypothetical "Cash Balance Account." When the Retirement Plan was converted to a "cash balance" plan effective December 31, 1996, the monthly accrued benefit of each active participant was converted to an actuarially equivalent lump sum amount or "cash balance" and credited to the participant's new Cash Balance Account. Each participant on that date was provided information on his or her beginning "cash balance" equivalent amount. Participants who satisfied the eligibility requirements after December 31, 1996, began participation with a zero balance in their Cash Balance Accounts.

Pay Credits and Account Credits

A "pay credit" was added to the Cash Balance Account of each participant who completed 1,000 or more Hours of Service in a calendar year ending on or before December 31, 2009. The pay credit was a percentage of the participant's eligible earnings for the calendar year; the percentage was based on the participant's Years of Service. **Pay credits ceased for all participants effective January 1, 2010.**

"Account credits" are added to a participant's Cash Balance Account at a rate that is established at the beginning of each year and applies for the entire calendar year. The account crediting rate is equal to the interest rate on 30-year U.S. treasury bonds in August of the year preceding the January 1 effective date. The minimum account crediting rate is 5.25% per annum. Account credits are added monthly to the participant's Cash Balance Account based on his or her balance at the beginning of the calendar year. Account credits are added for any participant with a Cash Balance Account regardless of employment status, and will continue even though pay credits have ended. Account credits cease when benefit payments begin whether in a lump sum or as a monthly annuity.

Vesting

A participant's accrued retirement benefits are fully vested and nonforfeitable when the participant (i) attains age 65 or (ii) completes three Years of Service (or five Years of Service if the participant terminated before January 1, 2008). If a participant terminates his or her employment with the Company before vesting, all accrued benefits in the Plan will be forfeited and no retirement benefits will be paid to the participant or any beneficiary.

Leaves of Absence Due to Disability or Military Service

If a participant either (i) qualifies for benefits from the Hallmark Long Term Disability Plan or (ii) the Advisory Committee determines that he or she is disabled, then the participant will be credited with Hours of Service for vesting purposes during the period of disability. An employee on military leave of absence will receive credit for Hours of Service during the period of leave provided the employee returns to the Company with reemployment rights provided by law. The Hours of Service credited during a participant's disability or military service will be based on his or her normal working schedule.

RETIREMENT BENEFITS

Although a participant's accrued benefits in the Retirement Plan are expressed as the balance in his or her Cash Balance Account, the normal form of benefit payment from the Retirement Plan is a monthly annuity. The first day of the month for which retirement benefits are paid is called the participant's "*annuity starting date*." Upon retirement, a participant's Cash Balance Account is converted to a monthly annuity based on actuarial assumptions including interest rates at the time of retirement, the life expectancy of the participant and, for certain forms of payment, the life expectancy of the participant's spouse or domestic partner based on their ages on the annuity starting date.

As explained in more detail below, a participant can elect to receive retirement benefits in a number of different options, including a single lump sum payment equal to his or her Cash Balance Account. However, if a participant is married on his or her annuity starting date, then the participant's spouse must consent in writing to any optional form of payment (including a lump sum payment). The optional forms of payment that are available depend on the participant's age, marital status, and Years of Service on the annuity starting date. The following definitions are important in determining what options are available and what actuarial adjustments are made to monthly payments:

- A participant's "*normal retirement date*" is the last day of the month in which he or she attains age 65.

- A participant's "*early retirement eligibility date*" is the last day of the month in which he or she both attains age 50 and completes 15 Years of Service.

Receiving benefits from the Retirement Plan is not automatic; a participant must apply for benefits and choose a form of payment. The application and election must be made no more than 180 days before the annuity starting date. The application for retirement benefits and all supporting documents must be received before the application can be processed and retirement benefit payments can begin. Required documents include (i) the participant's birth certificate; (ii) if married, the marriage license and spouse's birth certificate; (iii) if applicable, the spouse's written consent to an optional form of payment; and (iv) if the participant designates a domestic partner as his or her joint annuitant or beneficiary, the documents described above under the definition of a domestic partner.

Except under unusual circumstances, a participant should notify Human Resources at least 90 days before the date on which he or she plans to retire. A participant's election of the form of retirement benefit payment becomes effective on the tenth day of the month following retirement and may not be changed thereafter. Participants who wish to change their choice of benefit option before it becomes irrevocable may do so by submitting a new retirement election.

A lump sum payment must be made or monthly retirement benefits must begin on or before April 1 of the year following the later of (i) the calendar year in which a participant attains age 70½ or (ii) the calendar year in which a participant terminates his or her employment with the Company.

Benefits for Domestic Partners

Beginning September 1, 2011, a participant may choose to receive benefits in the form of a joint and survivor annuity with the survivor annuity payable to a domestic partner. Also, if the participant designates his or her domestic partner as the sole beneficiary and the participant dies before retirement, then the domestic partner will be eligible to receive the participant's accrued benefits in the form of a lump sum payment or as preretirement survivor annuity. A participant may not designate a domestic partner as a beneficiary or to receive benefits if the participant's retirement benefits were in pay status on September 1, 2011, or if the participant terminated before December 1, 1996, with a vested right to future benefits.

Normal Form of Retirement Payments

When a participant elects to retire and begin receiving retirement benefits, the balance in his or her Cash Balance Account is first converted to a "*single life annuity*" based on the participant's age on his or her annuity starting date. A single life annuity is a monthly payment that begins in the month following a participant's retirement, continues for the participant's lifetime and ends in the month of the participant's death.

If a participant is married at the time of retirement, retirement benefits must be paid in the form of a joint and 100% survivor annuity (described below) with the spouse as the joint annuitant unless the participant elects a different form of payment and the participant's spouse consents in writing to the election. If a participant is single, retirement benefits will be paid in a single life annuity unless the participant elects a different form of payment.

Transition Benefit

Before its conversion to a cash balance plan, the normal benefit under the Hallmark Retirement Plan was an annual single life annuity beginning on the participant's normal retirement date equal to 1% of the participant's career earnings from Hallmark. The annual annuity amount was adjusted to reflect early or late retirement and for payment in any form other than a single life annuity, such as a joint and 100% survivor annuity. One-twelfth of the annual annuity was paid each month during retirement.

When the Retirement Plan was converted to a cash balance format effective on December 31, 1996, a special "transition benefit" based on the pre-cash balance formula was included for employees who were close to retirement. To be eligible for the transition benefit, a participant must satisfy all of the following conditions: (i) the participant was first employed by the Company before January 1, 1997; (ii) on or before December 31, 2006, the participant attained either his or her early retirement eligibility date or, if the participant had less than 15 Years of Service, his or her normal retirement date; and (iii) the participant was actively employed by the Company after satisfying the requirements in clause (ii). The transition benefit is an annual single life annuity beginning on the participant's normal retirement date equal to 1% of the participant's aggregate "eligible earnings" during his or her employment with Hallmark from the date of initial hire through December 31, 2006 or, if earlier, the participant's annuity starting date.

Upon retirement, an eligible participant's transition benefit is compared to the retirement benefits based on his or her Cash Balance Account, and the participant receives the more valuable benefit. The participant's earnings from Hallmark after December 31, 2006, are disregarded in calculating the transition benefit. The participant's Cash Balance Account continued to be credited with pay credits through December 31, 2009 (or, if earlier, until termination or retirement), and will continue to be credited with account credits until benefit payments begin.

To compare the value of the two different benefit calculations, actuarial assumptions must be made about life expectancy, interest rates, and future inflation. At the time of retirement, a participant who is eligible for the transition benefit will receive information about optional forms of benefit payments based upon his or her career earnings benefit or Cash Balance Account, whichever is more valuable based on the Plan's actuarial assumptions.

Retirement Before or After Normal Retirement Date

If a participant retires before his or her normal retirement date, the monthly payments will normally be lower to reflect the longer expected period of payments. If the participant retires after his or her normal retirement date, the monthly payments will be higher to reflect the participant's reduced life expectancy. As described in more detail in the next section, the single life annuity is also adjusted if the participant selects payment in any other optional form of benefit.

If a participant's monthly retirement benefits are based on his or her Cash Balance Account, the conversion to a single life annuity will reflect the participant's future life expectancy based on his or her age on the annuity starting date using a mortality table prescribed by the IRS.

If participant's retirement benefit is based on the career earnings formula (because the participant is eligible for the transition benefit and it is more valuable or because the participant terminated employment with the Company before December 1, 1996), the benefit is initially calculated as a single life annuity beginning on the participant's normal retirement date. If the annuity starting date is before or after the participant's annuity starting date, the single life annuity will be adjusted as follows:

- If the annuity starting date is after the participant's normal retirement date, the single life annuity will be increased by $^{7}/_{12}$% for each month (7% for each complete year) between the participant's normal retirement date and his or her annuity starting date.

- If the participant's annuity starting date is (i) after his or her early retirement eligibility date, (ii) after the participant attains age 62, and (iii) before his or her normal retirement date, there is no adjustment and the participant's single life annuity is the same as it would be on his or her normal retirement date.

- If the participant's annuity starting date is (i) after his or her early retirement eligibility date, (ii) after the participant attains age 50, and (iii) before age 62, the single life annuity will be reduced by ⅓% for each month (4% for each complete year) between the participant's annuity starting date and the last day of the month in which he or she attains age 62.

Optional Forms of Benefit Payment

If a participant retires on or after his or her early retirement eligibility date or, if the participant has less than 15 Years of Service, on or after his or her normal retirement date, then the participant may elect any of the following forms of retirement payments. The optional forms of payment are available whether the participant's benefits are based on his or her Cash Balance Account or the career earnings transition benefit. If a participant's Cash Balance Account or the lump sum present value of an eligible participant's transition benefit (whichever is larger) is less than $1,000, it will be paid automatically in a single lump sum payment. If the lump sum value of the larger benefit is between $1,000 and $5,000 and the distributee does not elect to commence his or her benefit, the benefit will be automatically rolled over to an IRA approved by the committee. If a participant is married, his or her spouse must consent in writing to payment in any form other than a joint and 100% survivor annuity (except an automatic lump sum payment or automatic rollover payment if the benefit's value is $5,000 or less).

If retirement benefits are paid in any form other than a single life annuity or single lump sum payment, adjustments will be made to the monthly payments as described below. These adjustments use the retiree's age and, if applicable, the age of the retiree's spouse or domestic partner on their birthdays nearest the annuity starting date. The monthly benefit payment in the form of a joint and 100% survivor annuity may not exceed 99½% of the monthly payment under a single life annuity beginning on the same date (whether the joint annuitant is the participant's spouse or domestic partner); the monthly benefit payment under any other optional form of annuity may not exceed 99% of the monthly payment under a single life annuity beginning on the same date.

Retirement benefits in the form of an annuity are paid monthly. The first annuity payment is made on the last day of the month following the month of retirement. Payments continue each month end until the last day of the month in which occurs: (i) the participant's death for a single life annuity, (ii) the later of the participant's death or the spouse's or domestic partner's death for a joint and survivor annuity, or (iii) the later of the participant's death or the end of the guaranteed period for a period certain and life annuity.

Single Lump Sum Payment:

A participant may elect to receive a single lump sum payment equal to the balance in his or her Cash Balance Account. If a participant is eligible for the transition benefit, the career earnings benefit will be converted to an actuarial lump sum equivalent and the participant will receive the larger of his or her Cash Balance Account or the lump sum equivalent of the transition benefit. An employee who terminated employment with a vested accrued benefit before December 1, 1996, can choose a single lump sum payment only if the actuarial lump sum value is less than $25,000. Employees who choose a lump sum payment must take a single payment of the entire benefit, partial payments are not permitted.

Single Life Annuity:

A participant may elect to receive retirement benefits in a single life annuity with monthly benefit payments for the participant's lifetime. Following the participant's death, no further benefits will be paid.

Joint and Survivor Annuity:

A participant may elect to receive a reduced monthly benefit for the participant's lifetime, with 100%, 75%, 66⅔% or 50% (as selected by the participant) of the monthly benefit continuing after the participant's death to his or her surviving spouse or domestic partner for the life of the spouse or domestic partner. The participant's spouse on the annuity starting date will receive the survivor's monthly benefit even if the participant and spouse divorce and the participant subsequently marries someone else. Similarly, the participant's domestic partner on the annuity starting date will receive the survivor's monthly benefit even if the domestic partnership is dissolved or otherwise terminated. If the spouse or domestic partner dies before the participant, monthly benefits will cease upon the participant's death.

Adjustments for a joint and survivor annuity depend on the participant's age and the age of the participant's spouse or domestic partner on the annuity starting date:

- A joint and 100% survivor annuity equals 88.7% of the single life annuity, (i) plus 0.5% for each year the participant's age is less than 65 or minus 0.3% for each year the participant's age exceeds 65, and (ii) plus 0.8% for each full year the spouse or domestic partner is older than the participant or minus 0.5% for each full year the spouse or domestic partner is younger than the participant.

- A joint and 75% survivor annuity equals 91.2% of the single life annuity, (i) plus 0.3% for each year the participant's age is less than 65 or minus 0.3% for each year the participant's age exceeds 65, and (ii) plus 0.5% for each full year the spouse or domestic partner is older than the participant or minus 0.5% for each full year the spouse or domestic partner is younger than the participant.

- A joint and 66⅔% survivor annuity equals 93.1% of the single life annuity, (i) plus 0.2% for each year the participant's age is less than 65 or minus 0.2% for each year the participant's age exceeds 65, and (ii) plus 0.5% for each full year the spouse or domestic partner is older than the participant or minus 0.5% for each full year the spouse or domestic partner is younger than the participant.

- A joint and 50% survivor annuity equals 94.8% of the single life annuity, (i) plus 0.1% for each year the participant's age is less than 65 or minus 0.1% for each year the participant's age exceeds 65, and (ii) plus 0.5% for each full year the spouse or domestic partner is older than the participant or minus 0.5% for each full year the spouse or domestic partner is younger than the participant.

Period Certain & Life Annuity:

This option provides a reduced monthly benefit paid during the participant's lifetime, with a guaranteed payment period of 10, 15, or 20 years (as selected by the participant). If the retiree dies before the guaranteed period has elapsed, monthly payments in the same amount will continue to the participant's designated beneficiary for the time remaining in the guaranteed period.

Adjustments for this form of payment depend on the participant's age and the guaranteed payment period:

- A 10-year certain and life annuity equals 93.8% of the single life annuity, plus 0.4% for each year the participant's age is less than 65 or minus 0.4% for each year the participant's age exceeds 65.

- A 15-year certain and life annuity equals 86.8% of the single life annuity, plus 0.9% for each year the participant's age is less than 65 and greater than or equal to 55, plus 0.7% for each year the participant's age is less than 55 or minus 0.9% for each year the participant's age exceeds 65.

- A 20-year certain and life annuity equals 78.6% of the single life annuity, plus 1.4% for each year the participant's age is less than 65 and greater than or equal to 55, plus 1.2% for each year the participant's age is less than 55 or minus 1.4% for each year the participant's age exceeds 65.

Termination Before Early Retirement Eligibility Date

If a participant is vested in his or her retirement benefits and terminates employment after December 31, 1996, and before his or her early retirement eligibility date or, if he or she has less than 15 Years of Service at termination, before his or her normal retirement date, the participant may elect to receive his or her retirement benefits at any time after termination.

If the participant chooses to begin payment of retirement benefits before his or her early retirement eligibility date or, if he or she has less than 15 Years of Service, before his or her normal retirement date, then benefits must be paid in one of two forms (as elected by the participant): (i) a single lump sum payment of his or her retirement benefits, or (ii) a joint and 100% survivor annuity if the participant is married or has designated a domestic partner as his or her sole beneficiary, or a single life annuity if not married or in a domestic partnership. If the participant is married, the participant's spouse must consent in writing to a single lump sum payment if the lump sum benefit value is over $5,000.

If the participant's annuity starting date is before his or her early retirement eligibility date or, if the participant has less than 15 Years of Service at termination, before his or her normal retirement date, the single life annuity will be actuarially reduced based on the participant's life expectancy using a mortality table prescribed by the IRS and an interest rate of 8%.

The participant may choose to defer payment of retirement benefits to his or her early retirement eligibility date or, if he or she has less than 15 Years of Service, to his or her normal retirement date and have all of the optional forms of payment described in the previous section.

Retirement Benefits Following Participant's Death

If a participant dies after annuity payments begin, monthly payments will continue to his or her spouse, domestic partner or other beneficiary if the participant elected a joint and survivor annuity or a period certain and life annuity. A participant may designate a beneficiary to receive his or her vested retirement benefits in the event of the participant's death before benefit payments begin. If a participant is married, the beneficiary must be the participant's spouse unless the spouse consents in writing to the designation of a different beneficiary.

If a participant dies before his or her annuity starting date and the beneficiary is his or her spouse or domestic partner, the spouse or domestic partner may choose to receive payment of the retirement benefits following the participant's death in the form of a pre-retirement survivor annuity or in a single lump sum payment. A pre-retirement survivor annuity is the monthly payment the spouse or domestic partner would have received if the participant (i) had terminated employment on the day preceding his or her death, (ii) survived to the date on which benefit payments begin, (iii) began receiving a joint and 100% survivor annuity, and (iv) died on the next day. If the participant was eligible for a transition benefit prior to his or her death, then the pre-retirement survivor annuity payable to the participant's spouse or domestic partner will be based on the participant's Cash Balance Account or the participant's transition benefit, whichever is more valuable. <u>Note</u>: If a participant's beneficiary is his or her spouse, the spouse may choose to begin receiving benefits (a lump sum payment or the first annuity payment) at any time after the participant's death or may choose to defer distributions until no later than the date the participant would have attained age 65. If a participant's beneficiary is his or her domestic partner, the lump sum payment or first annuity payment must be made before the last day of the year following the year in which the participant dies.

If a participant is single, or if married and his or her spouse consents, the participant may designate another person to receive his or her vested retirement benefits. If no beneficiary for the Retirement Plan has been designated by a single employee, the beneficiary designated by the employee for the Profit Sharing Ownership and Savings Plan will automatically be the beneficiary for his or her vested Cash Balance Account. A participant may also designate a contingent beneficiary to receive benefits if the primary beneficiary predeceases the participant.

If all primary and contingent beneficiaries designated by the participant predecease the participant or if there are no named beneficiaries on file, the vested Cash Balance Account 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.

If a participant's beneficiary is any person other than the participant's spouse or domestic partner, the participant's vested Cash Balance Account must be paid in a single lump sum payment to the beneficiary no later than the last day of the year following the year in which the participant's death occurs.

Participants Who Terminated Before December 1, 1996

If a participant terminated from Hallmark with vested retirement benefits before December 1, 1996 (prior to the conversion of the Retirement Plan to a cash balance plan) and dies before retirement payments begin, the participant's spouse will receive a pre-retirement survivor annuity based on the Retirement Plan as in effect on the date of the participant's termination.

There is no charge for the pre-retirement survivor annuity coverage if the employee terminated before December 1, 1996 and after attaining his or her early retirement eligibility date. However, if the participant terminated before his or her early retirement eligibility date, retirement benefits that are later paid to the participant or the participant's spouse will be reduced by the following percentages for each year the coverage is in effect unless the terminated participant revokes the pre-retirement survivor annuity coverage and his or her spouse consents in writing to the revocation:

Vested Participant's Age	Benefit Reduction
55 – 65	0.5% per year
45 – 55	0.2% per year
Less than 45	0.1% per year

The reduction applies for each full year the pre-retirement survivor annuity coverage is in effect; a proportionate reduction is made for each fractional year. The pre-retirement survivor annuity coverage may be kept or revoked (with the spouse's consent) at any time before the terminated participant's 65th birthday. If the pre-retirement survivor annuity coverage is revoked, benefits are reduced for the period of time it was in effect. There is no charge for the pre-retirement survivor annuity coverage if a participant terminates with vested benefits on or after December 1, 1996.

Cost of Living Adjustments

If a participant in the Cash Balance Retirement Plan was first employed before January 1, 1997, and elects any form of annuity payment upon retirement, then he or she may choose whether the annuity is periodically adjusted to reflect increases in the cost of living. If the participant chooses an annuity with a periodic cost of living adjustment (or "COLA"), the initial monthly payment will be lower, but will be increased every three years to reflect inflation. If the participant chooses an annuity without a COLA, the monthly benefit will initially be higher, but will not change. The COLA election is available whether the monthly annuity is based on the participant's Cash Balance Account or the participant's transition benefit.

The cost of living adjustment is made effective on January 1 of every third year and is applied only to the first $416.67 of monthly annuity (or $5,000 per year); if the monthly annuity payment is greater than $416.67, the portion above that amount will not be adjusted. The monthly annuity up to $416.67 is increased by the same percentage as the increase in the Consumer Price Index ("CPI") published by the U.S. Department of Labor over the three-year period preceding the date of adjustment. The COLA is limited to no more than a 15% increase every three years. If a participant retires between adjustment dates, the first COLA is based on the increase in the CPI from the participant's annuity starting date until the next adjustment date. The most recent COLA was effective on January 1, 2014, and increased monthly annuities (up to $416.67) by 6.52% for the full three-year period.

The difference between the initial monthly retirement benefit with a COLA and without a COLA reflects a number of factors including the participant's age (and, for a joint and survivor annuity, the age of his or her spouse or domestic partner) on the annuity starting date, current long-term interest rates, and inflation expectations. The inflation assumption used in determining the initial monthly payments with a COLA and without a COLA is based on the difference in average yields for a twelve-month period between U.S. Treasury Inflation-Protected Securities ("TIPS") and U.S. Treasury securities that are not indexed for inflation. The inflation assumption is updated annually.

Before retirement, each participant who is eligible for a COLA will receive specific information about the optional forms of benefit he or she may choose, including the dollar amount of each option and the initial monthly amount of each annuity option with and without the COLA.

Benefits at Age 62

A participant who has attained age 62 while still working may elect to begin his or her benefit provided that the lump sum value of his or her benefit is less than or equal to $5,000.

Reemployment Following Termination of Service

If a participant is retired and receiving monthly annuity payments, and is then reemployed by the Company, the monthly retirement payments will be suspended during the period of reemployment (unless the retiree is reemployed as a casual laborer on a temporary basis for a specific project or for a limited period of time). No retirement benefits can be paid or distributed during employment. When the participant retires again, the monthly benefit payments will resume. When resumed, the monthly payments will be in the same optional form of payment as in effect before reemployment (*e.g.*, a joint and 100% survivor annuity or a 20-year certain and life annuity), but the amount of the monthly payment will be adjusted to reflect the period of reemployment in which no payments were made.

RETIREMENT TRUST

Company contributions to fund the Retirement Plan are deposited in the Hallmark Cards, Incorporated Master Trust, an irrevocable trust held and administered by the plan trustee, State Street Bank and Trust Company. The amount of contributions made to the Master Trust each year is actuarially determined. Under the terms of the Master Trust, these funds can be used only to provide retirement benefits under the Retirement Plan until all benefits have been paid. All funds deposited in the trust are invested by the trustee under the direction of the Advisory Committee, and all investment earnings and losses are credited to the Master Trust.

CLAIM PROCEDURE

The Cash Balance Retirement Plan has a formal claims 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 forth the full details of the claims procedure and any person who wishes to pursue a claim should review it carefully.

Any claim under the Plan (other than a claim for breach of fiduciary duty) must be filed within two years after the claimant knew, or should have known, of the actions which form the basis for the claim. For example, any claim that the amount of a monthly annuity or lump sum payable to the claimant is incorrect must be filed within two years after the claimant makes an election to receive benefits and is notified of the amount of the monthly benefit or lump sum, but not later than two years after the date of the first monthly payment or lump sum. Any claim that a credit for a plan year has been improperly calculated must be filed within two years after the participant or beneficiary is provided a statement from the plan of the credit for such plan year.

Any claim must be in writing and submitted to the Hallmark Benefit Plans Advisory Committee, the Plan Administrator. A claims official appointed by the Advisory 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 Advisory Committee. Only facts and theories presented by the claimant during the initial claim procedure stage will be considered by the Advisory Committee. A request for the Advisory Committee's review must be made within 60 days after the denial by the claims official. The Advisory 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 after the review was requested.

If the Advisory 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 Advisory Committee notifies the claimant that the claim is denied.

SOCIAL SECURITY

Social Security benefits are in addition to benefits received from the Hallmark Retirement Plan. Full Social Security benefits begin between age 65-67 (depending on the year of birth), or on a reduced basis as early as age 62. Social Security also provides benefits for an individual's spouse and for dependent, minor children of retirees. It may also provide family benefits in the event of death or permanent and total disability. Employees and the Company share the cost of Social Security by paying equal taxes on earnings covered under the law.

The local Social Security office can provide more information about the law and how it affects employees. Social Security benefits are not automatic, recipients must apply for benefits. The address of the nearest Social Security office can be found in the local telephone book under "Government Offices - United States" or inquiries can be directed to the local post office.

PROTECTION AGAINST CREDITORS

Accrued benefits in the Retirement Plan are not subject to garnishment, attachment, or levy by a creditor. In addition, accrued retirement benefits may not be assigned or transferred to another party (such as a bank for use as collateral on a loan). Any attempt by a participant to assign or transfer accrued benefits will not be valid or binding on the Company or the Plan trustee.

QUALIFIED DOMESTIC RELATIONS ORDERS ("QDRO")

Federal law requires pension plans such as the Cash Balance Retirement Plan 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 accrued benefits for alimony, child support, or division of marital property. This type of court order is called a qualified domestic relations order (or "QDRO"). The Advisory Committee has established a written procedure to determine the qualified status of a court order and to administer distributions under a QDRO. The procedure is available, together with a model order, through the HR Service Center (816-545-6200 or 888-545-6200).

AMENDMENT, TERMINATION AND INSURANCE

As previously explained, the Plan was amended to end pay credits as of December 31, 2009. Hallmark reserves the right to further amend or terminate the Plan. In the event of termination of the Plan, each participant will be fully vested in all of his or her accrued benefits in the Plan. No amendment to the Plan may reduce any participant's accrued benefits.

Pension benefits under the Cash Balance Retirement Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the Plan is terminated without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under the plan, but some people may lose certain benefits.

The PBGC guarantee generally covers: (1) normal and early retirement benefits; (2) disability benefits if a participant becomes disabled before the plan terminates; and (3) certain benefits for a participant's survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law for the year in which the plan terminates; (2) some or all of the benefit increases and new benefits based on plan provisions that have been in place for less than five years at the time the plan terminates; (3) benefits that are not vested because a participant has not worked long enough for the company; (4) benefits for which a participant has not met all of the requirements at the time the plan terminates; (5) certain early retirement payments (such as supplemental benefits that stop when the participant becomes eligible for Social Security) that result in an early retirement monthly benefit greater than the participant's monthly benefit at the plan's normal retirement age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain retirement benefits are not guaranteed, participants still may receive some of those benefits from the PBGC depending on how much money the Plan has and how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask the plan administrator or contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's web site on the Internet at http://www.pbgc.gov.

STATEMENT OF RIGHTS UNDER ERISA

Participants in the Cash Balance Retirement Plan are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA).

ERISA provides that all plan participants are entitled to:

1. Examine all documents governing the plan, including contracts with any insurance companies, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration. 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, upon written request to the Company, copies of documents governing the operation of the Plan, including copies of the latest annual report (Form 5500 Series) and

updated summary plan description. 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 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 annually by the Plan Sponsor. 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 every twelve months. 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 Retirement Plan. These persons, called "fiduciaries" of the Plan, 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 pension benefit under the Plan or to exercise his or her rights under ERISA.

If a participant's claim for a pension benefit under the Plan is denied or ignored, in whole or in part, the participant has a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps a participant can take to enforce these rights. For instance, if a participant requests a copy of plan documents or the latest annual report from the Plan and does not receive them within 30 days, the participant may file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and pay the participant up to $110 a day until the materials are received, unless the materials were not provided because of reasons beyond the control of the plan administrator. 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, the participant may seek assistance 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 finds the participant's claim is frivolous.

If you have any questions about the Cash Balance Retirement Plan, you should contact the HR Service Center (816-545-6200 or 888-545-6200). If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, 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 Benefits Security Administration.

CONTINUED RIGHTS OF EMPLOYMENT

No provision of the Plan or this summary plan description (i) gives any employee any right to continued employment, (ii) prohibits changes in the terms of employment of any employee, or (iii) prohibits the termination of any employee's employment.

APPENDIX A

Cash Balance Retirement Plan of Hallmark Cards, Incorporated
Participating Employers and Eligible Employees

Employer Name	**Eligible Employees***
Hallmark Cards, Incorporated	All Employees
Crown Center Redevelopment Corporation	All Employees
Hallmark Business Expressions LLC	All Employees
Hallmark Global Services, Inc.	All Employees
Hallmark Hall of Fame Productions, Inc.	All Employees
Hallmark Interactive, LLC	All Employees
Hallmark Licensing, Inc.	All Employees
Hallmark Management Services, Inc.	All Employees
Hallmark Marketing Corporation**	All Employees
Hallmark Retail Services, Inc.	All Employees
Hallmark Retail, Inc.**	All Employees are eligible to participate except employees in the Corporate Stores Group with the following job titles who are eligible to participate in the Retail Service Group Savings Plan of Hallmark Cards, Incorporated or the Hallmark Affiliates Employee Savings Plan: • Corp Stores Store Manager • Corp Stores Store Manager CA • Corp Stores District Trainer • Corp Stores District Trainer CA • Corp Stores Assistant Store Manager • Corp Stores Merchandise Assistant • Corp Stores Sales Leader • Corp Stores Property Installation Leader • Corp Stores Sales Associate I • Corp Stores Sales Associate II
Hallmark.com LLC	All Employees
Halls LLC	All Employees

* To be an Eligible Employee, an Employee must have an Employment Date and be employed by an Employer before January 1, 2006.

**Effective July 31, 2014, certain Employees and former Employees of Hallmark Marketing Corporation and Hallmark Retail, LLC are no longer participants in this plan. If this applies to you, you were notified at that time.

SUPPLEMENT TO

SUMMARY PLAN DESCRIPTION
FOR FORMER PARTICIPANTS IN THE

RETIREMENT PLAN OF
LITHO-KROME COMPANY, LLC

TABLE OF CONTENTS

INTRODUCTION

The Retirement Plan of Litho-Krome Company, LLC was merged into the Cash Balance Retirement Plan of Hallmark Cards, Inc. effective December 31, 2013.

This Supplement describes provisions applicable to participants who accrued benefits under the Litho-Krome Retirement Plan. These provisions replace the discussion in the Summary Plan Description.

Litho-Krome Retirement Plan benefits will be paid as follows:

- Completely from Aetna Life Insurance Company under an annuity contract for participants who terminated their employment with Litho-Krome before 1989.
- Partly from Aetna and partly from the Master Trust for participants who were employed by Litho-Krome both before 1989 and after 1988.
- Entirely from the Master Trust for participants who began employment with Litho-Krome after 1988.

The provisions of the Litho-Krome Retirement Plan before 1988 that are payable from Aetna differ from the benefit provisions described in this summary. Additional information regarding a participant's benefits payable from Aetna may be obtained from Aetna; contact information may be obtained from the Company's Human Resources Department.

Accrual of retirement benefits under the Plan was discontinued for all participants effective December 31, 2012. Each participant's accrued retirement benefit was frozen as of December 31, 2012, but his or her employment after that date will continue to apply for purposes of vesting. Any employee hired after December 31, 2012 is not eligible to participate in the Retirement Plan.

DEFINITIONS

Participants should be familiar with the following terms which are used in several places in this summary.

Company is Litho-Krome Company, LLC.

Covered Compensation is the average of the Social Security taxable wage base in effect for each year in the 35-year period ending with the year in which a participant attains (or will attain) Social Security Retirement Age. (See definition of "Normal Retirement Date.") In determining a participant's Covered Compensation for any year, the taxable wage base for each subsequent year is assumed to be the same as the taxable wage base for the year of determination. The Internal Revenue Service publishes a table of Covered Compensation each year and additional information on Covered Compensation, including a copy of the IRS table, may be obtained from the Company's Human Resources Department.

Early Retirement Eligibility Date is the later of (i) the last day of the month that is 10 years before a participant's Normal Retirement Date or (ii) the last day of the month in which the participant completes 10 Years of Service.

Eligible Earnings means compensation paid by the Company that is included in calculating benefits under the Retirement Plan. 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 were eligible for an incentive program were informed what portion (if any) of awards paid under the program was 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 PSOSP 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"). Federal tax law limits the amount of annual compensation that may be included as Eligible Earnings. For 2016, the limit was $265,000 and the limit is periodically adjusted to reflect increases in the cost of living.

Employment Date means the date on which an employee is hired and first performs an Hour of Service.

Normal Retirement Date is the last day of the month in which the participant attains Social Security Retirement Age. Social Security Retirement Age is 65 for those born before 1938, is 65 years and 2 months for those born in 1938, and increases gradually for those born in later years until it reaches 67 for those born in 1960 or later. A participant's exact Social Security Retirement Age (and Normal Retirement Date) may be obtained from the Company's Human Resources Department. Note: Aetna benefits are payable beginning at age 65 or termination of employment.

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 for purposes of vesting.

PARTICIPATION

An employee hired before January 1, 2013, became a participant in the Retirement Plan on the first day of employment. Employees first hired after December 31, 2012 are not eligible to participate in the Plan and will receive no benefits from the Plan.

RETIREMENT BENEFITS

As explained in more detail below, a participant can elect to receive retirement benefits in a number of different options. The optional forms of payment that are available depend on the participant's age, marital or domestic partner status, accrued benefits, and Years of Service.

Receiving benefits is not automatic; a participant must apply for benefits and choose a form of payment. The application and election must be made no more than 180 days before the date that payment of retirement benefits begins (called the "*annuity starting date*"). The application for retirement benefits and all supporting documents must be received before the application can be processed and retirement benefit payments can begin. Required documents are described in the Summary Plan Description.

Except under unusual circumstances, a participant should notify Human Resources at least 90 days before the date on which he or she plans to retire. A participant's election of the form of retirement benefit payment becomes effective on the tenth day of the month following retirement and may not be changed thereafter. Participants who wish to change their choice of benefit option before it becomes irrevocable may do so by submitting a new retirement election.

Service Before January 1, 1989. If a participant was employed by the Company before January 1, 1989, his or her retirement benefits will include the benefits accrued under the annuity contract with Aetna Life Insurance Company. These benefits are funded and will be paid through an individual, nonparticipating group annuity contract issued by Aetna. Additional information regarding a participant's benefits before January 1, 1989 may be obtained from Aetna.

Service After December 31, 1988. If a participant is employed by the Company after December 31, 1988, then the participant's retirement benefits are based on his or her Eligible Earnings from the Company and his or her service with the Company. Retirement benefits are expressed in the form of a monthly Single Life Annuity payable beginning on the participant's Normal Retirement Date. If eligible, a participant may choose to begin receiving benefits before or after his or her Normal Retirement Date, or in a different form, and the monthly annuity payments will be adjusted up or down as explained in more detail below. If a participant was employed by the Company before January 1, 1989, and receives a portion of his or her benefits from Aetna Life Insurance Company, then the participant's retirement benefits paid from the Master Trust will be reduced to reflect the amount paid by Aetna, as described in more detail below.

A participant's normal retirement benefit will be a Single Life Annuity beginning on his or her Normal Retirement Date equal to a "Base Benefit" plus an "Excess Benefit." For participants who retire after 2009, the Base Benefit and Excess Benefit are calculated as follows:

1. A participant's "Base Benefit" equals (A) 1% of the average of his or her Eligible Earnings in each of the years 2005 through 2009, multiplied by the number of years and fractional years of Litho-Krome employment as of December 31, 2009, plus (B) 1% of the participant's Eligible Earnings for each year 2010 through 2012.

2. A participant's "Excess Benefit" equals (A) the average of his or her Eligible Earnings in each of the years 2005 through 2009 minus the participant's Covered Compensation for 2009, multiplied by ¾%, multiplied by the number of years and fractional years of Litho-Krome employment, not in excess of 35, as of December 31, 2009, plus (B) the participant's Eligible Earnings for each year from 2010 through 2012 minus his or her Covered Compensation for that year, multiplied by ¾%. Accruals under clause (B) will cease when the sum of years credited under clause (A) and clause (B) equals 35. Note: If a participant's Eligible Earnings are less than his or her Covered Compensation for the relevant period, then the participant will not accrue an "Excess Benefit."

If a participant began employment with the Company during 2005 through 2009, then his or her annual Eligible Earnings will be averaged for the period from his or her Employment Date through the end of 2009. If a participant terminated or retired from the Company before January 1, 2010, then an earlier five-year period will be used to determine average Eligible Earnings to calculate both the participant's Base Benefit and his or her Excess Benefit.

Retirement benefits under the Litho-Krome plan do not include any cost of living adjustments described in the Cash Balance SPD.

Appendix A beginning on page 11 shows examples of how retirement benefits are calculated under the Plan.

Vesting

A participant's accrued retirement benefits are fully vested and nonforfeitable upon (i) attaining age 65 or (ii) completing five or more Years of Service. If a participant terminates his or her employment with the Company before vesting, all accrued benefits in the Plan will be forfeited and no retirement benefits will be paid to the participant or any beneficiary. Although benefit accrual under the Retirement Plan ceases effective December 31, 2012, employment with Litho-Krome after that date will continue to count toward vesting for benefits accrued on or before that date.

Leaves of Absence Due to Disability or Military Service

If a participant with 15 or more Years of Service is disabled and either (i) qualifies for benefits from the Hallmark Long Term Disability Plan (which has been adopted by Litho-Krome), or (ii) the Hallmark Benefit Plans Advisory Committee determines that he or she is disabled, then the participant continued to accrue pension benefits until the earliest of: (A) the date that the participant's disability ends, (B) the date that the participant retires, or (C) December 31, 2012.

An employee on military leave of absence continued to accrue retirement benefits during the period of military leave provided the employee returns to the Company with reemployment rights provided by law. If an employee returns from military service after December 31, 2012, his or her benefit accrual will end as of that date, but Hours of Service will continue to be credited for the entire period of eligible military service.

Benefits for Domestic Partners

A participant may choose to receive benefits in the form of a joint and survivor annuity with the survivor annuity payable to a domestic partner. Also, if the participant designates his or her domestic partner as the sole beneficiary and the participant dies before retirement, then the domestic partner will be eligible to receive the participant's accrued benefits in the form of a preretirement survivor annuity. A participant may not designate a domestic partner as a beneficiary or to receive benefits if the participant's retirement benefits were in pay status on September 1, 2011, or if the participant terminated before December 1, 1996 with a vested right to future payments.

Normal Form of Retirement Payments

The following discussion applies if the lump sum value of retirement benefit is greater than $5,000.

A participant's retirement benefits are calculated and expressed as a "Single Life Annuity" beginning on his or her Normal Retirement Date. If a participant began employment with the Company before January 1, 1989, then his or her retirement benefits are paid partly from Aetna and partly from the Master Trust. The portion of a participant's total benefits that are paid by Aetna (expressed as a Single Life Annuity beginning at age 65) is subtracted from his or her total accrued retirement benefits from the Plan, and the remaining amount is paid from the Master Trust.

To begin receiving retirement benefits from the Master Trust, a participant must cease employment with Litho-Krome (and with Hallmark Cards, Incorporated and other affiliates). Payment of retirement benefits from Aetna cannot begin until the participant reaches age 65, but can begin from the Master Trust on or after a participant's Early Retirement Eligibility Date. A participant may begin his or her Aetna benefit upon reaching age 65 even if still actively employed by Litho-Krome (or with Hallmark Cards, Incorporated or other affiliates). A participant may elect an optional form of benefit payment from Aetna that is different from the optional form of payment from the Master Trust, and different actuarial adjustments will be made.

If a participant is married when payments begin, retirement benefits must be paid in the form of a joint and 100% survivor annuity (described below) unless the participant elects a different form of payment and the participant's spouse consents in writing to the election. If a participant is single, retirement benefits will be paid as a Single Life Annuity unless the participant elects a different form of payment.

Retirement Before or After Normal Retirement Date

If a participant retires before his or her Normal Retirement Date, the monthly payments from the Master Trust are reduced to reflect the longer expected period of payments. If the participant retires after his or her Normal Retirement Date, the monthly payments are increased to reflect the participant's shorter life expectancy. The following information about early retirement and the adjustments to the normal form of a Single Life Annuity apply only to the portion of a participant's total retirement benefits that is paid from the Master Trust before the participant's Normal Retirement Date. Retirement benefit payments from Aetna may not begin before age 65.

Termination Before Early Retirement Eligibility Date:

If a participant terminates employment with vested retirement benefits (*i.e.*, with 5 or more Years of Service) before his or her Early Retirement Eligibility Date or, if he or she has less than 10 Years of Service upon termination before his or her Normal Retirement Date, then the participant may elect to receive his or her retirement benefits from the Master Trust at any time after termination provided that the lump sum value of his or her retirement benefits is less than or equal to $25,000.

If a participant chooses to receive payment of retirement benefits before his or her Early Retirement Eligibility Date or, if he or she has less than 10 Years of Service, before his or her Normal Retirement Date, then retirement benefits must be paid in one of two forms (as elected by the participant): a single lump sum payment, or (ii) if married, a joint and 100% survivor annuity or, if not married, a single life annuity. If the participant is married, the participant's spouse must consent in writing to a single lump sum payment. If a participant has a domestic partner, the participant may also elect a joint and 100% survivor's annuity.

The participant may choose to defer payment of retirement benefits to his or her Early Retirement Eligibility Date or, if he or she has less than 10 Years of Service, to his or her Normal Retirement Date and have all of the optional forms of payment described below in the section titled "Optional Forms of Payment." If the lump sum value of the participant's retirement benefits is greater than $25,000, then the participant may not receive any retirement benefit payments until he or she attains his or her Early Retirement Eligibility Date or, if the participant has less than 10 Years of Service, his or her Normal Retirement Date.

Early Retirement:

If a participant elects to retire on or after his or her Early Retirement Eligibility Date and before his or her Normal Retirement Date, the participant's monthly retirement benefit is reduced to reflect the longer period of expected monthly payments. The monthly payment will be reduced by the percentage set forth below for each full year prior to the participant's Normal Retirement Date.

Years Before Normal Retirement Date	**Percentage Reduction**
1	9%
2	17%
3	24%
4	30%
5	35%
6	39%
7	43%
8	47%
9	51%
10	55%

A participant's retirement benefit will be reduced proportionately for a fractional year based on the number of full months in the partial year and the difference in percentage reductions for each full year before and after the fractional year. For example, if a participant retires 3 years and 8 months before his or her Normal Retirement Date, the retirement benefit will be reduced by 28%; 24% for the 3 full years plus 4% for the fractional year (8 months ÷ 12 months X 6%, the difference in the percentage reduction for 3 years and 4 years).

Retirement after Normal Retirement Date:

If a participant elects to retire after his or her Normal Retirement Date, the participant's retirement benefits will be increased by $^{7}/_{12}$% for each month (or 7% for each full year) between his or her Normal Retirement Date and the annuity starting date.

Optional Forms of Benefit Payment

The following information about optional forms of benefit payment and the adjustments to the Single Life Annuity payment apply only to the portion of a participant's total retirement benefits that is paid from the Master Trust. Additional information on the optional forms of payment available for the Aetna portion of retirement benefits and the actuarial adjustments to the monthly amounts are available from Aetna and will be provided upon request.

A participant may elect any of the following forms of retirement payments from the Master Trust if: (i) the participant has 10 or more Years of Service and elects to begin benefit payments on or after his or her Early Retirement Eligibility Date or (ii) the participant has less than 10 Years of Service and elects to begin benefit payments on or after his or her Normal Retirement Date. If a participant's benefit is less than $1,000, it will be paid automatically in a single lump sum payment. If the lump sum value of the larger benefit is between $1,000 and $5,000 and the distributee does not elect to commence his or her benefit, the benefit will be automatically rolled over to an IRA approved by the committee. If a participant is married, his or her spouse must consent in writing to the participant's election of any form of payment other than a joint and 100% survivor annuity (except an automatic lump sum payment or automatic rollover payment if the benefit's value is $5,000 or less).

If retirement benefits are paid in any form other than a Single Life Annuity or single lump sum payment, adjustments will be made to the monthly payments as described below. These adjustments use the participant's age and, if applicable, the age of the participant's spouse or domestic partner on their birthdays nearest the annuity starting date. A joint and 100% survivor annuity may not exceed 99½% of the monthly payment under a Single Life Annuity beginning on the same date; the monthly benefit payment under any other optional form of annuity may not exceed 99% of the monthly payment under a single life annuity beginning on the same date. The following rules and adjustments apply only to that portion of a participant's benefits paid from the Master Trust.

Single Lump Sum Payment:

If the lump sum value of a participant's retirement benefit is less than or equal to $25,000, the participant may elect to receive a single lump sum payment. Participants who choose a lump sum payment must take a single payment of the entire benefit, partial payments are not permitted.

Single Life Annuity:

With the written consent of his or her spouse, a married participant may elect to receive retirement benefits in a Single Life Annuity for the participant's lifetime. Following the participant's death, no further benefits will be paid.

Joint and Survivor Annuity:

A married participant or a participant with a domestic partner may elect to receive a reduced monthly benefit for the participant's lifetime, with 100%, 75%, or 50% (as selected by the participant) of the monthly benefit continuing after the participant's death to his or her surviving spouse or domestic partner for the spouse's or domestic partner's life. The spouse or domestic partner on the participant's annuity starting date will receive the survivor's monthly benefit even if the participant and spouse divorce and the participant subsequently marries someone else. Similarly, the participant's domestic partner on the annuity starting date will receive the survivor's monthly benefit even if the domestic partnership is dissolved or otherwise terminated. If the spouse or domestic partner dies before the participant, monthly payments will cease upon the participant's death.

Adjustments for a joint and survivor annuity depend on the ages of the participant and the spouse on the annuity starting date and are described in the Summary Plan Description.

Period Certain & Life Annuity:

This option provides a reduced monthly benefit paid during the participant's lifetime with a guaranteed payment period of 10, 15, or 20 years (as selected by the participant) following retirement. If the retired participant dies before the guaranteed period has elapsed, monthly payments in the same amount will continue to the participant's designated beneficiary for the time remaining in the guaranteed period. If the participant lives longer than the guaranteed period, monthly payments continue for the participant's lifetime and terminate upon his or her death.

Adjustments for this optional form of payment depend on the participant's age and the guaranteed payment period and are described in the Summary Plan Description.

If a participant elects a period certain and life annuity (with his or her spouse's consent) then the participant may name a beneficiary to receive any remaining monthly payments in the guaranteed payment period following the participant's death. If a participant is married, the beneficiary must be the participant's spouse unless the spouse consents in writing to the designation of a different beneficiary.

Pre-Retirement Survivor Annuity

If a participant is married or has a domestic partner and has 5 or more Years of Service or chooses to continue working after his or her Normal Retirement Date, then the participant's spouse or domestic partner is eligible to receive a pre- retirement survivor annuity if the participant dies before his or her annuity starting date. A pre-retirement survivor annuity is the monthly payment the spouse or domestic partner would have received if the participant (i) had terminated employment on the day before his or her death, (ii) survived to the date on which benefit payments begin, (iii) began receiving a joint and 100% survivor annuity, and, (iv) died on the next day. The pre-retirement survivor annuity is provided automatically when the participant becomes vested in his or her retirement benefit, at no cost to the participant (and with no reduction in the participant's, spouse's or domestic partner's retirement annuity).

Time and Manner of Payment

Retirement benefits in the form of an annuity are paid monthly. The first annuity payment from the Master Trust is made on the last day of the month following the month of retirement. Payments continue each month end until the last day of the month in which the participant's death the spouse's death or domestic partner's death occurs, or the end of the guaranteed period, whichever is applicable.

If the lump sum value of a participant's retirement benefit is less than $1,000, it will be paid automatically in a single lump sum payment. If the lump sum value is between $1,000 and $5,000, if you do not elect to receive his or her benefit, it will be rolled over automatically to an individual's retirement account selected by the Advisory Committee.

Loss of Retirement Benefit

A participant will not be eligible to receive any retirement benefit if: (i) the participant terminates employment with Litho-Krome before reaching age 65 with less than 5 Years of Service, or (ii) the participant dies before his or her annuity starting date unless the participant's spouse or domestic partner is eligible for the pre-retirement survivor annuity coverage.

Reemployment Following Termination of Service

1. If an employee terminated with the Company before January 1, 1976, and is reemployed on or after that date, he or she will be treated as a new employee under the Retirement Plan. All previous Years of Service and accrued benefits are forfeited unless the employee was entitled to a vested accrued benefit under the terms of the Retirement Plan in effect upon his or her termination.

2. If an employee terminated on or after January 1, 1976, and was reemployed before January 1, 1989, eligibility for participation, Years of Service, reinstatement of accrued benefits and suspension of benefit payments are governed by the terms of the Retirement Plan as in effect on the date of reemployment.

3. If an employee terminated on or after January 1, 1976, and is reemployed on or after January 1, 1989, the following rules will apply:

   - If the employee is retired and receiving annuity payments, the payments will be suspended during the period of reemployment (unless the retiree is reemployed as a casual laborer on a temporary basis for a specific project or for a limited period of time). No benefits can be paid or distributed from the Master Trust during employment.

   - The employee will be eligible to participate in the Plan immediately upon reemployment and all Years of Service preceding the date of termination will be reinstated. However, if the employee is reemployed after December 31, 2012, no additional benefits will accrue under the Plan.

     - If the employee had fewer than five Years of Service at the time of termination, any unvested benefits accrued prior to termination will be reinstated if the employee is reemployed prior to the seventh anniversary of termination. If reemployed after the seventh anniversary of termination, the benefits accrued by the employee prior to termination will not be reinstated.

     - If the employee had five or more Years of Service at the time of termination, his or her accrued benefits in the Retirement Plan at the time of termination were vested and will be reinstated upon reemployment unless the vested accrued benefits were paid in a single lump sum payment following termination.

APPENDIX A

Examples of Retirement Benefit Calculations

Example 1

Employee A was born on June 15, 1945, and retires on his Normal Retirement Date on June 30, 2011 at age 66 after 30 years of employment with Litho-Krome. His Eligible Earnings and Covered Compensation for the relevant years were as follows:

Average Eligible Earnings for 2005 - 2009	$47,000.00
Eligible Earnings for 2010	50,000.00
Eligible Earnings for 2011(6 months)	26,000.00
Covered Compensation for 2009	61,884.00

BASE	BENEFIT CALCULATION:	
	Average Eligible Earnings for 2005 - 2009	$47,000.00
	Multiplied by 1%	470.00
	Multiplied by years of employment at end of 2009	28.5
	Retirement benefit accrual at December 31, 2009	13,395.00
	Plus 1% of Eligible Earnings for 2010	500.00
	Plus 1% of Eligible Earnings for 2011	260.00
	Annual Retirement Benefit	$14,155.00
	Monthly Retirement Benefit (divide by 12)	$ 1,179.58

Employee A's average Eligible Earnings for 2005 – 2009 were less than his Covered Compensation for 2009, and his Eligible Earnings in 2010 and 2011 were less than his Covered Compensation for each of those years. Therefore, he is not eligible for an "Excess Benefit." Part of Employee A's monthly retirement benefit of $1,179.58 will be paid by Aetna Life Insurance Company, and the remainder will be paid from the Master Trust. If Employee A's benefits are paid in a form other than a Single Life Annuity (such as a joint and survivor annuity), his monthly benefit will be adjusted as described on pages 8-9.

Example 2

Employee B was born on December 2, 1950, and terminates from the Company on December 31, 2013, at age 63 after 28 years of employment. Her compensation and Covered Compensation for the relevant years were as follows:

Average Eligible Earnings for 2005-2009	$76,000.00
Eligible Earnings for 2010	78,500.00
Eligible Earnings for 2011	80,200.00
Eligible Earnings for 2012	82,500.00
Covered Compensation for 2009	73,920.00
Covered Compensation for 2010	73,920.00
Covered Compensation for 2011	73,920.00
Covered Compensation for 2012	74,400.00

BASE BENEFIT CALCULATION:

Average Eligible Earnings for 2005 - 2009	$76,000.00
Multiplied by 1%	760.00
Multiplied by years of employment at end of 2009	25.0
Retirement benefit accrual at December 31, 2009	19,000.00
Plus 1% of Eligible Earnings for 2010 (.01 X 78,500)	785.00
Plus 1% of Eligible Earnings for 2011 (.01 X 80,200)	802.00
Plus 1% of Eligible Earnings for 2012 (.01 X 82,500)	825.00
Annual Base Benefit	$ 21,412.00

EXCESS BENEFIT CALCULATION:

Average Eligible Earnings for 2005 – 2009		$76,000.00
Less Covered Compensation for 2009		(73,920.00)
2,080.00		
Multiplied by ¾%		0.0075
		15.60
Multiplied by years of employment at end of 2009		25
Excess Benefit accrual at December 31, 2009		390.00
Plus ¾% of Eligible Earnings less Covered Compensation for 2010 (0.0075 X [78,500 – 73,920])	34.35	
Plus ¾% of Eligible Earnings less Covered Compensation for 2011 (0.0075 X [80,200 – 73,920])	47.10	
Plus ¾% of Eligible Earnings less Covered Compensation for 2012 (0.0075 X [82,500 – 74,400])		60.75
Annual Excess Benefit		$ 532.20

Although Employee B did not terminate her employment with Litho-Krome until December 31, 2013, her retirement benefits were frozen effective December 31, 2012 and did not increase for employment after that date. Employee B's retirement benefit payable beginning on her Normal Retirement Date on December 31, 2016 will be:

Annual Base Benefit	$21,412.00
Annual Excess Benefit	532.20
Total Annual Retirement Benefit at Normal Retirement Date	$21,994.20
Monthly Benefit (divide by 12)	1,828.68

Part of Employee B's monthly Normal Retirement Benefit of $1,828.68 will be paid by Aetna Life Insurance Company, and the remainder will be paid from the Master Trust. Employee B's benefit from Aetna cannot begin before she reaches age 65 in 2015. However, because Employee B has attained her Early Retirement Eligibility Date, she can elect to begin receiving her retirement benefits from the Master Trust at any time after her termination on December 31, 2013, and her monthly benefit would be reduced to the early annuity starting date. If Employee B's benefits are paid in a form other than a Single Life Annuity (such as a joint and survivor annuity), her monthly benefit will be adjusted as described on pages 7-9.