



June 14, 2017

To: EPC Retirement Plan Participants

From: EPC Benefit Resources, Inc., Board of Directors (EPC BRI Board)

Subject: FAQ's EPC Retirement Plan Enhancements, Effective July 3, 2017

We believe these enhancements will benefit you in investing for your retirement. The purpose of this document is to provide some additional information and insights to these enhancements as we believe it should enhance your investment opportunities.

Q1: Why were these changes made?

A1: Having carefully studied the matter, we believe these enhancements will benefit you in investing for your retirement. In part, these enhancements provide a different, more equitable and transparent method for allocating fees as well as providing a more efficient lineup for investment choices.

Q2: Do I need to do anything?

A2: As highlighted in the letter from Fidelity and the memorandum from EPC Benefits Resources, Inc., **no action is required on your part unless you wish to make changes to your investment elections.** However, please be aware that certain funds which you may be invested in could be eliminated from the investment choice lineup on the effective date. In that case, your investments have been automatically mapped to a similar replacement fund. If you would prefer a different investment, your action would be required. (See the list of replacement funds on pages 3-4 of the Fidelity letter.)

Q3: Why did you reduce the funds available?

A3: The number of funds offered in the plan were reduced because this enhancement will simplify Participants' mutual fund choices while maintaining the same investment categories with similar investment objectives. Studies have shown that participants are more comfortable investing with fewer choices available.

Q4: Why did you change to Vanguard Target Retirement Date Funds?

A4: The Fidelity Freedom Funds are being replaced by the Vanguard Target Retirement Date Fund series because this enhancement reduces Fund Investment

Management Fees for those currently investing in the actively managed Fidelity Freedom Target Date Funds. The Vanguard Target Retirement Date Funds have a lower cost than the Fidelity Freedom Target Date Funds and have comparable historical performance for each of these mutual fund types.

Q5: Why the change in fees?

A5: The enhancement provides a more equitable and transparent allocation of fees: The retirement plan industry is in the process of reviewing and analyzing the way administrative expenses and fees are allocated to plan participants. This change is being made possible in part due to more sophisticated recordkeeping systems which can now allocate revenue credits from mutual funds directly back to the participant instead of to the plan as a whole. EPC BRI wants to be sure that all participants are aware of (i) all Fidelity and EPC BPI administrative fees and (ii) each individual mutual fund's investment management fees.

Q6: Please explain more about revenue credits.

A6: Historically, most, but not all, Plan investment funds have shared some of their investment management fees with Fidelity. Depending on the mutual fund, these revenue credits range from 0.0% to 0.35% of funds invested. The weighted average was 0.18%. In 2016, Fidelity shared a portion of these revenue credits (\$35,000) with the EPC. These revenue credits were used to pay a portion of the EPC Plan's administrative expenses. In the future, revenue credits will be directly credited to the individual participant's account (rather than being shared among all participants).

Q7: What will be the fees going forward?

A7: Fidelity's Record Keeping and services fee will be 0.15% per year of a Plan participant's total Plan Assets. Fees will be paid quarterly by each participant based upon average quarterly assets ("Fidelity Billable Recordkeeping Fee"). EPC BRI administrative fee will be \$7.50 per month per participant (an increase of \$1.50 per month). While the EPC BRI administrative fee will increase, revenue credits, as described in Q6, in some cases will offset the increased fee.

Q8: Why is the EPC BRI fee a fixed amount per month (rather than a percentage of a Plan's participant's Plan Assets)?

A8: Since the EPC BRI administrative costs are a specific dollar amount, it was believed that this approach would be less complex and easier to administer. Also,

a fixed dollar fee would provide stability with this element of the fees and provide a closer matching of costs with the associated fees.

Q9: On the examples provided, I do not see my investment selections. Is this information available?

A9: Yes, attached is a more detailed analysis of the change in fees for each of mutual funds offered in the retirement plan. This will provide additional insights on specific fee changes for each investment selection. The enhancement, however, will depend on the mix of funds selected by each participant.

Q10: Why the expansion of Self-Directed Brokerage Window?

A10: The Self-Directed Brokerage Window was expanded to provide more investment choices for Plan participants. Historically very few participants utilized the option to invest in many mutual funds through the Self-Directed Brokerage Window. The investment choices available through the Self-Directed Brokerage Window have now been expanded to all securities permitted as investments by Fidelity. These continue to include many mutual funds, including faith-based mutual funds, and also now include corporate stocks, bonds traded on major exchanges, ETFs (Exchange Traded Funds), and many more specialized investment securities. Any participant that has a 401(k) or 403(b) account may roll over that account directly into the Plan. This enhancement also opens to all who are comfortable doing so the ability to invest in many more securities beyond those mutual funds otherwise offered under the Plan.

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Again, we are pleased to share this information with you. We plan to be on hand at the EPC General Assembly Meeting in June to answer any questions you may have about them. We are enthusiastic about these enhancements and thank you for your participation the Plan. Please do not hesitate to contact the EPC Benefits office at 734-838-6948 or e-mail Don Voyles at don.voyles@epc.org.