

EIN/PLAN NO.: 91-6145047/001

SCHEDULE MB, LINE 11, JUSTIFICATION FOR CHANGE IN ACTUARIAL ASSUMPTIONS

Assumption Changes Incorporated in This Valuation

- The current liability interest rate was decreased from 3.28% to 3.05% to remain within the IRS prescribed corridor.
- The current liability mortality tables were changed from annuitant / non-annuitant projected version of the RP-2000 Mortality Tables for 2016 to the annuitant / non-annuitant projected version of the RP-2000 Mortality Tables for 2017 as prescribed by the IRS.
- The mortality assumptions for healthy and disabled males and females were updated to better reflect recent and anticipated plan experience.
- The retirement rates for active and vested terminated participants were updated to better reflect recent and anticipated plan experience.
- The termination rates for active participants were updated to better reflect recent and anticipated plan experience.
- The probability of marriage assumption was updated to better reflect anticipated plan experience.
- The anticipated annual employer contributions were increased to \$1.735 billion based on recent plan experience.
- The form of payment factor was updated to reflect recent plan experience and the changes to the mortality assumptions.

Method Changes Incorporated in This Valuation

- On behalf of the Board, we filed a request with the IRS for a change in actuarial funding method on March 10, 2017. The request is to change the treatment of the FDA and 82/84AA dedicated asset accounts. Under the prior method, these accounts, and the SBA, were held out of the smoothing method for actuarial value of assets. Effective January 1, 2017, the FDA and 82/84 AA assets as non-dedicated assets for purpose of calculating the actuarial value of assets. The SBA assets will still be held out of the smoothing method. This change in actuarial funding method has been reflected in this valuation.
- Effective January 1, 2017, the valuation software used to produce valuation results for the Plan was changed from Milliman's proprietary valuation system to a commercially available software system.