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July 8, 2021

Alicia Cochran, Administrator
Industry & Local 338 Pension Plan
Associated Administrators, LLC
911 Ridgebrook Rd.
Sparks, MD 21152

**Re: Industry & Local 338 Pension Plan: Employer Withdrawal Liability**
**FrieslandCampina Ingredients North America – Estimate for Withdrawal in 2020-2021 Plan Year**

Dear Alicia:

As requested, we have estimated Employer Withdrawal Liability from the Industry & Local 338 Pension Plan (the "Plan") FrieslandCampina Ingredients North America for a withdrawal from the Plan during the July 1, 2020 through June 30, 2021 plan year. The withdrawal liability estimate is therefore based on the Unfunded Vested Benefits ("UVBs") of the Plan determined as of June 30, 2020. The Plan's contribution history was based on information in audits of the Plan included in Form 5500 filings.

| | | |
|---|---|---|
| 1. | Date of Withdrawal: | Calculated for a withdrawal in July 1, 2020 – June 30, 2021 Plan Year |
| 2. | Unfunded Liabilities determined as of: | June 30, 2020 |
| 3. | Employer Withdrawal Liability prior to De Minimis Reduction: | $ 13,159,267 |
| 4. | De Minimis Reduction: | 0 |
| 5. | Preliminary Employer Withdrawal Liability: | $ 13,159,267 |
| 6. | Allocation of Affected Benefits Pool: | $ 2,898,619 |
| 7. | Complete Withdrawal Liability: | $ 16,057,886 |

In addition, we are providing the withdrawal liability payment amount and payment period associated with the estimate.

| | | |
|---|---|---|
| 8. | Annual payment determined under Section 4219(c)(1)(C)(i) of ERISA | $ 713,610 |
| 9. | Monthly installment required by the Plan | 59,824 |
| 10. | Number of full monthly payments: | 240 |

We have enclosed exhibits showing the details of our calculations and a summary of the assumptions used in the calculation.

The Plan Administrator, Associated Administrators, LLC, provided the contribution and hours-worked history for FrieslandCampina Ingredients North America. We have included contributions for all contracts and locations identified as FrieslandCampina Ingredients North America locations at which contributions were required to be made to the Plan in the past 10 years. If there are additional contribution amounts which should be included or if there are any other omissions or errors, a revised calculation should be performed.

As you are aware, the Plan first emerged from Critical status in the Plan year beginning July 1, 2019. Based on our understanding of the statute and regulations, we have reflected the contribution increases required by the Rehabilitation Plan during the period while that Plan was in Critical status for purposes of allocating the Plan's UVBs. These increases are not included for purposes of determining the highest contribution rate when determining the annual withdrawal liability payment. Since Horizon Actuarial does not engage in the practice of law, we of course defer to fund counsel regarding any interpretations of the statute and regulations.

Please let us know if you have any comments.

Sincerely,

Mary Ann Dunleavy

Mary Ann Dunleavy, ASA, MAAA
Consulting Actuary

Enclosures

cc: Elizabeth O'Leary (w/ attachments)

# Industry & Local 338 Pension Plan
# Estimate of Employer Withdrawal Liability for
# FrieslandCampina
# for a Complete Withdrawal in the 2020 - 2021 Plan Year

## Exhibit I

| Year Ended 6/30 (1) | Unfunded Vested Benefits (UVBs) (2) | Contributions: Total for Plan (3) | Contributions: Previously Withdrawn Employers (4) | Contributions: Merged Plan for 5 Full Preceding Plan Years (5) | Contributions: Total, Adjusted for Withdrawn Employers and Mergers [(3) - (4) + (5)] (6) | Contributions: Withdrawing Employer (7) | Withdrawing Employer's Share of UVBs [(2) ÷ (6) x (7)] (8) |
|---|---|---|---|---|---|---|---|
| 2016 | | $ 2,969,275 | $ 321,742 | $ - | | $ 625,716 | |
| 2017 | | 3,276,496 | 332,802 | - | | 659,259 | |
| 2018 | | 3,238,894 | 398,048 | - | | 665,172 | |
| 2019 | | 3,538,306 | 383,195 | - | | 747,322 | |
| 2020 | | 3,153,174 | 143,758 | - | | 809,226 | |
| Totals | $ 54,775,389 | $ 16,176,145 | $ 1,579,544 | $ - | $ 14,596,601 | $ 3,506,695 | |

| | | |
|---|---|---|
| (8) | Allocation of Unfunded Vested Benefits = [(2) ÷ (6) x (7)] | $ 13,159,267 |
| (9) | De Minimis Reduction | |
| | A. Excess liability (Over $100,000, but not less than zero) | $ 13,059,267 |
| | B. Lesser of $50,000 and .75% of UVBs | 50,000 |
| | C. De Minimis Reduction (9)(B) - (9)(A), not less than zero | 0 |
| (10) | Allocation of Affected Benefits | |
| | A. Outstanding Balance of Affected Benefits Pool as of June 30, 2020 | $ 12,065,489 |
| | B. Allocation of Affected Benefits Pool to Withdrawing Employer = [(10)(A) ÷ (6) x (7)] | 2,898,619 |
| (11) | Net Withdrawal Liability = (8) - (9)(C), but not less than zero, + (10)(B) | $ 16,057,886 |

**Industry & Local 338 Pension Plan**
**Estimate of Employer Withdrawal Liability for**
**FrieslandCampina**
**for a Complete Withdrawal in the 2020 - 2021 Plan Year**

**Exhibit II**

(1) Employer contribution history:

| Year Ended 6/30 | Base Units | 3-Year Ave Base Units | Contribution Rate |
|---|---|---|---|
| 2011 | 2,909.00 | N/A | N/A |
| 2012 | 2,998.00 | N/A | $ 143.17 |
| 2013 | 3,137.00 | 3,014.67 | 161.23 |
| 2014 | 3,082.00 | 3,072.33 | 177.35 |
| 2015 | 2,975.00 | 3,064.67 | 195.09 |
| 2016 | 3,125.00 | 3,060.67 | 205.09 |
| 2017 | 3,151.00 | 3,083.67 | 215.09 |
| 2018 | 3,020.00 | 3,098.67 | 225.09 |
| 2019 | 3,278.00 | 3,149.67 | 225.09 |
| 2020 | 3,213.00 | 3,170.33 | 225.09 |
| 2021 | N/A | N/A | 225.09 |

(2) Average base units for highest 3 consecutive years during 10 years preceding July 1, 2021 — 3,170.33

(3) Highest contribution rate in 10 years ending in year of withdrawal — $ 225.09

(4) Required annual payment = (2) x (3) — $ 713,610

(5) Net Withdrawal Liability — $ 16,057,886

(6) Amortization factor = (5) / (4) — 22.502341

(7) Number of annual payments based on (6), assuming 7.25% interest rate, maximum 20 — Perpetuity

(8) Cumulative factor at 7.25% interest rate for number of years in (7) — Perpetuity

(9) Final annual payment:
- (a) Withdrawal liability with interest = (5) x {1.0725 to the power of (7)} — N/A
- (b) Annual payments with interest = (4) x (8) — N/A
- (c) Total annual payment in last year = (a) - (b), but not less than zero — N/A

(10) Quarterly Payment Schedule:
- (a) Quarterly payment = (4) / 4 — $ 178,402
- (b) Number of full quarterly payments in final year = (9)(c) / (10)(a) — 4
- (c) Final quarterly payment = (9)(c) - (10)(a) x (10)(b) — $ -
- (d) Number of full quarterly payments = 4 x (7) + (10)(b) — 80

(11) Monthly Payment Schedule:
- (a) Monthly payment = (10)(a) amortized over 3 months — $ 59,824

| | Beginning of Month Balance | Beginning of Month Payment | Balance After Payment | Interest to End of Month |
|---|---|---|---|---|
| (b) Calculate the amount of the last monthly payment: | Perpetuity | Perpetuity | Perpetuity | Perpetuity |
| | Perpetuity | Perpetuity | Perpetuity | Perpetuity |
| | Perpetuity | Perpetuity | Perpetuity | Perpetuity |

Amount of final monthly payment if number of full monthly payments is less than 240 — $ -

- (c) Number of full monthly payments = 3 x (10)(d) + number of complete months shown in (11)(b) (not more than 240) — 240

**Industry and Local 338 Pension Plan**
**Summary of Key Actuarial Assumptions & Methods**
**Withdrawal Liability During the July 1, 2020 – June 30, 2021 Plan Year**

a) Interest Rate

For liabilities up to the market value of assets, valued using PBGC interest rates as of June, 2020 of 2.11% and 1.92% (for 20 years and thereafter, respectively).

For liabilities in excess of the market value of assets, valued using 7.25% for all years.

b) Non-Disabled Mortality

Non-annuitant: 125% of the sex-distinct RP-2014 Blue Collar Employee Mortality Table.

Annuitant: 125% of the sex-distinct RP-2014 Blue Collar Annuitant Mortality Table

Adjusted to future years using generational projection under Scale MP-2014 to anticipate future mortality improvement.

c) Disabled Mortality

125% of the sex-distinct RP-2014 Disabled Mortality Tables.

Adjusted to future years using generational projection under Scale MP-2014 to anticipate future mortality improvement.

d) Termination

Sample Rates as follows:

| Age | Probability |
|---|---|
| 20 | 6.58% |
| 25 | 5.27% |
| 30 | 4.83% |
| 35 | 4.47% |
| 40 | 3.84% |
| 45 | 3.21% |
| 50 | 1.52% |
| 55 | 0.33% |
| 60 | 0.00% |

e) Form of Payment

All unmarried participants are assumed to elect a Life Annuity.

All married participants are assumed to elect an actuarially reduced 75% Joint and Survivor Annuity.

f) Marriage / Spouse Ages

75% of non-retired participants are assumed to be married.

Male spouses are assumed to be three years older than female spouses if age is unknown.

g) Retirement Age

Sample Rates as follows:

| Age | Probability |
|---|---|
| 55-59 | 10% |
| 60-61 | 20% |
| 62 | 75% |
| 63-65 | 50% |
| 66-69 | 25% |
| 70 | 100% |

h) Disability

Sample Rates as follows:

| Age | Probability |
|---|---|
| 20 | 0.05% |
| 25 | 0.05% |
| 30 | 0.05% |
| 35 | 0.06% |
| 40 | 0.09% |
| 45 | 0.18% |
| 50 | 0.40% |
| 55 | 0.85% |
| 60 | 1.74% |

Vested benefit valued at decrement

i) Operating Expenses — As prescribed by PBGC formula (29 CFR Part 4044, Appendix C); applied only to liabilities valued with PBGC interest rates.

j) Value of Assets — Market Value

k) Allocation Method — Rolling-Five, with application of de minimis

Additional detail on assumptions used in the development of liabilities for withdrawal liability purposes is disclosed in the July 1, 2020 actuarial valuation report for the Plan.