

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF MISSOURI**

RONALD TUSSEY, *et al.*,

Plaintiffs,

vs.

ABB INC., *et al.*,

Defendants.

No. 2:06-cv-4305-NKL

NOTICE OF CLASS ACTION SETTLEMENT AND FAIRNESS HEARING

Your legal rights might be affected if you are a member of the following class:

All persons who participated in the Personal Retirement Investment and Savings Management Plan for Employees of ABB Inc. and the Personal Retirement Investment and Savings Management Plan for Represented Employees of ABB Inc. (“Plan(s)”) at any time during the Class Period, including any beneficiary of a deceased person who participated in the Plan at any time during the Class Period, and/or, Alternate Payee, in the case of a person subject to a Qualified Domestic Relations Order who participated in the Plan at any time during the Class Period. Excluded from the class are the ABB Defendants and any individual who served on a Committee identified as an ABB Defendant.

The Class Period is defined as December 29, 2000 through December 31, 2007. For purposes of this Notice, if not defined herein, capitalized terms have the Definitions in the Settlement Agreement, which is incorporated herein by reference.

PLEASE READ THIS SETTLEMENT NOTICE CAREFULLY.

- The Court has given its preliminary approval to a proposed settlement (the “Settlement”) of a class action lawsuit brought by certain participants in the Plans against ABB Inc., John W. Cutler, Jr., Pension Review Committee of ABB Inc., Pension & Thrift Management Group of ABB Inc., and Employee Benefits Committee of ABB Inc., alleging violations of the Employee Retirement Income Security Act (“ERISA”). The Settlement will provide for the allocation of monies directly into the individual accounts of the Class Members who had an Active Account during the Class Period with a balance greater than \$0 as of the Settlement Agreement Execution Date (March 27, 2019) (“Current Participants”). Class Members who had an Active Account during the Class Period but did not have a balance greater than \$0 as of the Settlement Agreement Execution Date (March 27, 2019) (“Former Participants”) will receive their allocation in the form of a check mailed to their last known address or a rollover, if elected.
- The terms and conditions of the Settlement are set forth in the Settlement Agreement dated March 27, 2019. A copy of the Settlement Agreement is available at www.ABB401ksettlement.com. Any amendments to the Settlement Agreement and other settlement documents will be posted on that website. You should visit that website if you would like more information about the Settlement and any possible amendments to the Settlement Agreement or other changes, including changes to the Plan of Allocation, the date, time, or location of the Fairness Hearing, or other Court orders concerning the Settlement.
- Your rights and options — and the deadlines to exercise them — are explained in this Settlement Notice.

- The Court still has to decide whether to give final approval to the Settlement Agreement. Payments under the Settlement will be made only if the Court finally approves the Settlement and that final approval is upheld in the event of any appeal.
- A hearing on the final approval of the Settlement and for approval of the Class Representatives' petition for Attorneys' Fees and Costs and for Class Representatives' Compensation will take place on August 13, 2019, at 10:00 a.m., before U.S. District Court Judge Nanette K. Laughrey at the United States District Courthouse for the Western District of Missouri, Courtroom 4A, Jefferson City, MO.
- Any objections to the Settlement, to the petition for Attorneys' Fees and Costs or to Class Representatives' Compensation, must be served in writing on Class Counsel and Defendant's Counsel, as identified on page 7 of this Settlement Notice.

Our records indicate that you are a Former Participant. If you believe that you meet the definition of a Current Participant, please contact the Settlement Administrator. Former Participants are individuals who had Active Accounts during the Class Period but did not have a balance greater than \$0 as of the Settlement Agreement Execution Date (March 27, 2019).

YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT:

OUR RECORDS INDICATE THAT YOU ARE A FORMER PARTICIPANT. YOU MUST RETURN THE ENCLOSED FORMER PARTICIPANT CLAIM FORM BY AUGUST 3, 2019 TO PARTICIPATE IN THE SETTLEMENT

Our records indicate that you are a Former Participant. You must return a Former Participant Claim Form, postmarked by **August 3, 2019** to receive your share of the Net Settlement Amount. If you do not return the Former Participant Claim Form that is postmarked by **August 3, 2019**, you will forfeit your share of the Settlement Amount. A claim form is enclosed with this notice but may also be obtained at www.ABB401ksettlement.com.

YOU CAN OBJECT (NO LATER THAN JULY 14, 2019)

If you wish to object to any part of the Settlement, you may (as explained below) contact the Court and counsel about why you object to the Settlement. The Court has authorized the parties to seek discovery, including the production of documents and appearance at a deposition, from any person who files an objection.

YOU CAN ATTEND A HEARING ON AUGUST 13, 2019

If you submit a written objection to the Settlement to the Court and counsel before the deadline, you may attend the hearing about the Settlement and present your objections to the Court. You may attend the hearing even if you do not file a written objection, but you will not be permitted to address the Court at the hearing if you do not notify the Court and counsel of your intention to appear at the hearing by August 3, 2019.

The Class Action

The case is called *Tussey, et al. v. ABB Inc., et al.*, Case No. 2:06-cv-4305 (the “Class Action”). The Court supervising the case is the United States District Court for the Western District of Missouri. The individuals who brought this suit are called Class Representatives, and the individuals and entities they sued include the ABB Defendants. The Class Representatives are current and former participants in the Plans. The Class Representatives’ claims are described below, and additional information about them is available at www.ABB401ksettlement.com.

The Settlement

The Settlement was reached on March 27, 2019. Class Counsel filed this action on December 29, 2006. Since the filing of this action and for a period of twelve years, the parties engaged in substantial litigation. The Parties participated in mediation before a nationally recognized mediator who has extensive experience in resolving similar claims involving other 401(k) plans. The parties also engaged in settlement discussions without a mediator. Only after extensive arm’s length negotiation following the mediation were the parties able to agree to the terms of the Settlement.

As part of the Settlement, a Qualified Settlement Fund with a Gross Settlement Amount of \$55,000,000 will be established. The Net Settlement Amount is \$55,000,000 minus Attorneys’ Fees and Costs paid to Class Counsel; all Class Representatives’ Compensation as authorized by the Court; all Administrative Expenses; and a contingency reserve not to exceed an amount to be mutually agreed upon by the Settling Parties that is set aside by the Settlement Administrator for: Administrative Expenses incurred before the Settlement Effective Date but not yet paid, Administrative Expenses estimated to be incurred after the Settlement Effective Date but before the end of the Settlement Period, and an amount estimated for adjustments of data or calculation errors. The Net Settlement Amount will be allocated to Class Members according to a Plan of Allocation to be approved by the Court.

Statement Of Attorneys’ Fees and Costs Sought in the Class Action

Since 2005, Class Counsel have devoted many hours bringing this case. Class Counsel reviewed thousands of pages of documents produced in this case and thousands of publicly filed documents with the Department of Labor to support their claims. Class Counsel took the risk of litigation and has not been paid for any of their time or for any of their costs incurred in bringing this action. Class Counsel has agreed to bring an enforcement action in court, if necessary, to insure compliance with the Settlement Agreement and do so without pay.

Class Counsel will apply to the Court for payment of Attorneys’ Fees and Costs for their work in the case. The amount of fees (not including costs) that Class Counsel will request will not exceed one-third of the Settlement Amount, \$18,331,500, in addition to no more than \$2,510,000 in litigation costs. Class Counsel will not seek to receive any interest earned by the Qualified Settlement Fund, which will be added to the amount received by the Class or paid to the Plans. Any Attorneys’ Fees and Costs awarded by the Court to Class Counsel will be paid from the Qualified Settlement Fund.

As is customary in class action cases, Class Representatives have spent substantial time and effort on the litigation. Class Counsel also will ask the Court to approve payments, not to exceed \$25,000 each for the Class Representatives who took on the risk of litigation and devoted considerable time to it. Their activities also included assisting in the factual investigation of the case by Class Counsel and giving overall support to the case. Any Class Representatives’ Compensation awarded by the Court will be paid from the Qualified Settlement Fund.

A full application for Attorneys’ Fees and Costs and for Class Representatives’ Compensation will be filed with the Court and made available on the Settlement Website, www.ABB401ksettlement.com.

1. Why Did I Receive This Settlement Notice?

The Court caused this Settlement Notice to be sent to you because the Plan’s records indicate that you may be a Class Member. If you fall within the definition of the Class, you have a right to know about the Settlement

and about all of the options available to you before the Court decides whether to give its final approval to the Settlement. If the Court approves the Settlement, and after any objections and appeals are resolved, the Net Settlement Amount will be allocated among Class Members according to a Court-approved Plan of Allocation.

2. What Is The Class Action About?

In the litigation, Class Representatives claim that, during the Class Period, the ABB Defendants violated the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended, 29 U.S.C. 1001 *et seq.* with respect to the management, operation and administration of the ABB Plans.

ABB Defendants have denied and continue to deny the allegations, claims and contentions of the Class Representatives, deny that they are liable at all to the Class, and deny that the Class or the Plans have suffered any harm or damage for which ABB Defendants could or should be held responsible, as the ABB Defendants deny all allegations of wrongdoing and deny that the Plans suffered harm or damage from those claims.

3. Why Is There A Settlement?

The Court has not reached a final decision as to all of claims in the Class Action. Instead, the Class Representatives and the ABB Defendants have agreed to the Settlement. The Settlement is the product of extensive negotiations between Class Counsel and Defense Counsel during an all-day session with a private mediator, and additional arm’s length negotiations. The parties to the Settlement have taken into account the uncertainty and risks of litigation and have concluded that it is desirable to settle on the terms and conditions set forth in the Settlement Agreement. The Class Counsel, who are highly experienced in this kind of matter, and the Class Representatives believe that the Settlement is best for all Class Members.

4. What Does The Settlement Provide?

The Net Settlement Amount will be allocated to Class Members according to a Plan of Allocation to be approved by the Court. Class Members fall into two categories: Current Participants and Former Participants. Allocations to Current Participants who are entitled to a distribution under the Plan of Allocation will be made into their existing Plan accounts. Former Participants who are entitled to a distribution will receive their distribution as a check mailed to their last known address or, if they elect, as a rollover to a qualified retirement account.

All Class Members (and their respective heirs, beneficiaries, executors, administrators, estates, past and present partners, officers, directors, agents, attorneys, predecessors, successors, and assigns) will fully release the Plans as well as ABB Defendants and “Released Parties” from “Released Claims.” The Released Parties include (a) ABB Inc., John W. Cutler, Jr., Pension Review Committee of ABB Inc., Pension & Thrift Management Group of ABB Inc., and Employee Benefits Committee of ABB Inc.; (b) their insurers, co-insurers, and reinsurers, (c) their past, present, and future parent corporation(s), (d) their past, present, and future affiliates, subsidiaries, divisions, joint ventures, predecessors, successors, successors-in-interest, and assigns; and (e) with respect to (a) through (d) above their past, present and future members of their respective boards of directors, managers, partners, agents, members, shareholders (in their capacity as such), officers, employees, independent contractors, representatives, attorneys, administrators, fiduciaries, accountants, auditors, advisors, consultants, personal representatives, spouses, heirs, executors, administrators, associates, employee benefit plan fiduciaries (with the exception of the Independent Fiduciary), employee benefit plan administrators, service providers to the Plans (including their owners and employees), members of their immediate families, consultants, subcontractors, and all persons acting under, by, through, or in concert with any of them.

The Released Claims mean any and all actual or potential claims, actions, demands, rights, obligations, liabilities, damages, attorneys’ fees, expenses, costs, and causes of action, whether arising under federal, state or local law, whether by statute, contract or equity, whether brought in an individual or representative capacity, whether

known or unknown, suspected or unsuspected, foreseen or unforeseen for actions during the Class Period, and include, but are not limited to, claims that were asserted in the Class Action or that relate to any of the allegations, facts or occurrences asserted in the lawsuit or would be barred by the principles of res judicata or collateral estoppel had the claims asserted been fully litigated and resulted in final judgment; and all claims relating to the implementation of the Settlement.

This is only a summary of the Released Claims and not a binding description of the Released Claims. The actual governing release is found within the Settlement Agreement at www.ABB401ksettlement.com. Generally, the release means that Class Members will not have the right to sue the ABB Defendants, the Plans, or the Released Parties for conduct during the Class Period arising out of or relating to the allegations in the Class Action.

This is only a summary of the Settlement. A copy of the entire Settlement Agreement is available at www.ABB401ksettlement.com.

5. How Much Will My Distribution Be?

The amount, if any, that will be allocated to you will be based upon the Plans records, or, if on March 27, 2019, you either no longer had a Plan account or had a Plan account with no money in it, based upon your Former Participant Claim Form. **The Settlement Agreement further details a Plan of Allocation.** Calculations regarding the individual distributions will be performed by the Settlement Administrator, whose determinations will be final and binding, pursuant to the Court-approved Plan of Allocation.

To be eligible for a distribution from the Net Settlement Amount, you must either be a (1) “Current Participant” as defined on page 1 or (2) an “Authorized Former Participant” (a “Former Participant” as defined on page 1 who submitted a completed, satisfactory Former Participant Claim Form that is postmarked by the deadline), or (3) a beneficiary, alternate payee, or attorney-in-fact of persons identified in (1) or (2).

The Plan of Allocation will allocate the Net Settlement Fund among Current and Authorized Former Participants as follows:

1. The Settlement Administrator shall obtain from the Plans’ recordkeeper (1) the balance of each Class Member’s investment in the Vanguard Wellington Fund (“VWF”) as of the date the VWF was removed from the Plans (March 31, 2001) and (2) the quarter ending balances of each Class Member’s account for each quarter during the Class Period.
2. The Net Settlement Amount shall be divided into two portions: (1) 62% to those Authorized Former Participants and Current Participants invested in the VWF (“VWF Portion”); and (2) 38% to all Authorized Former Participants and Current Participants in either Plan (“Recordkeeping Fee Portion”).
3. The VWF Portion will be allocated among Class Members as follows: each Class Member will receive the proportional fraction of the VWF Portion that is the Class Member’s balance in the VWF as of the date the VWF was removed from the Plans.
4. The Recordkeeping Fee Portion will be allocated among those Authorized Former and Current Participants in either Plan during the Class Period, their allocation of the Recordkeeping fee portion will be as follows: 1) The quarterly balances for the Class Period of participants invested in each of the Plans are identified for each quarter; 2) All quarterly balances identified in step 1 are summed together for each participant; 3) An average quarterly balance for each participant is calculated for the Class Period; 4) for each participant, the average quarterly balance of step 3 is divided by the sum of the average quarterly balances for the Class Period of all participants; and 5) Each participant will receive the proportional fraction of the Recordkeeping Fee Portion which is calculated in Step 4.

Notwithstanding the Plan of Allocation, no amount shall be distributed to that is five dollars (\$5.00) or less, because such an amount is de minimis and would cost more in processing than its value. The method of making these calculations is described in the Plan of Allocation, found in Article 6 of the Settlement Agreement and available at www.ABB401ksettlement.com.

There are approximately 24,261 Class Members.

Note that if you are an alternate payee pursuant to a Qualified Domestic Relations Order, you will receive a check if and to the extent you are entitled to receive a portion of a Current Participant's or Authorized Former Participant's allocation under the Settlement Agreement in accordance with the plan of allocation as if you were a Current Participant or Authorized Former Participant.

6. How Can I Receive My Distribution?

Whether you need to submit a claim form to receive your distribution depends on whether you are considered a "Current Participant" or a "Former Participant." **According to our records, you are a Former Participant. Therefore, you need to return your claim form to receive your share of the Settlement.**

7. When Will I Receive My Distribution?

The timing of the distribution of the Net Settlement Amount is conditioned on several matters, including the Court's final approval of the Settlement and that approval becoming final and no longer subject to any appeals in any court. An appeal of the final approval may take several years. If the Settlement is approved by the Court, and there are no appeals, the Settlement distribution will occur approximately in early 2020.

There will be no payments under the Settlement if the Settlement Agreement is Terminated.

8. Can I Get Out Of The Settlement?

No. The Class was certified under Federal Rule of Civil Procedure 23(b)(1). Therefore, as a Class Member, you are bound by any judgments or orders that are entered in the Class Action for all claims that were asserted in the Class Action or are otherwise included as Released Claims under the Settlement.

9. Do I Have A Lawyer In The Case?

The Court has appointed the law firm Schlichter, Bogard & Denton, in St. Louis, Missouri, as Class Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense.

10. How Will The Lawyers Be Paid?

Class Counsel will file a petition for the award of Attorneys' Fees and Costs. This petition will be considered at the Fairness Hearing. Class Counsel has agreed to limit their application for an award of Attorneys' Fees and Costs to not more than \$18,331,500 in fees and \$2,510,000 in costs. The Court will determine what fees and costs will be approved.

11. How Do I Tell The Court If I Don't Like The Settlement?

If you are a Class Member, you can tell the Court that you do not agree with the Settlement or some part of it. To object, you must send the Court a written statement that you object to the Settlement in *Tussey, et al. v. ABB Inc., et al.*, Case No. 2:06-cv-4305. Be sure to include your name, address, telephone number, signature, and a full explanation of why you object to the Settlement. Your written objection must be received by the Court **no later than July 14, 2019.**

The Court’s address is United States District Courthouse for the Western District of Missouri, Christopher S. Bond Court House, 80 Lafayette Street, Jefferson City, MO 65101. Your written objection also must be mailed to the lawyers listed below, **no later than July 14, 2019**. Please note that the Court’s Order Granting Preliminary Approval of this Settlement provides that any party to the litigation may, but is not required to, serve discovery requests, including requests for documents and notice of deposition not to exceed two hours in length, on any objector. Any responses to discovery, or any depositions, must be completed within ten days of the request being served on the objector.

CLASS COUNSEL	ABB DEFENDANTS’ COUNSEL
SCHLICHTER, BOGARD & DENTON Attn: ABB 401(k) Settlement 100 S. Fourth St., Suite 1200 St. Louis, MO 63102 ABB401ksettlement@uselaws.com Tel: (314) 621-6115 Fax: (314) 621-5934	BRYAN CAVE LEIGHTON PAISNER Attn: Jeffrey Russell One Metropolitan Square 211 North Broadway, Suite 3600 St. Louis, MO 63102 Tel: (314) 259-2000

12. When And Where Will The Court Decide Whether To Approve The Settlement?

The Court will hold a Fairness Hearing at 10:00 a.m. on August 13, 2019, at the United States District Courthouse for the Western District of Missouri, Courtroom 4A, Jefferson City, MO.

At the Fairness Hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. After the Fairness Hearing, the Court will decide whether to give its final approval to the Settlement. The Court also will consider the petition for Class Counsel’s Attorneys’ Fees and Costs and any Class Representatives’ Compensation.

13. Do I Have To Attend The Fairness Hearing?

No, but you are welcome to come at your own expense. If you send an objection, you do not have to come to the Court to talk about it. As long as you mailed a written objection on time, the Court will consider it when the Court considers whether to approve the Settlement as fair, reasonable and adequate. You also may pay your own lawyer to attend the Fairness Hearing, but such attendance is not necessary.

14. May I Speak At The Fairness Hearing?

If you are a Class Member, you may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter or other paper called a “Notice of Intention to Appear at Fairness Hearing in *Tussey, et al. v. ABB Inc.*, Case No. 2:06-cv-4305.” Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be mailed to the attorneys and filed with the Clerk of the Court, at the addresses listed in the Answer to Question No. 11, **no later than August 3, 2019**.

15. What Happens If I Do Nothing At All?

If you are a “Former Participant” as defined above, and you do nothing, you will be bound by the Settlement of the Class Action as described above in this Settlement Notice if the Settlement is finally approved, BUT YOU WILL NOT RECEIVE ANY MONEY UNLESS YOU SUBMIT A FORMER PARTICIPANT CLAIM FORM.

If you are a “Current Participant” as defined above, and do nothing, you will participate in the Settlement of the Class Action as described above in this Settlement Notice if the Settlement is approved.

16. How Do I Get More Information?

If you have general questions regarding the Settlement, you can visit this website: www.ABB401ksettlement.com, call 1-866-232-6129, or write to the Settlement Administrator at ABB 401(k) Settlement Administrator, P.O. Box 2005, Chanhassen, MN 55317-2005.

SPECIAL TAX NOTICE FROM THE SETTLEMENT ADMINISTRATOR

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving as a result of the Settlement may be eligible to be rolled over to an individual retirement account (“IRA”) or an employer-sponsored retirement plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments from the Settlement that are not from a designated Roth account (a type of account with special tax rules in some employer plans).

Rules that apply to most payments are described in the “General Information About Rollovers” section below. Special rules that only apply in certain circumstances are described in the “Special Rules and Options” section below.

This Notice does not constitute legal or tax advice, and you should consult with a professional tax advisor if you have specific questions about your specific tax situation.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

You will be taxed on a payment from the Settlement if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

Where may I roll over the payment?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

How do I do a rollover?

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Settlement Administrator will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment from the Settlement Administrator to deposit it into the IRA or eligible employer plan. If you do not do a direct rollover, the Settlement Administrator is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Settlement (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

Will I owe state income taxes?

This notice does not describe any state or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

If you were born on or before January 1, 1936

If you were born on or before January 1, 1936, and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, Pension and Annuity Income.

If you roll over your payment to a Roth IRA

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590, Individual Retirement Arrangements (IRAs).

You cannot roll over a payment to a designated Roth account in an employer plan.

If you are not a Plan participant

Payments after death of the Plan participant. If you receive a distribution after the Plan participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions does not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

If you are a surviving spouse

If you receive a payment from the Settlement as the surviving spouse of a deceased Plan participant, you have the same rollover options that the Plan participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA.

An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your IRA do not have to start until after you are age 70½.

If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the Plan participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the Plan participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the Plan participant would have been age 70½.

If you are a surviving beneficiary other than a spouse

If you receive a payment from the Settlement because of the Plan participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order

If you are the spouse or former spouse of the Plan participant who receives a payment from the Settlement under a QDRO, you generally have the same options the participant would have (for example, you may rollover the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Settlement is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, U.S. Tax Guide for Aliens, and IRS Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

Other special rules

If your payments for the year are less than \$200 (not including payments from a designated Roth account in the Plan), the Settlement is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover.

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, Armed Forces' Tax Guide.

FOR MORE INFORMATION

You may wish to consult with the Settlement Administrator, or a professional tax advisor before taking a payment from the Settlement. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, Pension and Annuity Income; IRS Publication 590, Individual Retirement Arrangements (IRAs); and IRS Publication 571, Tax-Sheltered Annuity Plans (403(b) Plans). These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.