
KRYSTAL M. ANDERSON, and all others)
similarly situated,)
)
Plaintiffs,)
)
v.)
)
PRINCIPAL LIFE INSURANCE COMPANY;)
BENEFITS PLANS ADMINISTRATIVE)
COMMITTEE; BENEFIT PLANS)
INVESTMENT COMMITTEE, and John and)
Jane Does 1-25,)
)
Defendants.)

CLASS ACTION SETTLEMENT AGREEMENT AND RELEASE

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This Settlement Agreement and Release (“Agreement”) is entered into on June ____, 2015, by and among plaintiff, Krystal M. Anderson (“Plaintiff”), on her own behalf and on behalf of the Settlement Classes (as defined below) and the Plans (as defined below), on the one hand, and the Defendants (as defined below) on the other, in consideration of the promises, covenants and agreements herein described and for other good and valuable consideration acknowledged by each of them to be satisfactory and adequate.

I. DEFINITIONS

1.1 “Action” shall mean *Krystal M. Anderson v. Principal Life Insurance Company, et al.* and any and all cases now or hereafter consolidated herewith.

1.2 “Administration Costs” shall mean (i) the costs and expenses associated with the production and dissemination of the Notice (as defined in Section 2.10); (ii) all reasonable costs incurred by the Settlement Administrator (as defined in Section 1.37) in administering and effectuating this Settlement, which costs and expenses are necessitated by performance and implementation of this Agreement and any Court orders relating thereto; and (iii) all reasonable fees charged by the Settlement Administrator.

1.3 “Attorneys’ Fees and Expenses” shall mean any and all attorneys’ fees, costs (including expert costs) and expenses of Class Counsel (as defined in Section 1.6) for their past, present, and future work, efforts, and expenditures in connection with this Action and resulting Settlement.

1.4 “Case Contribution Award” shall have the meaning ascribed to it in Section 8.1.

1.5 “Claims” shall have the meaning ascribed to it in Section 1.35.

1.6 “Class Counsel” shall mean Bailey & Glasser LLP.

1.7 “Court” shall mean the United States District Court for the Southern District of Iowa.

1.8 “Plaintiff” shall mean Plaintiff Krystal M. Anderson.

1.9 “Company” shall mean Principal Life Insurance Company and its affiliates.

1.10 “Defendants” shall mean the following persons and/or entities: Principal Life Insurance Company; Benefit Plans Administrative Committee (including all of its past and present individual members); and Benefit Plans Investment Committee (including all of its past and present individual members).

1.11 “Defendants’ Counsel” shall mean Sidley Austin LLP and Nyemaster Goode PC.

1.12 “Defendant Released Parties” shall mean Defendants and, with respect to Principal Life Insurance Company, shall also include its present, past, and future predecessors, successors, parents, subsidiaries, affiliates, divisions, assigns, officers, directors, committees, employees, fiduciaries, administrators, actuaries, agents, insurers, representatives, attorneys, retained experts and trustees (including but not limited to the current and past trustees of the Plans).

1.13 “Distributable Settlement Amount” shall have the meaning ascribed to it in Section 3.2.

1.14 “Effective Date” shall mean (a) the date upon which the applicable period to appeal the Final Approval Order and Judgment has expired, if no appeal on any issue is taken during such period; or (b) if, during the aforesaid appeals period, an appeal is taken from such judgment, the date upon which all appeals, including petitions for review, rehearing, or certiorari, and any proceedings resulting therefrom, have been finally disposed of, or the date of the expiration of the time to initiate such petitions or proceedings. The Parties shall agree by written communication when the Effective Date has occurred; any dispute shall be resolved by

the Court. It is expressly agreed by the Parties and their counsel that no Party intends that this provision nor any other part of this Agreement establishes or acknowledges that anyone is entitled to or has the right to appeal from any such orders which may be entered in connection herewith.

1.15 “Employees Plan” shall mean the Principal Select Savings Plan for Employees.

1.16 “Escrow Account” shall mean an account at an established Financial Institution agreed upon by the Parties that is established for the deposit of any amounts relating to the Settlement.

1.17 “Escrow Agent” shall mean Computershare Trust Company, N.A., or whatever other person or entity is approved by the Court to act as escrow agent for any portion of the Settlement Amount (as defined in Section 3.1(a)) deposited in or accruing in the Escrow Account pursuant to this Agreement.

1.18 “Fee and Expense Application” shall mean the petition, to be filed by Class Counsel, seeking approval of an award of Attorneys’ Fees and Expenses.

1.19 “Final Approval Hearing” shall mean the hearing to be held before the Court pursuant to Federal Rule of Civil Procedure 23(e) to determine whether the Agreement should receive Final Approval (as defined in Section 1.20) by the Court. The Parties will request that the Final Approval Hearing shall be scheduled for a date no earlier than 110 days after the entry of the Preliminary Approval Order (as defined in Section 1.32).

1.20 “Final Approval” shall mean the entry of the Final Approval Order and Judgment.

1.21 “Final Approval Order and Judgment” or “Final Approval Order” shall mean a final order entered by the Court after the Final Approval Hearing, substantially the same in all

material respects to that attached hereto as Exhibit A, granting its approval of the Settlement. The Parties may agree to additions or modifications to the form of the Final Approval Order and Judgment as they agree are appropriate at the time that it is submitted to the Court for final approval of the Settlement.

1.22 “Financial Institution” shall mean the institution at which the Escrow Account is established, which is Bank of America.

1.23 “Independent Fiduciary” shall mean the qualified and experienced independent fiduciary that the Company selects to independently review the Settlement (as defined in Section 1.36) on behalf of the Settlement Classes.

1.24 “Independent Fiduciary Fees” shall mean the reasonable fees and expenses of the Independent Fiduciary. The Independent Fiduciary Fees shall be payable from the Settlement Fund after such funds are deposited with the Escrow Agent and upon receipt of an invoice from the Independent Fiduciary.

1.25 “Individual Field Plan” shall mean the Principal Select Savings Plan for Individual Field.

1.26 “Notice” shall mean the notice, identical in all material respects to that attached hereto as Exhibit B, to be provided directly to Monetary Relief Class Members (as defined in Section 1.29 pursuant to Section 2.10 and made available on the Settlement Website (as defined in Section 1.42) and the website of Class Counsel.

1.27 “Member of the Settlement Classes” shall mean any Monetary Relief Class Member and any Structural Change Class Member (as defined in Sections 1.29 and 1.45 respectively).

1.28 “Monetary Relief Class” shall have the meaning ascribed to it in Section 2.2(a).

1.29 “Monetary Relief Class Member(s)” shall mean any plan participant who is a member of the Monetary Relief Class or any person acting or claiming to act on behalf of such a class member.

1.30 “Parties” shall mean Plaintiff, the Settlement Classes, and the Defendants.

1.31 “Plan of Allocation” shall mean the plan or formula of allocation of the Distributable Settlement Amount as approved by the Court, which plan or formula shall govern the distribution of the Distributable Settlement Amount, in the form attached hereto as Exhibit C. Notwithstanding any other provision of this Agreement, any revisions by the Court or any appellate court or otherwise relating solely to the Plan of Allocation shall not operate to terminate or cancel or otherwise affect this Agreement, provided that any such revisions do not require the Company, or its affiliates, to incur additional expenses and costs to provide data not already readily available on their computer systems.

1.32 “Plans” shall mean the Employees Plan and the Individual Field Plan.

1.33 “Preliminary Approval Order” shall mean an order entered by the Court preliminarily approving the Settlement, pursuant to Section 2.2 below, that is substantially the same in all material respects to that attached hereto as Exhibit D.

1.34 “Regulatory Change” shall have the meaning ascribed to it in Section 4.5(b).

1.35 “Released Claims” shall be any and all claims, debts, demands, rights or causes of action, suits, matters, and issues or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class, derivative,

or individual in nature (collectively, “Claims”), including both known Claims and Unknown Claims, against any of the Defendant Released Parties and Defendants’ Counsel (i) that in any way arise out of, relate to, are based on, or have any connection with any of the allegations, acts, omissions, purported conflicts, representations, misrepresentations, facts, events, matters, transactions or occurrences that were asserted in the Action (including any assertion set forth in any submission made by Plaintiff or Settlement Class Members in connection with the Action); (ii) that in any way arise out of, relate to, are based on, or have any connection with any of the allegations, acts, omissions, purported conflicts, representations, misrepresentations, facts, events, matters, transactions or occurrences that might have been asserted in the Action that in any way arise out of, relate to, are based on, or have any connection with any of the allegations, acts, omissions, purported conflicts, representations, misrepresentations, facts, events, matters, transactions or occurrences that were asserted in the Action (including any assertion set forth in any submission made by Plaintiff or the Settlement Class Members in connection with the Action); (iii) that otherwise in any way arise out of, relate to, are based on, or have any connection with any assertion in the Action (including any assertion set forth in any submission made by Plaintiff or the Settlement Class Members in connection with the Action), including but not limited to any assertion in any way arising out of, relating to, based on, or in connection with: the structure, management, monitoring, servicing, administration, size and/or expenses of the Plans; the selection, monitoring, fees, expenses, numerosity, performance, performance history (or absence of performance history) or any other attributes of the investment options available under the Plans; any alleged conflict of interest, self-dealing, or improper reversion of funds with respect to the Plans; any assertions regarding revenue sharing paid, received, or not recaptured in connection with the Plans; any assertions

regarding any disclosures, reports, or filings in connection with the Plans; and/or any assertions with respect to any fiduciaries of the Plans or the selection or monitoring of those fiduciaries in connection with the foregoing; and/or (iv) that would have been barred by res judicata had the Action been fully litigated to a final judgment. With respect to the Released Claims, it is the intention of the Parties and all other Settlement Class Members and the Plans expressly to waive to the fullest extent of the law: (a) the provisions, rights and benefits of Section 1542 of the California Civil Code, which provides that “A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor”; and (b) the provisions, rights and benefits of any similar statute or common law of any other jurisdiction that may be, or may be asserted to be, applicable.

1.36 “Settlement” shall mean the compromise and Settlement embodied in this Agreement.

1.37 “Settlement Administrator” shall mean KCC Class Action Services.

1.38 “Settlement Amount” shall mean three million dollars (\$3,000,000).

1.39 “Settlement Classes” shall mean the classes composed of members of the Monetary Relief Class and the Structural Changes Class (as defined in Section 2.2).

1.40 “Settlement Class Member” shall mean a member of either or both of the Settlement Classes.

1.41 “Settlement Fund” shall have the meaning set forth in Section 3.1(b)

1.42 “Settlement Website” shall have the meaning ascribed to it in Section 2.12.

1.43 “Structural Changes” shall mean the changes set forth in Sections 4.1 through 4.4.

1.44 “Structural Changes Class” shall have the meaning ascribed to it in Section 2.2(b).

1.45 “Structural Changes Class Member” shall mean any participant of the Plans who is member of the Structural Changes Class or any person acting or claiming to act on behalf of such a participant.

1.46 “Taxes” shall have the meaning ascribed to it in Section 3.1(i).

1.47 “Tax-Related Costs” shall have the meaning ascribed to it in Section 3.1(i).

1.48 “Unknown Claims” shall mean any Released Claims which Plaintiff, any Member of the Settlement Classes and/or any of the other Parties do not know or suspect to exist in their favor at the time of the release of the Defendant Released Parties, including claims which, if known by them, might have affected their settlement with and release of the Defendant Released Parties, or might have affected their decision not to object to this Settlement. Without admitting that California law in any way applies to this Agreement, with respect to any and all Released Claims, the Parties agree that, upon the Effective Date, Plaintiff, each Monetary Relief Class Member and all other Parties shall be deemed to have, and by operation of the Final Approval Order and Judgment shall have, expressly waived the provisions, rights and benefits of California Civil Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Plaintiff, each Monetary Relief Class Member and all other Parties shall be deemed to have, and by operation of the Final Approval Order and Judgment shall have, expressly waived all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to California Civil Code

§ 1542. Plaintiff, any Monetary Relief Class Member, and any of the other Parties may later discover facts in addition to or different from those which they now know or believe to be true with respect to the subject matter of the Released Claims, but Plaintiff, any Monetary Relief Class Member and all of the other Parties, upon the Effective Date, shall be deemed to have, and by operation of the Final Approval Order and Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Plaintiff, any Monetary Relief Class Member and all of the other Parties shall be deemed by operation of the Final Approval Order and Judgment to have acknowledged that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

II. CONDITIONS TO FINALITY OF THE SETTLEMENT

This Settlement shall be contingent upon each of the following conditions in Sections 2.1 to 2.15 being satisfied. The Parties agree that if any of these conditions is not satisfied, then this Agreement is terminated and the Action will for all purposes with respect to the Parties revert to its status as of April 17, 2015. In such event, Defendants will not be deemed to have consented to class certification as described in Section 2.2, the agreements and stipulations in this Agreement concerning class certification shall not be used as evidence or argument to support class certification, and the Defendants will retain all rights with respect to class certification.

2.1 The Settlement shall have been approved by the Court, as provided for in this Section II. The Parties shall cooperate in good faith to allow Plaintiff to seek Court approval.

2.2 ***Motion for Preliminary Approval and Certification of Settlement Classes.*** As soon as is practicable after execution of this Agreement, Plaintiff shall move the Court (i) for preliminary approval of the Settlement, including entry of an order identical in all material respects to the form of the Preliminary Approval Order, and (ii) for purposes of this Settlement only, conditional certification of the following two Settlement Classes:

(a) **The Monetary Relief Class**

The “Monetary Relief Class” will consist of all current and former participants in the Employees Plan or the Individual Field Plan who maintained a balance of any amount in either of the Plans at any point during the period from August 7, 2008 to the date of entry to the Preliminary Approval Order.

(b) **The Structural Changes Class**

The “Structural Changes Class” will consist of all participants in the Employees Plan or the Individual Field Plan on or after the date of entry of the Preliminary Approval Order.

Defendants will not object to such motion. Defendants are excluded from the Monetary Relief Class.

2.3 ***Basis for Certification of Settlement Classes.*** Plaintiff will seek certification of the Monetary Relief Class under Rule 23(b)(3) and will seek certification of the Structural Changes Class under Rule 23(b)(1).

2.4 ***Certification for Settlement Purposes Only.*** Defendants shall not take any position with respect to certification of the Settlement Classes only for the limited purpose of effectuating this Agreement. Defendants reserve all rights to object to the propriety of class certification in the Action in all other contexts and for all other purposes.

2.5 ***The Fairness Hearing:*** On or after the date set by the Court for the final hearing pursuant to Federal Rule of Civil Procedure 23(e)(2) (the “Fairness Hearing”), the Court will determine (i) whether to enter a judgment finally approving the Settlement; and (ii) what, if any, legal fees, compensation, and expenses should be awarded to Class Counsel and to Plaintiff as contemplated by Sections 8.1 to 8.2 of this Agreement.

2.6 ***Entry of Judgment:*** The Court shall have judgment entered substantially in the form attached hereto as Exhibit A.

2.7 ***Funding of the Settlement Amount:*** The Company shall cause the Settlement Amount to be deposited to the Settlement Fund and/or allocated to the Monetary Relief Class Members at the time(s) proscribed by and otherwise as provided for in Sections 3.1 and 3.2.

2.8 ***Vacating Settlement Certification and Reservation of Rights.*** The certification of the Settlement Classes shall be binding only with respect to the Settlement of the Action. If this Agreement is terminated, or is reversed, vacated, or modified in any material respect by the Court or any other court, the certification of the Settlement Classes shall be vacated, the Action shall proceed as though the Settlement Classes had never been certified, and no reference to the prior Settlement Classes or any documents related thereto shall be made for any purpose.

2.9 ***Settlement Authorized by Independent Fiduciary***

(a) **Selection of Independent Fiduciary:** The Company will, in its sole discretion, select the Independent Fiduciary to provide the authorization required by Prohibited Transaction Exception 2003-39, 68 FR 75632 (Dec. 31, 2003), as amended 75 FR 33830 (June 15, 2010). All costs reasonably borne by the Independent Fiduciary, including the reasonable

fees of the Independent Fiduciary for its service shall be borne by and paid from the Settlement Fund.

(b) At least thirty (30) days prior to the Fairness Hearing, the Independent Fiduciary shall have approved and authorized in writing the Settlement, and given a release in its capacity as fiduciary of the Plans for and on behalf of the Plans, on the terms set forth in Section 6.1, in accordance with Prohibited Transaction Class Exemption 2003-39. If the Independent Fiduciary disapproves or otherwise does not authorize the Settlement or refuses to execute the release on behalf of the Plans, then the Company shall have the option to waive this condition if so stipulated by the Parties. Such option is to be exercised in writing within the earlier of (i) ten (10) days after the Parties' receipt of the Independent Fiduciary's written determination or (ii) three (3) days prior to the date set for the Fairness Hearing, unless otherwise agreed by the Parties. The Parties shall comply with reasonable requests made by the Independent Fiduciary.

2.10 *Class Notice*

(a) Within thirty (30) days of the entry of the Preliminary Approval Order, the Settlement Administrator shall send the Notice by first-class mail or electronic mail (if available) to the Monetary Relief Class Members. The Notice will be sent to the last known electronic mail address (if any) or last known mailing address of the Monetary Relief Class Members, which mailing address will be supplied by the Company and updated through the National Change of Address database by the Settlement Administrator before mailing (with all returned mail skip-traced and promptly re-mailed), and will be in the form attached hereto as Exhibit B.

(b) The Settlement Administrator will make payment of the Distributable Settlement Amount to each Monetary Relief Class Member. For each current participant in the Plans, the

payment will be credited to the participant's account. For each former participant, the payment will be made in the form of a check mailed to the current address shown in the Plans' records.

2.11 ***Class Action Fairness Act Notice.*** Defendants shall comply with the notice requirements of 28 U.S.C. § 1715 and shall file a notice confirming compliance prior to the Final Approval Hearing.

2.12 ***Settlement Website.*** Within thirty (30) days of the entry of the Preliminary Approval Order and no later than the first date that the mailing of the Notice occurs, the Settlement Administrator shall establish the Settlement Website, which will contain the Notice, this Agreement and its exhibits. The Notice, attached hereto as Exhibit B, will identify the web address of the Settlement Website.

2.13 ***Settlement Information Line.*** Within thirty (30) days of the entry of the Preliminary Approval Order, and no later than the first date of mailing of the Notice, the Settlement Administrator shall establish a toll-free telephone number (the "Settlement Information Line") to which Settlement Class Members can direct questions about the Settlement. The Settlement Administrator shall develop a question-and-answer-type script, with input and approval from Defendants' Counsel and Class Counsel, for the use of persons who answer calls to the Settlement Information Line.

2.14 ***Rights of Exclusion.*** Monetary Relief Class Members shall be permitted to opt out of the Monetary Relief Class (but not from the Structural Changes Class, to the extent that they also qualify as Structural Changes Class Members), provided that they comply with the requirements for doing so as set forth in the Preliminary Approval Order. Structural Changes Class Members shall not be permitted to exclude themselves from the Structural Changes Class.

2.15 ***Right to Object.*** Members of the Settlement Classes shall be permitted to object to the Settlement. Requirements for filing an objection shall be as set forth in the Preliminary Approval Order.

III. PAYMENTS TO THE MONETARY RELIEF CLASS.

3.1 ***The Settlement Amount.***

(a) In consideration of all of the promises and agreements set forth in this Agreement, the Company will make a monetary payment of Three Million Dollars (\$3,000,000) (the “Settlement Amount”). No other of the Defendant Released Parties shall have any obligation to contribute financially to this Settlement.

(b) The Company shall cause five-hundred thousand dollars (\$500,000) of the Settlement Amount to be deposited by wire transfer into the Escrow Account within fifteen (15) days of the entry of the Preliminary Approval Order to fund any Administrative Costs that arise before the Effective Date. The Company shall cause the remaining two-and-a-half million dollars (\$2.5 million) of the Settlement Amount to be deposited by wire transfer into the Escrow Account within fifteen (15) days of the Effective Date.

(c) The Settlement Amount shall be used solely for the purposes set forth in Section (j) below.

(d) Subject to Court approval and oversight, the Escrow Account will be controlled by the Settlement Administrator. Neither Defendants nor Plaintiff shall have any liability whatsoever for the acts or omissions of the Settlement Administrator appointed by the Court. The Settlement Administrator shall not disburse the Settlement Amount or any portion thereof except as provided for in this Agreement, by an Order of the Court, or with prior written agreement of Class Counsel and Defendants’ Counsel.

(e) The Settlement Administrator is authorized to execute transactions on behalf of the Monetary Relief Class Members that are consistent with the terms of this Agreement and with Orders of the Court.

(f) All funds held in the Escrow Account shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until the funds are distributed in accordance with this Agreement.

(g) The Settlement Administrator shall, to the extent practicable, invest the Settlement Amount in discrete and identifiable instruments backed by the full faith and credit of the United States Government or fully insured by the United States Government or an agency thereof and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then current market rates. The Settlement Administrator shall maintain records identifying in detail each instrument in which the Settlement Amount or any portion thereof has been invested, and identifying the precise location (including safe deposit box number) of each such instrument. Neither the Settlement Amount nor any portion thereof shall be commingled with any other monies in any instruments. Any cash portion of the Settlement Amount not invested in instruments of the type described in the first sentence of this Section shall be maintained by the Settlement Administrator, and not commingled with any other monies, at a bank account, which shall promptly be identified to the Parties at either party's request by account number and any other identifying information. The Settlement Administrator and Monetary Relief Class Members shall bear all risks related to investment of the Settlement Amount.

(h) The Escrow Account is intended to be a "Qualified Settlement Fund" within the meaning of Treasury Regulation § 1.468B-1. The Settlement Administrator, as administrator of

the Qualified Settlement Fund within the meaning of Treasury Regulation §1.468B-2(k)(3), shall be solely responsible for filing tax returns for the Escrow Account and paying from the Escrow Account any Taxes owed with respect to the Escrow Account. Defendants agree to provide the Settlement Administrator with the statement described in Treasury Regulation §1.468B-3(e). Neither Defendants, Defendants' Counsel, Plaintiff, nor Class Counsel shall have any liability or responsibility of any sort for filing any tax returns or paying any taxes with respect to the Escrow Account.

(i) All (i) taxes on the income of the Escrow Account ("Taxes") and (ii) expenses and costs incurred in connection with the taxation of the Escrow Account (including, without limitation, expenses of tax attorneys and accountants) ("Tax-Related Costs") shall be timely paid by the Settlement Administrator out of the Escrow Account.

(j) The Settlement Amount, together with any interest accrued thereon, will be used to pay the following amounts associated with the Settlement:

- (1) Compensation to Monetary Relief Class Members determined in accordance with Section 3.2;
- (2) Any Case Contribution Award approved by the Court;
- (3) All Attorneys' Fees and Expenses approved by the Court;
- (4) Independent Fiduciary Fees;
- (5) Administration Costs; and
- (6) Taxes and Tax-Related Costs.

3.2 ***Distribution to Monetary Relief Class Members.***

(a) The money remaining from the Settlement Amount, including any accrued interest thereon, after the payment of any approved Case Contribution Award, approved

Attorneys' Fees and Expenses, Independent Fiduciary Fees, Administration Costs, and Taxes and Tax-Related Costs, shall be available for distribution to Monetary Relief Class Members (the "Distributable Settlement Amount").

(b) The Distributable Settlement Amount shall be divided among Monetary Relief Class Members in accordance with the Plan of Allocation attached hereto as Exhibit C or such other allocation plan as may be ordered by the Court. It is understood and agreed by the Parties that the proposed Plan of Allocation is not part of this Agreement and is to be considered by the Court separately from the Court's consideration of the fairness, reasonableness, and adequacy of the Settlement, and any order or proceeding relating to the Plan of Allocation shall not operate to terminate or cancel this Agreement or affect the finality of the Court's Final Approval Order and Judgment approving the Settlement or any other Orders entered pursuant to the Agreement. Notwithstanding the foregoing, or anything else in this Agreement, any revisions to the Plan of Allocation that would require the Company or its affiliates to incur additional expenses or costs or to provide data not already readily available on its computer systems shall be deemed a material alteration of this Agreement and entitle the Company, at its election, to terminate the Agreement.

(c) The Settlement Administrator shall disburse the Distributable Settlement Amount as promptly as possible after the Effective Date, and, in any event, no later than two hundred-seventy (270) days after the Effective Date.

(d) No payment to any Monetary Relief Class Member shall be lower than \$10 per Monetary Relief Class Member; any Monetary Relief Class Member whose entitlement to payment pursuant to the Plan of Allocation would otherwise be below \$10 shall receive no payment.

(e) Monetary Relief Class Members that are paid by check must cash those checks within ninety (90) days of issuance. If they do not do so, the checks will be void. This limitation shall be printed on the face of each check. The voidance of checks shall have no effect on the Monetary Relief Class Members' release of claims, obligations, representations, or warranties as provided herein, which shall remain in full effect.

3.3 Each Monetary Relief Class Member who receives a payment under this Agreement shall be fully and ultimately responsible for payment of any and all federal, state or local taxes resulting from or attributable to the payment received by such person. Each Monetary Relief Class Member shall hold Defendants, Defendants' Counsel, the Defendant Release Parties, Class Counsel, and the Settlement Administrator harmless from any tax liability, including penalties and interest, related in any way to payments or credits under the Agreement, and shall hold Defendants, the Defendant Released Parties, Defendants' Counsel, Class Counsel, and the Settlement Administrator harmless from the costs (including, for example, attorneys' fees and disbursements) of any proceedings (including, for example, investigation and suit), related to such tax liability.

3.4 ***Treatment of Undistributed Funds and Uncashed Checks.*** Any funds associated with checks that are not cashed within ninety (90) days of issuance and any funds that cannot be distributed to Monetary Relief Class Members for any other reason, together with any interest earned on them, and after the payment of any applicable taxes by the Escrow Agent, shall be donated to an appropriate charity or charities pursuant to a *cy pres* award of the Court. As soon as practicable following the Effective Date, Plaintiff shall make any application for a *cy pres* award of any such funds to the Court. Plaintiff will meet and confer with Defendants regarding the proposed recipients of any *cy pres* awards before making such

application and Defendants shall have the right to object to any proposed *cy pres* recipient if Defendants do not believe that such a recipient is appropriate to receive such an award.

3.5 ***Administration Costs.*** The Administration Costs shall be paid from the Settlement Amount. Beginning thirty (30) days after the entry of the Preliminary Approval Order, and on every thirty (30) days thereafter, the Settlement Administrator shall provide the Parties with a detailed accounting of any Administration Costs expended to date and an invoice for the amount of such Administration Costs. Any disputes as to whether amounts billed by the Settlement Administrator are reasonable and necessary under this Agreement shall be resolved by the Court.

3.6 ***Entire Monetary Obligation.*** In no event, and notwithstanding anything else in this Agreement (except with respect to any obligations it may be required to incur with respect to implementation of the structural changes described in Section IV below), shall Defendants be required to pay any amounts other than the Settlement Amount. It is understood and agreed that Defendants' monetary obligations under this Settlement Agreement will be fully discharged by paying the amount specified in Sections 1.38 and 3.1(a) above, and that Defendants shall have no other monetary obligations, or obligations to make any other payments under this Agreement or otherwise.

IV. STRUCTURAL CHANGES.

4.1 ***Changes to Plan Practices.*** As part of the Settlement of this Action, Defendants agree to make certain specified changes to the practices affecting the Plans as set forth in the remaining Sections of this Section IV, unless there is a change in applicable law that renders any change or practice unlawful (in which case Defendants shall be permitted to alter these practices to the extent (but only to the extent) required by law). It is understood and agreed by the Parties that by making the changes described in Section IV, Defendants do not agree with

or in any way admit, and shall not be deemed to agree with or in any way admit, (a) any theories of Plaintiff or Class Counsel regarding Defendants' liability in the Action, including, without limitation, that any of Defendants' prior or existing practices violate any federal or state laws, statutes, or regulations. Defendants agree to make the changes described in Section IV solely to resolve disputes and provide agreed clarity on a going-forward basis as to the propriety of their future conduct. In exchange for Defendants' agreement to the structural changes in Sections 4.2-4.4, the Structural Changes Class Members agree to the covenants not to sue set forth in Section 6.2(a).

4.2 *Reduction in Recordkeeping/Administrative Fees.*

(a) Defendants agree to reduce the amount that the Plans pay for the administrative expenses of the Plans as of the Effective Date of this Agreement, including but not limited to recordkeeping services, from 14 basis points to 7 basis points on a weighted plan-wide basis for each the Plans. This change results in a net reduction of 7 basis points in the overall fees charged to plan participants. This charge will apply to the current level of services provided to the Plans. Defendants will implement this reduction by changing the rate level for each investment option offered by the Plans to the rate level that does not include any amount for revenue sharing (which would result in a 14 basis point reduction from current levels on a weighted average) and charging participants an annual fee equal to 7 basis points times the amount of assets in each Plan.

(b) In exchange for Defendants' agreement to reduce administrative expenses to 7 basis points, the Structural Changes Class Members agree to the covenants not to sue set forth in Section 6.2(a).

4.3 *Addition of a Brokerage Window*

(a) As part of this Settlement, the Company agrees to add as an investment option within each Plan a brokerage window, through which it shall make available a wide selection of unaffiliated, non-proprietary mutual funds (the “Brokerage Window”). The investment options available through the brokerage window shall consist of a selection of passively managed index mutual funds. The parties acknowledge that there are many such passively managed index mutual funds available in the marketplace that are not affiliated with the Company, meaning that Settlement Class Members shall have a wide selection of unaffiliated, non-proprietary mutual funds as a result of this Settlement.

(b) Defendants will not impose any charge on the Plans or Structural Changes Class Members for the cost of establishing the Brokerage Window or any annual fees associated with use of the Brokerage Window.

(c) Defendants agree that the cost of transactions executed through the Brokerage Window shall be limited as follows. The Company will charge (i) a fee of twenty-five dollars (\$25) to each Structural Class Member for each individual Brokerage Window transaction that the Structural Class Member makes online, and (ii) a fee of thirty-five dollars (\$35) to each Structural Class Members for each individual Brokerage Window transaction that the Structural Class Member makes through a representative over the phone.

(d) The Company retains the right to revise or eliminate the Brokerage Window in the event of any change in, or modification of, applicable law, including but not limited to regulations or guidance from the Department of Labor or any other applicable regulatory body.

4.4 ***Managed Account Service.*** As part of this Settlement, the Company agrees to provide the Managed Account Service presently offered by Ibbotson at cost to the Structural Changes Class Members, meaning that the Structural Changes Class Members will only be

responsible for paying the amount that the Company is required to pay to Ibbotson for participating in the Managed Account Service.

4.5 *Impact of Regulatory Changes.*

(a) Notwithstanding anything in this Section IV to the contrary, Defendants shall not be required to comply with any provision of this Section IV should any change in applicable law render such compliance unlawful or impractical.

(b) Notwithstanding anything in this Section IV to the contrary, Defendants shall have the right, at their sole option, to modify any of the contractual, disclosure or other changes described in Section IV if Congress, the Department of Labor, or any other applicable regulatory or self-regulatory body imposes different substantive requirements, whether through statute, regulation, guidance, or otherwise (a “Regulatory Change”); provided, however, that, in the event of a Regulatory Change that affects only certain of the provisions of this Section IV, Defendants shall be required to continue to comply with all other provisions of Section IV that are not affected by the Regulatory Change. In the event of a Regulatory Change, Defendants’ compliance with the new regulatory requirements and/or guidance shall be deemed in compliance with the terms of this Agreement.

4.6 Defendants shall complete the implementation of the Structural Changes within 90 days of the Effective Date, or by March 20, 2016, whichever is later. Defendants shall file a notice with the Court within 30 days of implementing the Structural Changes attesting that they have implemented the Structural Changes.

V. SETTLEMENT ADMINISTRATION

5.1 Within ten (10) days of the entry of the Preliminary Approval Order, Defendants shall provide to the Settlement Administrator the participant data sufficient to

effectuate class notice, implement the Plan of Allocation, and distribute the settlement proceeds.

5.2 The Settlement Administrator shall administer the Settlement subject to the supervision of Class Counsel, Defendants' Counsel, and the Court as circumstances may require.

5.3 Defendants and Defendants' Counsel shall have no responsibility for, interest in, or liability whatsoever, with respect to:

- (a) any act, omission or determination of the Settlement Administrator, Class Counsel, or designees or agents of Class Counsel or the Settlement Administrator;
- (b) any act, omission or determination of Class Counsel or their designees or agents in connection with the administration of the Settlement;
- (c) the management, investment, or distribution of the Settlement Amount or the Distributable Settlement Amount; or
- (d) the determination, administration, calculation, or payment of any claims asserted against the Settlement Amount or the Distributable Settlement Amount.

5.4 The Settlement Administrator shall provide to Class Counsel and Defendants' Counsel, no less than monthly, a full accounting of all expenditures made in connection with the Settlement, including Administration Costs, and any distributions from the Settlement Amount.

5.5 The Settlement Administrator shall provide such information as may be reasonably requested by Plaintiff or Defendants relating to administration of this Agreement.

VI. RELEASES, COVENANTS, AND JUDICIAL FINDINGS

6.1 *Releases of the Defendant Released Parties.* Subject to Section IX below, upon the Effective Date, Plaintiff, each Settlement Class Member (on behalf of themselves, their

current and former beneficiaries, their representatives and successors-in-interest), and the Plans (by and through the Independent Fiduciary pursuant to Section 2.9) absolutely and unconditionally release and forever discharge the Defendant Released Parties from each and every Released Claim that Plaintiff, the Settlement Classes, or the Plans directly, indirectly, derivatively, or in any other capacity ever had, now have or hereafter may have, except that the release under this Section 6.1 shall not include claims relating to the covenants or obligations set forth in this Agreement, nor do they include, and this Agreement does not in any way bar, limit waive, or release, any individual claim by the Plaintiff or a Settlement Class Member to vested benefits that are otherwise due under the terms of the Plans.

6.2 ***Covenant Not to Sue.***

(a) The Parties recognize that the changes to the practices affecting the Plans that are described in Sections 4.2-4.4 above are designed to result in a uniform set of practices that will benefit the Structural Changes Class Members and have been designed to provide future certainty, for the benefit of both the Company and the Structural Changes Class Members, so as to eliminate any potential future controversies over the matters involved in this Action. In order to ensure that these new practices affecting the Plans are not subject to future potentially inconsistent challenges or standards, and in consideration for the Company's willingness to make the changes, the Structural Changes Class Members agree that, from the date of Preliminary Approval until the time specified in subsection (b), none of them will institute, maintain, prosecute, sue, or assert in any action or proceeding any claim, based on conduct subsequent to, or any liability or damages claimed to arise or occur after, the date of Preliminary Approval, with respect to any of the Structural Changes adopted by Defendants (the "Covenant Not to Sue").

(b) Notwithstanding anything in this Agreement to the contrary, in exchange for the Company's agreement to implement the changes described in Section IV, the Covenant Not to Sue (as defined in Section 6.2(a)) will remain in effect for each calendar year after the Effective Date that the Company maintains the Structural Changes. In any event, the agreement to honor the Covenant Not to Sue shall expire at the end of the calendar year occurring six (6) years after Final Approval.

6.3 *Releases of Plaintiff, the Plans, the Settlement Classes, and Class Counsel.*

Upon the Effective Date, the Company (on behalf of itself and its representatives and successors-in-interest) shall be deemed to have, and by operation of the Judgment, shall have, fully, finally, and forever released, relinquished, and discharged, and shall forever be enjoined from prosecution of Plaintiff, the Plans, the Settlement Classes, and Class Counsel from any and all actual or potential claims, actions, causes of action, demands, obligations, liabilities, attorneys' fees and costs, whether arising under local, state, or federal law, whether by statute, contract, common law, or equity, whether brought in an individual, representative, or any other capacity, whether known or unknown, suspected or unsuspected, asserted or unasserted, foreseen or unforeseen, actual or contingent, liquidated or unliquidated, in connection with the Action.

6.4 *Taxation of Class Settlement Amount:* Plaintiff acknowledges that the Defendant Released Parties have no responsibility for any taxes due on funds deposited in or distributed from the Settlement Fund or that Plaintiff or Class Counsel receive from the Settlement Amount.

6.5 The Company shall, upon request of the Settlement Administrator and a reasonable period before the issuance of the Notice, produce to the Settlement Administrator

names, last known addresses as they appear in the Company's records, the Average Plan Account Balances during the Allocation Period for all Monetary Relief Class Members for the purposes of providing the Notice required under Section 2.10 implementing the Plan of Allocation required under Section 3.2. The Company shall not be otherwise obligated to assist with communications to the Monetary Relief Class Members or distribution to former Plan participants.

6.6 Both sides shall have equal access to information held by the Settlement Administrator given that such information is necessary to administer this Settlement consistent with Class Counsel's obligation to do so; however, such information shall be kept in strict confidence by Class Counsel.

6.7 Class Counsel and their agents shall use any information provided by the Company in connection with this Settlement solely for the purpose of providing the Notice and administering this Settlement and for no other purpose.

VII. REPRESENTATIONS AND WARRANTIES

7.1 *Settling Parties' Representations and Warrants.* The Parties, and each of them, represent and warrant as follows, and each settling Party acknowledges that each other Party is relying on these representations and warranties in entering into this Settlement Agreement:

(a) That they have diligently investigated the claims in this Action; that they are voluntarily entering into this Agreement as a result of arm's-length negotiations among their counsel; that in executing this Agreement they are relying solely upon their own judgment, belief and knowledge, and the advice and recommendations of their own independently-selected counsel, concerning the nature, extent and duration of their rights and Claims hereunder and regarding all matters which relate in any way to the subject matter hereof; and that, except as

provided in this Agreement, they have not been influenced to any extent whatsoever in executing this Agreement by any representations, statements, or omissions pertaining to any of the foregoing matters by any Party or by any person representing any Settling Party. Each Party assumes the risk of mistake as to facts or law.

(b) That they have carefully read the contents of this Agreement and this Agreement is signed freely by each person executing the Agreement on behalf of each of the Parties. The Parties, and each of them, further represent and warrant to each other that he, she, or it has made such investigation of the facts pertaining to this Settlement, this Agreement, and all of the matters pertaining thereto, as he, she or it deems necessary.

7.2 *Signatories' Representations and Warrants.* Each person executing this Agreement on behalf of any other person does hereby personally represent and warrant that he or she has the authority to execute this Agreement on behalf of, and fully bind, each principal whom such individual represents or purports to represent and that no right or claim compromised pursuant to this Agreement has been assigned or hypothecated to any third party.

VIII. MONETARY PAYMENTS

8.1 Case Contribution Award

(a) Plaintiff intends to seek a Case Contribution Award not to exceed the amount of \$5,000.00 which shall be subject to Court approval (the "Case Contribution Award"). Defendant shall not oppose a Case Contribution Award up to that amount. Any Case Contribution Award approved by the Court shall be paid within thirty (30) days of the Effective Date. Plaintiff, at her individual election, may choose to have the Settlement Administrator direct any Case Contribution Award awarded to her to a charity of her choice, in which case such amount shall be treated as a charitable contribution by the Qualified Settlement Fund on behalf of Plaintiff. The Case Contribution Award shall be paid by the Settlement Administrator solely

out of the Settlement Amount and shall be deducted (to the extent approved by the Court) from the Settlement Amount on or after the Effective Date and prior to the distribution to the Monetary Relief Class Members. Plaintiff shall also be entitled to further distribution under this Settlement pursuant to Section 3.2 as a Monetary Relief Class Member.

(b) Notwithstanding any other provision of this Agreement to the contrary, the procedure for and the allowance or disallowance (in whole or in part) by the Court of any application for the Case Contribution Award shall be considered by the Court separately from its consideration of the fairness, reasonableness, and adequacy of the Settlement, and any Order or proceedings relating to the Case Contribution Award, or any appeal of any Order relating thereto, shall not operate to terminate or cancel this Agreement or be deemed material thereto.

(c) Defendants shall have no obligations whatsoever with respect to any Case Contribution Award to Plaintiff, which shall be payable solely out of the Settlement Amount.

8.2 *Attorneys' Fees and Expenses*

(a) Class Counsel intends to submit a Fee and Expense Application, seeking an award based on the value of the Settlement and the work performed, and Defendant will not oppose the Fee and Expense Application. Any amount awarded by the Court in response to such Fee and Expense Application shall be paid by the Settlement Administrator solely out of the Settlement Amount and shall be deducted (to the extent approved by the Court) from the Settlement Amount and paid to Class Counsel within fourteen (14) days of the Effective Date.

(b) Notwithstanding any other provision of this Agreement to the contrary, the procedure for and the allowance or disallowance (in whole or in part) by the Court of the Fee and Expense Application to be paid out of the Settlement Amount shall be considered by the Court separately from its consideration of the fairness, reasonableness, and adequacy of the Settlement,

and any Order or proceedings relating to the award of Attorneys' Fees, or any appeal of any Order relating thereto, shall not operate to terminate or cancel this Agreement or be deemed material thereto.

(c) Defendants shall have no obligations whatsoever with respect to any attorneys' fees or expenses incurred by Class Counsel, which shall be payable solely out of the Settlement Amount.

IX. CONTINGENCIES, EFFECT OF DISAPPROVAL OR TERMINATION OF SETTLEMENT

9.1 If the Court or, in the event of an appeal, any appellate court refuses to approve, or modifies any material aspect of this Agreement or the proposed Preliminary Approval Order or Final Approval Order and Judgment, including, but not limited to any judicial findings included therein, Plaintiff or Defendant may terminate this Agreement and the Settlement as set forth below.

9.2 This Agreement and the Settlement shall terminate and be cancelled if, within ten (10) business days after any of the following events, one of the Parties provides written notification of an election to terminate the Settlement:

(a) The Court declines to provide preliminary approval of this Agreement, or declines to enter or materially modifies the contents of the Preliminary Approval Order attached hereto as Exhibit D, or the Preliminary Approval Order is vacated, reversed or modified in any material respect on any appeal or other review or in a collateral proceeding occurring prior to the Effective Date;

(b) The Court declines to provide final approval of this Agreement, or declines to enter or materially modifies the contents of the Final Approval Order and Judgment attached hereto as Exhibit A;

(c) The Court's Final Approval Order and Judgment is vacated, reversed or modified in any material respect on any appeal or other review or in a collateral proceeding occurring prior to the Effective Date; or

(d) The Effective Date does not occur for some other reason.

9.3 For purposes of this Agreement and this Section 9.3, no Order of the Court, or modification or reversal on appeal of any Order of the Court, solely concerning the Plan of Allocation, the administration of the Settlement or the persons performing such administrative functions, or the amount, advancement or award of any Attorneys' Fees and Expenses or Case Contribution Award shall constitute grounds for cancellation or termination of the Agreement.

9.4 This Agreement shall terminate if and when any of the conditions specified in Section II is not satisfied.

9.5 This Agreement and the Settlement shall terminate and be cancelled if (a) Monetary Relief Class Members representing in the aggregate five percent (5%) or more of the Distributable Settlement Amount according to the proposed Plan of Allocation opt out of the Settlement; and (b) within ten (10) business days after receiving written notice from the Settlement Administrator of such opt-outs and the percentage of the Distributable Settlement Amount that they represent, Defendants provide written notification of its election to terminate the Settlement. Within five (5) days after the deadline for Monetary Relief Class Members to opt out, the Settlement Administrator shall provide written notice to Defendants identifying all Monetary Relief Class Members who have opted out and the individual and total percentage they represent of the Settlement Amount according to the proposed Plan of Allocation.

9.6 This Agreement and the Settlement shall terminate and be cancelled if (a) any federal or state authorities object to or request material modifications to the Agreement; and

(b) within ten (10) business days after the deadline set in the Preliminary Approval Order for such objections or requests, or within ten (10) business days of receiving any such objection or request, if later, Defendants provide written notice of its election to terminate the Settlement.

9.7 If for any reason this Agreement is terminated or fails to become effective, then:

(a) The Settling Parties shall be deemed to have reverted to their respective status in the Action as of April 17, 2015, which shall then resume proceedings in the Court, and, except as otherwise expressly provided in this Agreement, the Parties shall proceed in all respects as if this Agreement and any related orders had not been entered.

(b) Class Counsel and Defendants' Counsel shall within ten (10) days after the date of termination of the Agreement jointly notify the Financial Institution in writing to return to the Company, or its designee, the full amount contained in the Settlement Fund, with all net income earned thereon, after deduction of any amounts earlier disbursed and/or incurred by the Settlement Fund as of the termination, and direct the Financial Institution to effect such return within fourteen (14) days after such notification. Prior to the return of amounts contemplated by this Section 9.7(b), the Financial Institution shall fully and finally fulfill and set aside for any and all tax obligations of the Settlement Fund as set forth in Section 3.1(i) and the Company shall have no past, present, or future liability whatsoever for any such tax obligations..

(c) In addition to this Section IX and its provisions, Sections 9.5 and 9.6 shall survive any termination of this Settlement.

X. NO ADMISSION OF WRONGDOING

9.1 The Parties understand and agree that this Agreement embodies a compromise settlement of disputed claims, and that nothing in this Agreement, including the furnishing of consideration for this Agreement, shall be deemed to constitute any finding or admission of any wrongdoing or liability by any of the Defendants, or give rise to any inference of wrongdoing or

liability in the Action or any other proceeding. This Agreement and the consideration provided hereunder are made in compromise of disputed claims and are not admissions of any liability of any kind, whether legal or factual. The Defendants specifically deny any such liability or wrongdoing and the Company states that it is entering into the Agreement solely to eliminate the burden and expense of further litigation. Further, Plaintiff, while believing that all Claims brought in the Action have merit, has concluded that the terms of this Agreement are fair, reasonable, and adequate to the Plans, himself, and the Settlement Class Members given, among other things, the inherent risks, difficulties and delays in complex ERISA litigation such as the Action. Neither the fact nor the terms of this Agreement shall be used or offered or received in evidence in any action or proceeding for any purpose, except in an action or proceeding to enforce this Agreement or arising out of or relating to the Judgment.

XI. MISCELLANEOUS

11.1 ***No Disparaging Statements.*** Defendants, Defendants' Counsel, Plaintiff, and Class Counsel shall make no statements to the press or make any other public statements describing this Settlement that disparage any Party or accuse any Party of wrongdoing. The Parties will agree upon a joint statement to utilize in response to any inquiries from the press or otherwise regarding this Settlement. Nothing in this Agreement shall be construed to prevent Plaintiff and Class Counsel from freely and frankly communicating with the Settlement Class Members.

11.2 ***Waiver.*** The provisions of this Agreement may be waived only by an instrument in writing executed by the waiving party. The waiver by any party of any breach of this Agreement shall not be deemed to be or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous, of this Agreement.

11.3 ***Dispute Resolution.*** If a dispute arises regarding compliance with any of the provisions of an approved and executed Agreement, the dispute would be mediated by Magistrate Judge Morton Denlow (ret.), who would make a non-binding decision regarding the dispute if such mediation efforts were unsuccessful. The cost of any mediation shall be split equally between Plaintiff and Defendants.

11.4 ***Entire Agreement.*** This Agreement is the entire agreement among the Parties and it supersedes any prior agreements, written or oral, between the Parties. This Agreement cannot be altered, modified or amended except through a writing executed by all Parties.

11.5 ***Construction of Agreement.*** This Agreement shall be construed to effectuate the intent of the Parties to resolve all disputes encompassed by the Agreement. All Parties have participated in the drafting of this Agreement, and any ambiguity shall not be resolved by virtue of a presumption in favor of any Party. The Agreement was reached at arm's-length by the Parties represented by counsel. None of the Settling Parties shall be considered to be the drafter of this Agreement or any provision hereof for the purposes of any statute, case law, or rule of interpretation or construction

11.6 ***Principals of Interpretation.*** The following principals of interpretation apply to this Agreement:

- (a) The headings of this Agreement are for reference only and do not affect in any way the meaning or interpretation of this Agreement.
- (b) Definitions apply to the singular and plural forms of each term defined.
- (c) Definitions apply to the masculine, feminine, and neutral genders of each term defined.

(d) References to a person are also to the person's permitted successors and assignees.

(e) Whenever the words "include," "includes," or "including" are used in this Agreement, they shall not be limiting but rather shall be deemed to be followed by the words "without limitation."

11.7 ***Executed in Counterparts.*** This Agreement may be executed in counterparts, all of which shall be considered the same as if a single document had been executed, and shall become effective when such counterparts have been signed by each of the Parties and delivered to the other Party. Counterpart copies of signature pages, whether delivered in original, by electronic mail in pdf format and/or by facsimile, taken together shall all be treated as originals and binding signatures.

11.8 ***Notices.*** Unless otherwise provided herein, any notice, request, instruction, application for Court approval, or application for Court Order sought in connection with the Agreement, shall be in writing and delivered personally or sent by certified mail or overnight delivery service, postage prepaid, with copies by facsimile or e-mail to the attention of Class Counsel or Defendants' Counsel (as well as to any other recipients that a court may specify). Parties may change the person(s) to whom such notices should be directed by giving notice pursuant to this Section. As of the date hereof, the respective representatives are as follows:

For Defendants:

Joel S. Feldman
Sidley Austin LLP
One South Dearborn Street
Chicago, IL 60603
Telephone: (312) 853-7000
Facsimile: (312) 853-7036
jfeldman@sidley.com

For Plaintiff:

Gregory Y. Porter
Bailey & Glasser LLP
910 17th Street, NW
Suite 800
Washington, DC 20006
Telephone: (202) 463-2101
Facsimile: (202) 463-2103
gporter@baileyglasser.com

11.9 *Extensions of Time.* The Parties may agree, subject to the approval of the Court where required, to reasonable extensions of time to carry out the provisions of the Agreement.

11.10 *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of Iowa without giving effect to any conflict of law provisions that would cause the application of the laws of any jurisdiction other than Iowa.

11.11 *Fees and Expenses.* Except as otherwise expressly set forth herein, each Party hereto shall pay all fees, costs and expenses incurred in connection with the Action, including fees, costs and expenses incident to his, her or its negotiation, preparation or compliance with this Agreement, and including any fees, expenses and disbursements of its counsel, accountants, and other advisors. Nothing in this Agreement shall require Defendants to pay any monies other than as expressly provided herein.


11.12 *Communication With Current Participants.* Nothing in this Agreement or Settlement shall prevent or inhibit the Company's ability to communicate with current or former participants of the Plans. The Parties acknowledge and do not object to the fact that the Company intends to inform Settlement Class Members of this settlement prior to their receipt of notice under this Agreement.

former participants of the Plans. The Parties acknowledge and do not object to the fact that the Company intends to inform Settlement Class Members of this settlement prior to their receipt of notice under this Agreement.

11.13 **Retention of Jurisdiction.** The Parties shall request that the Court retain jurisdiction of this matter after the Effective Date and enter such Orders as are necessary or appropriate to effectuate the terms of the Agreement.

Agreed to on behalf of Krystal M. Anderson, and the Settlement Classes

Dated: June 24, 2015

By: 
Gregory Y. Porter
Bailey & Glasser LLP
910 17th Street, NW
Suite 800
Washington, DC 20006
Telephone: (202) 463-2101
Facsimile: (202) 463-2103
gporter@baileyglasser.com

Agreed to on behalf of Principal Life Insurance Company, Benefits Plans Administrative Committee, and Benefits Plans Investment Committee.

Dated: _____, 2015

By: 

Ex. A

IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF IOWA

KRYSTAL M. ANDERSON,)	
And all others similarly situated,)	
)	
Plaintiff,)	
)	
vs.)	
)	Civil Action No. 4:15-cv-00119-JAJ-HCA
PRINCIPAL LIFE INSURANCE COMPANY;)	
BENEFITS PLAN ADMINISTRATIVE)	
COMMITTEE; and BENEFITS PLANS)	
INVESTMENT COMMITTEE,)	
)	
Defendants.)	
)	

FINAL JUDGMENT

WHEREAS, Plaintiff in the above-captioned lawsuit (the “Action”) on behalf of herself and the Settlement Class, and Defendants Principal Life Insurance Company; Benefits Plan Administrative Committee; and Benefits Plan Investment Committee (“Defendants”), have entered into a Class Action Settlement Agreement dated June 29, 2015, (the “Settlement Agreement”), that provides for a complete dismissal with prejudice of all claims asserted in the Action against Defendants by Settlement Class Members on the terms and conditions set forth in the Settlement Agreement, subject to the approval of this Court (the “Settlement”);

WHEREAS, unless otherwise defined in this Judgment, the capitalized terms herein shall have the same meaning as they have in the Settlement Agreement;

WHEREAS, by Order dated _____, 2015 (the “Preliminary Approval Order”), this Court (1) conditionally certified the Settlement Classes and appointed Class Counsel, (2) preliminarily approved the Settlement; (2) enjoined Settlement Class Members from pursuing any claims that arise out of or relate in any way to the claims at issue in this action pending final approval

of the Settlement; (4) directed notice to Monetary Relief Class Members and approved the plan and form of Notice; (5) appointed a settlement administrator; (6) scheduled a fairness hearing; and (7) scheduled a hearing on Plaintiff's Counsels' motion for fees and costs and the payment of the Case Contribution Award;

WHEREAS, due and adequate notice has been given to the Class;

WHEREAS, the Court conducted a hearing on _____, 2015 (the "Fairness Hearing") to consider, among other things, (a) whether the proposed Settlement on the terms and conditions provided for in the Settlement Agreement is fair, reasonable, adequate and in the best interests of the Settlement Classes and should be approved by the Court; (b) whether a judgment substantially in the form attached as Exhibit A to the Settlement Agreement should be entered dismissing with prejudice all claims asserted in the Action against Defendants with respect to Settlement Class Members; (c) whether the proposed Plan of Allocation for the proceeds of the Settlement is fair and reasonable and should be approved; (d) whether the motion by Plaintiff's Counsel for an award of attorneys' fees and reimbursement of litigation expenses and for a Case Contribution Award should be approved; and

WHEREAS, the Court having reviewed and considered the Agreement, all papers filed and proceedings held herein in connection with the Settlement, all oral and written comments received regarding the proposed Settlement, and the record in the Action, and good cause appearing therefor;

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. **Jurisdiction:** The Court has jurisdiction over the subject matter of the Action, and all matters relating to the Settlement, as well as personal jurisdiction over all of the Parties and each of the Settlement Class Members.

2. **Incorporation of Settlement Documents:** This judgment incorporates and makes a part hereof: (a) the Settlement Agreement filed with the Court on June 29, 2015; and (b) the Class Notice which was filed with the Court on June 29, 2015.

3. **Class Certification for Settlement Purposes:** For the reasons set forth in its Preliminary Approval Order, the Court hereby finally certifies, for the purposes of the Settlement only, the Action as a class action pursuant to Rules 23(a),(b)(1), and (b)(3) of the Federal Rules of Civil Procedure with the (1) Monetary Relief Class consisting of all current and former participants in either the Principal Select Savings Plan for Employees or the Principal Select Savings Plan for Individual Field who maintained a balance of any amount in either of the Plans at any point during the period from August 7, 2008 to the date of entry to the Preliminary Approval Order, excluding Defendants; and (2) the Structural Changes Class consisting of all participants in either Plan on or after the date of entry of the Preliminary Approval Order.

4. **Adequacy of Representation:** Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, the Court finally appoints Plaintiff as Class Representative for the Settlement Classes and appoints Plaintiff's Counsel as Class Counsel for the Settlement Classes. Plaintiff and Plaintiff's Counsel have fairly and adequately represented the Settlement Classes both in terms of litigating the claims of the Settlement Classes and for purposes of entering into and implementing the Settlement and have satisfied the requirements of Federal Rules of Civil Procedure 23(a)(4) and 23(g).

5. **Notice:** The Court finds that the dissemination of the Class Notice: (i) was implemented in accordance with the Preliminary Approval Order; (ii) constituted the best notice reasonably practicable under the circumstances; (iii) constituted notice that was reasonably calculated, under the circumstances, to apprise all Monetary Relief Class Members of the pendency

of the Action, of the effect of the Settlement (including the releases provided for therein), of Plaintiff's Counsel's motion for an award of attorneys' fees and reimbursement of litigation expenses, of their right to object to the Settlement, the Plan of Allocation and Plaintiff's Counsel's motion for attorneys' fees and reimbursement of litigation expenses, and of their right to appear at the Fairness Hearing; (iv) constituted due, adequate, and sufficient notice to all persons or entities entitled to receive notice of the proposed Settlement; and (v) satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, the United States Constitution including the Due Process Clause, and all other applicable law and rules.

6. **Final Settlement Approval and Dismissal of Claims:** Pursuant to, and in accordance with, Rule 23 of the Federal Rules of Civil Procedure, this Court hereby fully and finally approves the Settlement set forth in the Agreement in all respects (including, without limitation, the amount of the Settlement; the releases provided for therein, including the release of the Plaintiff's Claims as against the Defendants and the Defendants' Claims as against the Plaintiff; and the dismissal with prejudice of the claims asserted in the Action against Defendants by Settlement Class Members) and finds that the Settlement is, in all respects, fair, reasonable and adequate, and is in the best interests of Plaintiff and the Settlement Class. The Parties are directed to implement, perform and consummate the Settlement in accordance with the terms and provisions of the Agreement.

7. All of the claims asserted in the Action against Defendants by Plaintiff and Settlement Class Members are hereby dismissed with prejudice. The Parties shall bear their own costs and expenses, except as otherwise expressly provided in the Agreement.

8. **Binding Effect:** The terms of the Agreement and of this judgment shall be forever binding on Defendants, Plaintiff and all Settlement Class Members, as well as their respective heirs, executors, administrators, predecessors, successors and assigns.

9. **Releases:** The releases set forth in Paragraphs 6.1 and 6.3 of the Agreement (the “Releases”), together with the definitions of the Agreement relating thereto, are expressly incorporated herein in all respects. The Releases are effective as of the Effective Date. Accordingly, this Court orders that:

(a) The Plaintiff and each of the other Settlement Class Members, on behalf of themselves and their respective officers, directors, heirs, executors, administrators, predecessors, successors, affiliates and assigns, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and dismissed with prejudice each and every Claim against the Defendants and the other Released Parties and shall forever be enjoined from prosecuting any or all of the Plaintiff’s Claims against any of the Defendants as more fully set forth in the Settlement Agreement; and

(b) Each of the Defendants, on behalf of themselves and their respective officers, directors, heirs, executors, administrators, predecessors, successors, affiliates and assigns, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally and forever compromised, settled, released, resolved, relinquished, waived, discharged and dismissed with prejudice each and every Defendants’ Claim against the Plaintiff and shall forever be enjoined from prosecuting any or all of the Defendants’ Claims against the Plaintiff, as more fully set forth in the Settlement Agreement.

10. **No Admissions:** This Judgment, the Preliminary Approval Order, the Agreement (whether or not consummated), including the exhibits thereto and the Plan of Allocation contained therein (or any other plan of allocation that may be approved by the Court), materials submitted in support of the Plan of Allocation, and the negotiations that lead to the agreement in principle reached on March 3, 2015, the negotiation of the Agreement and its exhibits, and any papers

submitted in support of approval of the Settlement, and any proceedings taken pursuant to or in connection with the Agreement or approval of the Settlement (including any arguments proffered in connection therewith): (a) shall not be offered against any of the Defendants as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Defendants with respect to the truth of any fact alleged by the Plaintiff or the validity of any claim that was, could have been, or may be asserted or the deficiency of any defense that has been, could have been, or may be asserted in this Action or in any litigation, or of any liability, negligence, fault, or other wrongdoing of any kind by any of the Defendants; (b) shall not be offered against the Plaintiff as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against the Plaintiff in any civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of the Agreement; provided, however, that if the Agreement is approved by the Court, the Parties and their respective counsel may refer to it to effectuate the protections from liability granted thereunder or otherwise to enforce the terms of the Settlement; (c) shall not be construed against any of the Parties as an admission, concession, or presumption that the Settlement Amount represents the amount which could be or would have been recovered by the Settlement Classes after trial with respect to their claims in the Actions; (d) shall not be construed against the Plaintiff or any other plaintiff party that any of the claims asserted or to be asserted in the Actions are without merit, that any of the Defendants have or had meritorious defenses, or that damages recoverable by the Settlement Classes would not have exceeded the Settlement Amount.

11. **Retention of Jurisdiction:** Without affecting the finality of this Judgment in any way, this Court retains continuing and exclusive jurisdiction over: (a) the Parties for purposes of the

administration, interpretation, implementation and enforcement of the Settlement; (b) the disposition of the Settlement Fund; (c) any motion for an award of attorneys' fees and litigation expenses by Plaintiff's Counsel in the Action that will be paid from the Settlement Fund; (d) any motion to approve the Plan of Allocation; and (e) the Settlement Class Members for all matters relating to the Action. Defendants shall complete the implementation of the Structural Changes within 90 days of the Effective date or by March 30, 2016, whichever is later. Defendants shall file a notice with the Court within 30 days of implementing the Structural Changes attesting that they have implemented the Structural Changes.

12. A separate order shall be entered on the motion of Plaintiff's Counsel for an award of attorneys' fees and reimbursement of litigation expenses and a Case Contribution Award. Such orders shall in no way affect or delay the finality of this Judgment and shall not affect or delay the Effective Date of the Settlement.

13. **Termination:** If the Effective Date does not occur or the Settlement is terminated as provided in the Agreement, then this Judgment (and any orders of the Court relating to the Settlement) shall be vacated, rendered null and void and be of no further force or effect, except as otherwise provided by the Agreement.

SO ORDERED this _____ day of _____, 2015.

The Honorable John A. Jarvey
United States District Judge

Ex. B

Defendants deny the allegations in the case and assert that their conduct was entirely proper. Defendants have asserted, and would assert should the litigation continue, a number of defenses to Plaintiff's claims. For example, Defendants maintain that the practice of offering Principal Life's own products as investment options for the Plans is not only exceedingly common, but also permitted under the law. Principal Life's products are offered in thousands of 401(k) retirement plans around the country, and Defendants believe there is no reason participants of the Plans should not have the option to invest in Principal Life's products. Defendants also believe that the fees charged to the Plans for administrative costs are reasonable and, in most cases, better than the fees charged by Principal Life's competitors. Defendants strongly maintain that they did not engage in prohibited transactions, nor did they breach their fiduciary duties to the Plans under ERISA.

The Terms of the Settlement

To avoid the time and distraction of a lawsuit, Plaintiff and Defendants have agreed to a settlement that involves both monetary payments to participants of the Plans and changes in the investment options and fees of the Plans. These and other terms of the Settlement are set forth in the Class Action Settlement Agreement dated June 29, 2015 ("Settlement Agreement"), and described below.

1. **The Scope of the Classes Covered by the Settlement.** The Settlement Agreement proposes a class action settlement that would cover and be binding on the following classes of individuals ("Settlement Class" or "Settlement Class Members"):

(a) **The Monetary Relief Class:** The "Monetary Relief Class" will consist of all current and former participants in the Employees Plan or the Individual Field Plan who maintained a balance of any amount in either of the Plans at any point during the period from August 7, 2008 to the date of entry of the Preliminary Approval Order.

(b) **The Structural Changes Class:** The "Structural Changes Class" will consist of all participants in the Employees Plan or the Individual Field Plan on or after the date of entry of the Preliminary Approval Order.

Whether a person meets this definition or not will be based on the Plans' records. You have received this notice because, based upon those records, you are believed to be a member of the Monetary Relief Class.

2. **The Payment and Allocation of a Settlement Fund.** As part of the Settlement, Principal Life has agreed to make a payment of \$3 million (the "Settlement Fund") for the benefit of the Monetary Relief Class. This sum, after the deduction of reasonable amounts to be approved by the Court for a Case Contribution Award to Plaintiff and Attorneys' Fees and Expenses, Independent Fiduciary Fees, Administration Costs, and Taxes and Tax-Related Costs, will be distributed to Monetary Relief Class Members on a pro rata basis, based on their average account balances during the period of August 7, 2008 through June 30, 2015, except that any Monetary Relief Class Member with a pro rata amount of less than \$10 shall receive no distribution. The Plan of Allocation is attached to this Notice as Appendix A. Monetary Relief Class Members who have a

positive account balance in their Plan account at the time of the distribution will receive settlement proceeds into their Plan account. To the extent feasible and ascertainable, those settlement proceeds will be invested based on the Monetary Relief Class Member's election mix for new contributions or, if no such election is in effect, to the applicable qualified default investment option. Monetary Relief Class Members who no longer have a positive balance in their Plan account as of the date of distribution will receive a check from the Settlement Administrator.

In addition, Defendants may select an independent fiduciary to provide such authorization as may be required by Prohibited Transaction Exemption 2003-39. All costs reasonably borne by the independent fiduciary, including the reasonable fees of the independent fiduciary for its service, shall be borne by the Settlement Fund.

3. Non-Monetary Relief: In addition to the monetary payment, Defendants will be implementing the following changes to the Plans, subject to any changes in applicable law:

- (1) Defendants agree to reduce the amount that the Plans pay for the administrative expenses of the Plans as of the Effective Date of this Agreement, including but not limited to recordkeeping services, from 14 basis points to 7 basis points. This change results in a net reduction of 7 basis points in the overall fees charged to plan participants. This charge will apply to the current level of services provided to the Plans. Defendants will implement this reduction by changing the rate level for each investment option offered by the Plans to the rate level that does not include any amount for revenue sharing (which would result in a 14 basis point reduction from current levels on a weighted average) and charging participants an annual fee equal to 7 basis points times the amount of assets in each Plan.
- (2) The Plans will begin offering a brokerage window through which the Plans' participants will be able to choose from a selection of passively managed index mutual funds that are not affiliated with Principal Life. The Plans will not be charged any fee to establish the windows or any annual fee. Participants in the Plans will pay \$25 for brokerage transactions online and \$35 for transactions through a phone representative.
- (3) The Managed Account Service, an investment advisory service currently offered to Plan participants through an independent investment advisory service provider, will be provided to participants in the Plans at cost.
- (4) Defendants shall complete the implementation of the Structural Changes within 90 days of the Effective date or by March 20, 2016, whichever is later. Defendants shall file a notice with the Court within 30 days of implementing the Structural Changes attesting that they have implemented the Structural Changes.

4. The Classwide Release of Claims. In exchange for payment of the Settlement Fund by Principal Life and the changes in the Plans' operations as required by the Settlement Agreement,

all Monetary Relief Class Members will release any claims they have related to these lawsuits and be prohibited from bringing or pursuing any other lawsuits or other actions based on such claims. The Structural Changes Class further covenants not to sue (the “Covenant”) Defendants with respect to any of the subjects for which changes are being made to the operation of the Plans. This covenant not to sue expires at the end of the calendar year occurring six years after the judgment in this case becomes final. The Releases and the Covenant are set forth in full in the Settlement Agreement, which can be viewed online at [website], or requested from Class Counsel.

The Settlement Approval Process

The Court has granted preliminary approval of the proposed Settlement, finding that it is sufficiently within the range of reasonableness to warrant such preliminary approval, and has approved this notice to the Settlement Classes. The Settlement will not take effect, however, until it receives final approval from the Court following an opportunity for Settlement Class Members to object to the Settlement, as described in detail below. Following the deadline for objecting to the Settlement, the Court will hold a Fairness Hearing on _____, 2015, which will take place at The United States District Court for the Southern District of Iowa, located at 123 East Walnut Street, Des Moines, Iowa 50309. The date and location of the Fairness Hearing is subject to change by order of the Court, which will appear on the Court’s docket for these cases.

The Opportunity to Object to the Settlement

Prior to the Fairness Hearing, Settlement Class Members will have the opportunity to object to approval of the Settlement. Settlement Class Members can object to the Settlement and give reasons why they think the Court should not approve it. To object, you must send your objection to the Court, at U.S. District Court, Southern District of Iowa, 123 East Walnut Street, Suite 300, Des Moines, Iowa 50309, and to the Parties at the following addresses:

To Class Counsel:

Gregory Y. Porter BAILEY & GLASSER LLP 910 17th Street, NW Suite 800 Washington, DC 20006

To Defendants’ Counsel:

Joel S. Feldman SIDLEY AUSTIN LLP One South Dearborn Street Chicago, IL 60603
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Objections must be filed with the Court Clerk on or before _____, 2015. Objections filed after that date will not be considered. Any Settlement Class Member failing to submit a timely objection will be deemed to have waived any objection they might have, and any untimely objection will be barred absent an order from the Court. Objections must include: (1) the case name and number; (2) your full name, current address, telephone number and signature; (3) a statement that you are a Settlement Class Member and an explanation of the basis upon which you claim to be a Settlement Class Member; (4) all grounds for the objection, accompanied by any legal support known to you or your counsel; (5) a statement as to whether you or your counsel intends to personally appear and/or testify at the Fairness Hearing; and (6) a list of any persons you or your counsel may call to testify at the Fairness Hearing in support of your objection.

Anyone who files and serves a timely written objection in accordance with the instructions above may also appear at the Fairness Hearing either in person or through qualified counsel retained at his or her own expense. Those persons or their attorneys intending to appear at the Fairness Hearing must effect service of a notice of intention to appear setting forth: (1) the name, address, and telephone number of the Settlement Class Member, and (2) if applicable, the name, address, and telephone number of that Settlement Class Member's attorney on Class Counsel and Defendants' counsel (at the addresses set out above) and file it with the Court Clerk by no later than _____, 2015. Anyone who does not timely file and serve a notice of intention to appear in accordance with this paragraph shall not be permitted to appear at the Fairness Hearing, except by Order of the Court for good cause shown. Any comment or objection that is timely filed will be considered by the Court even in the absence of a personal appearance by the Settlement Class Member or that Settlement Class Member's counsel.

The Court will consider Settlement Class Member objections in deciding whether to grant final approval. Objectors are not required to attend the Fairness Hearing, but if you intend to appear you must state your intention to do so in the manner described above. Settlement Class Members who do not comply with these procedures, or who miss the deadline to file an objection, lose the opportunity to have their objection considered by the Court or to appeal from any order or judgment entered by the Court regarding the Settlement.

Attorney's Fees and Case Contribution Award for Named Plaintiff

In granting preliminary approval of the proposed Settlement, the Court appointed the Plaintiff's lawyers to serve as "Class Counsel" for the Settlement Class. The attorneys for the Settlement Class are as follows:

Gregory Y. Porter
BAILEY & GLASSER LLP
910 17th Street, NW
Suite 800
Washington, DC 20006

Class Counsel will file a motion with the Court seeking approval of payment from the Settlement Fund of the expenses they incurred in prosecuting the case, reasonable attorneys' fees and a Case Contribution Award not to exceed \$5,000 for the named Plaintiff and class representative. Class

Counsel intend to seek attorneys' fees and expenses not to exceed \$1 million. The motion and supporting papers will be filed on or before _____, 2015. After that date you may review the motion and supporting papers at [website]. Any attorneys' fees, expenses and Case Contribution Award approved by the Court, in addition to the fee for the independent fiduciary and the expenses incurred by the Settlement Administrator in sending this notice and administering the Settlement, will be paid from the Settlement Fund.

Getting More Information

You can visit the website at [website] where you will find the full Settlement Agreement, the Court's order granting preliminary approval, this notice and other relevant pleadings and documents. If you cannot find the information you need on the website, you may also contact Class Counsel for more information. Do not contact the Court to get additional information.

Dated: _____, 2015

By Order of the United States District Court
District Judge John A. Jarvey

ACTIVE 207957994v.5

Ex. C

Plan of Allocation

The amounts due each Monetary Relief Class Member shall be calculated by the Settlement Administrator as follows:

1. The Settlement Administrator shall obtain from Defendants the year end account balance in the Plans for every Monetary Relief Class Member for the plan years 2009-15 (the "Plan Years"). For the year 2015, the year end account balance shall be the account balance as of June 30, 2015. The Settlement Administrator shall also obtain, in writing, an agreement between the parties as to the amount of the Distributable Settlement Amount.
2. The Settlement Administrator shall sum all of the year-end account balances for each Monetary Relief Class Member, and for any Monetary Relief Class Member with a positive sum, shall divide the sum of that class member's year-end balances by the sum of all the Monetary Relief Class Members' year-end balances for the Plan Years, with the quotient representing the Entitlement Percentage for each such Monetary Relief Class Member.

Sum of Year-End Account Balances For Each Monetary Relief Class Member (positive only) / Sum of Year-End Account Balances for all Monetary Relief Class Members = Entitlement Percentage

3. The Settlement Administrator shall next multiply the Entitlement Percentage by the Distributable Settlement Amount, with the product representing the Preliminary Entitlement Amount.

Entitlement Percentage x Distributable Settlement Amount = Preliminary Entitlement Amount

4. All Monetary Relief Class Members with a Preliminary Entitlement Amount of \$10 or more (the "Payment Group") will receive a disbursement from the Settlement Administrator, while Monetary Relief Class Members with a Preliminary Entitlement Amount of less than \$10 shall receive no disbursement (the "No Payment Group").
5. After all members of the No Payment Group have been eliminated, the Settlement Administrator shall repeat Steps 2 and 3 for the Payment Group, except that the Preliminary Entitlement Amount shall now be the Final Entitlement Amount.

Ex. D

IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF IOWA

KRYSTAL M. ANDERSON,
And all others similarly situated,

Plaintiff,

vs.

PRINCIPAL LIFE INSURANCE COMPANY;
BENEFITS PLAN ADMINISTRATIVE
COMMITTEE; and BENEFITS PLANS
INVESTMENT COMMITTEE,

Defendants.

Civil Action No. 4:15-cv-00119-JAJ-HCA

PRELIMINARY APPROVAL ORDER

- (1) CONDITIONALLY CERTIFYING THE SETTLEMENT CLASSES AND APPOINTING CLASS COUNSEL;**
- (2) GRANTING PRELIMINARY APPROVAL OF THE SETTLEMENT;**
- (3) ENJOINING SETTLEMENT CLASS MEMBERS FROM PURSUING ANY CLAIMS THAT ARISE OUT OF OR RELATE IN ANY WAY TO THE CLAIMS AT ISSUE IN THIS ACTION PENDING FINAL APPROVAL OF THE SETTLEMENT**
- (4) DIRECTING NOTICE TO MONETARY RELIEF CLASS MEMBERS AND APPROVING THE PLAN AND FORM OF NOTICE;**
- (5) APPOINTING A SETTLEMENT ADMINISTRATOR;**
- (6) SCHEDULING A FAIRNESS HEARING; AND**
- (7) SCHEDULING A HEARING ON CLASS COUNSEL’S MOTION FOR FEES AND COSTS AND THE PAYMENT OF A SERVICE AWARD TO THE NAMED PLAINTIFF**

The Court having received and considered Plaintiff’s Unopposed Motion for an Order (the “Motion”) in the above-captioned action (the “Action”) and supporting papers including the Class Action Settlement Agreement dated June 29, 2015 (the “Settlement Agreement”) and the declarations of counsel, and having further considered the arguments of counsel and the pleadings and record in this case and finding good cause for granting the Motion,

IT IS HEREBY ORDERED AS FOLLOWS:

- 1. Capitalized terms used in this Order that are not otherwise identified herein have the meaning assigned to them in the Settlement Agreement.

2. This Court has jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. § 1331 and 29 U.S.C. § 1132(e)(1).

3. Venue before the Court is proper pursuant to 29 U.S.C. § 1132(e)(2).

4. The terms set forth in the Settlement Agreement are hereby preliminarily approved, subject to further consideration at the Fairness Hearing provided for below. The Court concludes that the Settlement Agreement is sufficiently within the range of reasonableness to warrant the preliminary approval of the Settlement Agreement, the scheduling of the Fairness Hearing, and the mailing of notices to Monetary Relief Class Members, each as provided for in this Order. The Court further finds that the formula proposed by Plaintiff and Class Counsel for allocating the Distributable Settlement Fund among Monetary Relief Class Members is fair and reasonable.

5. The Court approves the retention by Class Counsel of KKC Class Action Services as the Settlement Administrator.

6. In further aid of the Court's jurisdiction to review, consider, implement, and enforce the Settlement, the Court orders that Plaintiff and all Settlement Class Members are preliminarily enjoined and barred from commencing, prosecuting, or otherwise litigating, in whole or in part, either directly, representatively, derivatively, or in any other capacity, whether by complaint, counterclaim, defense, or otherwise, in any local, state, or federal court, or in any agency or other authority or forum wherever located, any contention, allegation, claim, cause of action, matter, lawsuit, or action (including but not limited to actions pending as of the date of this Order), that arises out of or relates in any way to the Released Claims.

7. The Court approves the Notice of Proposed Class Action Settlement ("Notice") in substantially the form attached as Exhibit B to the Settlement Agreement.

Class Certification for Settlement Purposes

8. Pursuant to Rules 23(a),(b)(1), and (b)(3) of the Federal Rules of Civil Procedure, the Court certifies, solely for purposes of effectuating the proposed Settlement, (1) a non-opt-out Structural Changes Class under Rule 23(b)(1) consisting of all participants in the Employees Plan or the Individual Field Plan on or after the date of entry of the Preliminary Approval Order; and (2) an opt-out Monetary Relief Class under Rule 23(b)(3) consisting of all current and former participants in the Employees Plan or the Individual Field Plan who maintained a balance of any amount in either of the Plans at any point during the period from August 7, 2008 to the date of entry to the Preliminary Approval Order, excluding Defendants.

9. Solely for purposes of the proposed Settlement of these Actions, the Court finds that each element required for certification of the Settlement Classes pursuant to Rules 23(a) of the Federal Rules of Civil Procedure has been met: (a) the members of the Settlement Classes are so numerous that their joinder in the Actions would be impracticable; (b) there are questions of law and fact common to the Settlement Classes; (c) the claims of Named Plaintiff are typical of the claims of the Settlement Classes; (d) Named Plaintiff and Named Plaintiff's Counsel have fairly and adequately represented and protected the interests of the Settlement Classes. With respect to the Structural Changes Class, the Court finds that the requirements of Rule 23(b)(1)(A) and 23(b)(1)(B) have been met. Prosecution of separate actions by individual members of the Structural Changes Class would create a risk of inconsistent or varying adjudications as to individual Structural Changes Class Members that would establish incompatible standards of conduct for the parties opposing the claims asserted in these Actions. A structural change ordered as a result of any one action by an individual class member would alter the Plans for all class members, impairing or impeding those other members' ability to prosecute their interests. With respect to the Monetary Relief Class, the Court finds that the requirements of Rule 23(b)(3) have been met for purposes of settlement: (1) questions

of law or fact common to the Monetary Relief Class Members predominate over any questions affected only individual members; and (2) a class action is superior to other available methods for fairly and efficiently adjudicating the controversy.

10. The Court hereby finds and concludes that pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of the Settlement only, Plaintiff is an adequate class representative and certifies him as Class Representative for the Settlement Classes. The Court also appoints Plaintiff's Counsel as Class Counsel for the Settlement Classes.

Manner of Giving Notice

11. Not later than ten (10) days after entry of this Order, Defendants shall provide the Settlement Administrator with the names and last known addresses and email addresses (if available) of the Monetary Relief Class Members. The names and addresses provided to the Settlement Administrator pursuant to this Order shall be used solely for the purpose of providing notice of this Settlement and for no other purpose.

12. Not later than thirty (30) days after entry of this Order, the Settlement Administrator shall cause copies of the Notice to be sent by first-class mail, postage pre-paid, or by email (if available) to all Monetary Relief Class Members through the notice procedure described in the Settlement Agreement.

13. Not later than five (5) days after sending the Notice to Monetary Relief Class Members, the Settlement Administrator shall provide to Class Counsel and to Defendants' Counsel a declaration attesting to compliance with the sending of the Settlement Notices, as set forth above.

14. The Court finds that the notice to be provided as set forth in this Order is the best means of providing notice to the Monetary Relief Class Members as is practicable under the circumstances and, when completed, shall constitute due and sufficient notice of the Settlement and the Fairness Hearing to all persons affected by or entitled to participate in the Settlement, the

hearing on the motion for fees, or the Fairness Hearing, in full compliance with the requirements of due process and the Federal Rules of Civil Procedure.

15. All reasonable costs incurred by Plaintiff's Counsel or the Settlement Administrator for providing the Notice as well as for administering the Settlement shall be paid as set forth in the Settlement Agreement without further order of the Court.

Fairness Hearing

16. The Court will hold a settlement hearing (the "Fairness Hearing") on _____, 2015 at __:__ .m. in Courtroom ___ of the United States District Court for the Southern District of Iowa, located at 123 East Walnut Street, Des Moines, Iowa 50309, for the following purposes: (a) to determine whether the proposed Settlement on the terms and conditions provided for in the Settlement Agreement is fair, reasonable, adequate and in the best interests of the Settlement Classes and should be approved by the Court; (b) to determine whether a Judgment substantially in the form attached as Exhibit A to the Settlement Agreement should be entered dismissing with prejudice all claims asserted in the Action against Defendants with respect to Settlement Class Members; (c) to determine whether the proposed Plan of Allocation for the net proceeds of the Settlement is fair and reasonable and should be approved; (d) to determine whether the motion by Plaintiff's Counsel for an award of attorneys' fees and reimbursement of litigation expenses should be approved; and (e) to consider any other matters that may properly be brought before the Court in connection with the Settlement. Notice of the Settlement and the Fairness Hearing shall be given to Settlement Class Members as set forth in Paragraph 12 of this Order.

17. The Court may adjourn the Fairness Hearing and approve the proposed Settlement with such modifications as the Parties may agree to, if appropriate, without further notice to the Settlement Class.

18. Not later than 30 days before the Fairness Hearing, Class Counsel shall submit their papers in support of final approval of the Settlement Agreement, Class Counsel's applications for attorneys' fees, expenses, and service payments.

Objections to the Settlement

19. The Court will consider written comments and objections to the Settlement Agreement, to the proposed award of attorneys' fees and expenses, or to the request for a Case Contribution Award for the Plaintiff only if such written comments or objections are filed with the Court Clerk not later than 15 days before the Fairness Hearing and comply with the requirements of Paragraph 20 below, and are served on the Parties at the following addresses:

For Filing with the Court:

United States District Court
Southern District of Iowa
123 East Walnut Street
Suite 300
Des Moines, Iowa 50309
Re: *Anderson v. Principal Life Ins. Co.*, et al.
(Case No. 4:15-cv-00119-JAJ-HCA)

To Class Counsel:

Gregory Y. Porter
BAILEY & GLASSER LLP
910 17th Street, NW
Suite 800
Washington, DC 20006

To Defendants' Counsel:

Joel S. Feldman
SIDLEY AUSTIN LLP
One South Dearborn St.
Chicago, IL 60603

20. The Court will only consider written comments and objections to the Settlement that are signed by the Settlement Class Member and are timely filed with the Court and include all of the following: (a) the name and case number of the Action; (b) the Settlement Class Member's full name, address, telephone number, and signature; (c) a statement that the person submitting the comments or objections is a Settlement Class Member and an explanation of the basis upon which the person claims to be a Settlement Class Member; (d) all grounds for the objection, accompanied by any legal support known to the objector or his or her counsel, (e) a statement as to whether the Settlement Class Member or his or her counsel intends to personally appear and/or testify at the Fairness Hearing; and (f) a list of any persons the objector or his or her counsel may call to testify at the Fairness Hearing in support of the objection. Any member of the Settlement Class or other person who does not timely file and serve a written objection complying with the terms of this paragraph shall be deemed to have waived, and shall be foreclosed from raising, any objection to the Settlement Agreement, and any untimely objection shall be barred absent an order from the Court. The Named Plaintiff or Defendants may, bearing the cost, take discovery, including depositions, from anyone who files an objection with respect to any of the issues raised in the objection.

21. Anyone who files and serves a timely, written comment or objection in accordance with this Order may also appear at the Fairness Hearing either in person or through qualified counsel retained at their own expense. Those persons or their attorneys intending to appear at the Fairness Hearing must effect service of a notice of intention to appear setting forth, among other things, the name, address, and telephone number of the Settlement Class Member (and, if applicable, the name, address, and telephone number of that Settlement Class Member's attorney) on Class Counsel and Defendants' Counsel (at the addresses set out above) and file it with the Court Clerk by not later than 15 days before the Fairness Hearing. Anyone who does not timely file and serve a notice of intention to appear in accordance with this paragraph shall not be permitted to appear at

the Fairness Hearing, except by Order of the Court for good cause shown. Any comment or objection that is timely filed will be considered by the Court even in the absence of a personal appearance by the Settlement Class Member or that Settlement Class Member's counsel.

22. The Parties may file written responses to any objections not later than 7 days before the Fairness Hearing.

Termination of Settlement

23. This Order shall become null and void, ab initio, and shall be without prejudice to the rights of the Parties, all of whom shall be restored to their respective statuses as of April, 17 2015, prior to the Settlement Agreement, if the Settlement Agreement is terminated in accordance with the terms of the Settlement Agreement.

Use of Order

24. This Order is not admissible as evidence for any purpose against Defendants in any pending or future litigation involving any of the Parties. This Order (a) shall not give rise to any inference of, and shall not be construed or used as an admission, concession, or declaration against any Defendant of, wrongdoing or liability in the Actions or any other proceeding; (b) is not an admission of any liability of any kind, whether legal or factual; (c) shall not be used or received in evidence in any action or proceeding for any purpose, except in an action or proceeding to enforce the Settlement Agreement; (d) shall not be construed or used as an admission, concession, or declaration by or against Plaintiff or the Settlement Classes that their claims lack merit or that the relief requested in the Actions is inappropriate, improper or unavailable; (e) shall not be construed or used as an admission, concession, declaration or waiver by any party of any arguments, defenses, or claims he, she, or it may have, including, but not limited to, any objections by Defendants to class certification, in the event that the Settlement Agreement is terminated. This Order and the

Settlement Agreement and any proceedings taken pursuant to the Settlement Agreement are for settlement purposes only. Defendants specifically deny any fault, breach, liability or wrongdoing.

Jurisdiction

25. The Court hereby retains jurisdiction for purposes of implementing the Settlement Agreement, and reserves the power to enter additional orders to effectuate the fair and orderly administration and consummation of the Settlement Agreement as may from time to time be appropriate, and to resolve any and all disputes arising thereunder.

SO ORDERED this _____ day of _____, 2015.

The Honorable John A. Jarvey
United States District Judge

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