Pensions - Handbooks (Comp.)

RETIREMENT ANNUITY PLAN

CALIFORNIA PACKING CORPORATION

March 1, 1951

Pensions

RETIREMENT ANNUITY PLAN

Del Monte
FOOD PRODUCTS

For Employees of

CALIFORNIA PACKING CORPORATION

[and]

CALIFORNIA PACKING SALES COMPANY, Inc.

INCORPORATED

Effective March 1, 1937, As Amended March 1, 1951

[San Francisco, Calif., 1951]

CALIFORNIA PACKING CORPORATION
215 FREMONT STREET
SAN FRANCISCO 19

CALPACK CODE

OFFICE OF THE PRESIDENT

TO OUR EMPLOYEES:

Our Retirement Annuity Plan was established March 1, 1937, and has since been amended from time to time. Its ultimate objective has always been to assist and augment the savings of those of our employees who elected to join the Plan to retire in their old age with an assured monthly income. This income will be in addition to any federal social security benefits.

During the past year the Corporation has undertaken a thorough review of the Plan in the light of current conditions and the revision of the federal Social Security Act by Congress in 1950 to determine if some improvements in the Plan could be made for your benefit. As you well know, wages, prices and the cost of living in general have all increased materially since 1937. As a result, the benefits provided under the Plan for service from 1937 to date are substantially less today in terms of real purchasing power. To offset this change insofar as possible certain amendments to the Plan were adopted by the Corporation effective March 1, 1951. Each change has been carefully designed to improve and modernize our Plan without adversely affecting any of the rights or benefits which you had for service prior to March 1, 1951.

The major changes are:

1. Additional Annuities for service prior to March 1, 1950, have been provided for many participants under the uniformly applied formula described in this booklet.

2. The normal retirement date for female employees has been changed from the March 1 nearest their 60th birthday to the March 1 nearest their 65th birthday, so that when they retire under the Plan they will be eligible to receive social security benefits.

3. The contribution rate with respect to Current Service Annuities has been changed to conform to the revised Social Security Act. After March 1, 1951, contributions will be 2 per cent of the first $3600 of earnings and 4 per cent of the excess over $3600.

To place these changes into effect we have amended our master contract with John Hancock Mutual Life Insurance Company. This contract governs all of your rights under the Plan. It is in fact the Plan, but it is necessarily a very technical and complicated legal document. Therefore, we have prepared this booklet to describe in language as simple and readable as possible the provisions of the Plan in which you are interested as amended and in effect on March 1, 1951. As you read it, bear in mind that only that part of the Plan which applies to all participants for service on and after March 1, 1951, is described in the main part of the booklet. Certain other more technical provisions which apply only to those employees who participated in the Plan before March 1, 1951, are summarized in the Supplement at the back of the booklet.

It is hoped that this booklet will answer all of your questions about our Annuity Plan. If it does not, or if you desire additional information, please feel free to consult your supervisor or your local personnel office.

We believe the Corporation's Retirement Annuity Plan as revised compares most favorably with other such plans in force in industry today. We heartily recommend it to each of you and hope that if you have not already done so, you will join the Plan promptly.

Sincerely,

CALIFORNIA PACKING CORPORATION

President

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YOUR ANNUITY PLAN

As Amended March 1, 1951

ITS SCOPE

1. This Retirement Annuity Plan became effective March 1, 1937, for the exclusive benefit of our eligible employees. It is designed to afford a means whereby each of you can provide an assured monthly income for your retirement in your old age.

It is a voluntary plan, which means that you are not required to join, but you may if you are eligible. It is also a contributory plan. If you join you will contribute through payroll deductions part of the cost of providing your benefits. The Corporation contributes the balance of this cost. In the average case, at your normal retirement date the Corporation will have contributed substantially more than you will have contributed.

Contributions and benefits under the Plan are entirely separate from and in addition to those under the Federal Social Security Act. The payroll taxes paid by you and the Corporation and the benefits provided under that Act as amended in 1950, are based only on the first $3600 of annual earnings. To equalize the overall benefits at approximately uniform cost the Plan provides for contributions and annuities at a higher rate on your annual earnings in excess of $3600.

It is an insured plan to give you the maximum possible security. All contributions are paid over to the Insurance Company — John Hancock Mutual Life Insurance Company — which, under a master contract with the Corporation, assumes the full responsibility to pay all annuities and refunds due under the Plan.

Lastly, the plan as amended has been approved by the Bureau of Internal Revenue as meeting the requirements of Section 165(a) of the Internal Revenue Code.

MEMBERSHIP

Eligibility

2. You first become eligible to join the Plan on the first day of March following the fiscal year in which you attain the status of a regular employee if you are then under age 65 on your nearest birthday. You remain eligible to join on the first day of any month so long as you retain this status. Casual and seasonal employees are not eligible to participate in the Plan.

How To Join The Plan

3. If you are eligible, you may join the Plan by signing an application form. This shows your acceptance of the provisions of the Plan, authorizes the required payroll deductions during your participation and permits you to name a beneficiary. You may change your designated beneficiary at any time by filing the form provided for that purpose. If you were participating in the Plan on February 28, 1951, you will continue to participate without any further action on your part.

Effective Date of Participation

4. Your participation in the Plan will be effective on the date you become eligible if you made application on or before such date; if not, your participation

will be effective on the first of the month following the date of your application if you are then eligible.

PAYING THE COST OF YOUR ANNUITY

What You Pay

5. During your 1953 participation in the Plan on and after March 1, [redacted], you are required to contribute 2 per cent of the first $3600 and 4 per cent of the balance of your earnings received in each calendar [redacted] year. Your contributions will be deducted by the Corporation from each payroll and paid over to the Insurance Company. Once you join the Plan and so long as you retain the status of a regular employee, you must continue to participate and make your required contributions. You may not withdraw them in whole or in part.

What The Corporation Pays

6. The Corporation has contributed and paid over to the Insurance Company the entire cost of all Past Service Annuities and Additional Annuities. It has also paid the balance of the cost of all Current Service Annuities for service prior to March 1, 1951. So long as the Plan remains in effect the Corporation will continue to contribute and pay over to the Insurance Company in accordance with the master contract the balance of the net cost of the Current Service Annuities provided under the Plan for service on and after March 1, 1951.

YOUR RETIREMENT

Normal Retirement Date

7. You will retire under the Plan on your normal retirement date unless you elect early retirement. Your normal retirement date under the Plan is the first day of March nearest your 65th birthday.

Early Retirement

8. You may, if you wish, retire on the first day of any month during the 10-year period immediately preceding your normal retirement date. However, if you retire early with less than 20 years of service, you will not be entitled to any Past Service or Additional Annuity purchased for you except in the one case of certain female employees described in paragraph 35 of the Supplement.

Upon your early retirement your annuity will be reduced in accordance with customary insurance company procedure as determined by your age on the date of your early retirement. This is necessary for several reasons. Contributions by you and the Corporation on your behalf are made for a shorter period. Since they are also held by the Insurance Company for a shorter period, less interest accumulates. Finally, your annuity will presumably be payable for a longer period because your life expectancy is greater at your early retirement than at your normal retirement date.

YOUR ANNUITY

9. Your annuity will commence on the date of your retirement under the Plan. Unless you have elected a joint annuitant option, you will receive an

individual annuity. This means that thereafter you will receive from the Insurance Company each month during the rest of your life a payment equal to one twelfth of the sum of the following:

Your Current Service Annuity
plus
Your Past Service Annuity, if any,
plus
Your Additional Annuity, if any.

Current Service Annuity

10. Your Current Service Annuity is based on your total contributions to the Plan. Accordingly, as you continue to participate, it continues to grow. The amount of your Current Service Annuity payable at normal retirement date is always equal to one half of your total contributions to the Plan plus any annuity accrued while on military service. In other words, two years after your retirement at normal retirement date you will have received as Current Service Annuity at least the entire amount that you contributed to the Plan. If, for example, you live to age 75, this part of your annuity will have paid you at least five times what you put into the Plan.

Past Service Annuity

11. You are not entitled to any Past Service Annuity unless you were a regular employee of the Corporation on March 1, 1937. If you were, the Corporation, wholly at its own expense, has purchased for you the Past Service Annuity to which you are entitled for your service with the Corporation before March 1, 1937. The method used to compute that

amount and the provisions applicable to your Past Service Annuity are summarized in Section A of the Supplement.

Additional Annuity

12. You cannot be entitled to any Additional Annuity if you are not participating in the Plan on March 1, 1951. If you were, the Corporation, wholly at its own expense, has purchased for you the Additional Annuity, if any, to which you are entitled for your service with the Corporation before March 1, 1950. The Corporation has made these purchases to offset at least in part the adverse effects of the rise in the cost of living between 1937 and 1951, especially for those with long periods of service. The method used to compute the amount of your Additional Annuity and the provisions applicable thereto are summarized in Section B of the Supplement.

SHARING YOUR ANNUITY

Joint Annuitant Option

13. An individual annuity ceases when you die. If you wish to have monthly payments continued after your death to one other person, called a joint annuitant, you may be interested in some form of joint annuitant option. Either of the following forms is available:

(a) *Full Joint and Survivor Annuity*

This provides a smaller monthly income to you as long as you live which is continued in the same amount to your joint annuitant if he or she outlives you, or

(b) *Modified Joint and Survivor Annuity*

This provides a smaller monthly income to you (but not as small as in [a]) as long as you live, one half of which is continued to your joint annuitant if he or she outlives you.

Your monthly income under any joint and survivor annuity will be smaller than under an individual annuity because benefits are payable during the lives of two people instead of one person, but the actuarial value will be the same. The exact amount depends on your age and sex and the age and sex of the joint annuitant whom you designate, and, naturally, on the form of joint annuity option selected. Once you elect this option, you cannot thereafter rescind your election, change your joint annuitant, or elect early retirement without the consent of the Insurance Company. If you or your joint annuitant should die before you retire, your annuity or death benefit will be payable as though you had never elected this option.

If you are a female employee who was participating in the Plan on March 1, 1951, special provisions apply to any form of joint and survivor annuity option you may elect. You should refer to paragraph 37 of the Supplement if you are interested in this option.

To Elect A Joint Annuity

14. If you elect this option at least 5 years before your retirement, no medical examination is required. If elected less than 5 years before your retirement, you may be required to pass a medical examination satisfactory to the Insurance Company. If you wish some form of joint annuity option, you should make your election on forms provided for that purpose.

HOW ANNUITIES ARE PAID

15. Your annuity in whatever form elected will be paid by the Insurance Company by check in monthly installments commencing on your retirement date or such date as you may elect under paragraph 18(e). Thereafter payments will be made on or about the first of each month as long as either you or your joint annuitant, if any, is then alive. If your annuity is less than $10 per month, special settlement arrangements will be made by the Insurance Company.

IF YOU LEAVE THE CORPORATION

Transferred Employees

16. Your participation in the Plan will not be affected in any way by your transfer between either of the corporations participating in this Plan. If you are transferred to any other corporation which is a subsidiary of or affiliated with the Corporation, your rights under this Plan will not be adversely affected. If you are transferred to employment with any other employer or to a Governmental agency, you will be advised at the time of your transfer of your status under this Plan.

Leave of Absence, Sickness or Accident, Layoff, or Military Service

17. If you are absent on leave or due to sickness or illness or layoff for lack of work or for service with the Armed Forces, your continuous service, your status as a regular employee, your participation in the Plan, and the annuity you accrue, if any, during your absence will all be as provided in the Corporation's applicable written statement of policy then in effect.

You should consult your supervisor or personnel office if you are not familiar with these policies.

Termination of Participation

18. If you resign or are discharged from the service of the Corporation or lose your status as a regular employee, your participation ends and you will cease making contributions under the Plan. Upon termination of your participation for any reason other than death or retirement under the Plan, the following options are available:

(a) If your participation ends within the 10-year period immediately preceding your normal retirement date, you may, if you wish, elect to be treated as though you had elected early retirement under paragraph 8; or

(b) You may withdraw in cash all of your contributions with credited interest. The Insurance Company reserves the right to make such withdrawal payments in equal monthly installments over a period not to exceed twelve months; or

(c) If you have 20 years or more of continuous service, you may leave your contributions with the Insurance Company and be entitled to receive beginning on your normal retirement date any Past Service and Additional Annuities purchased for you and your Current Service Annuity accrued to the date your participation ended. If you elect to withdraw your own contributions in cash in accordance with (b) above, you will nevertheless receive on your normal retirement date the Past Service and Additional Annuities and that part of the Current Service

Annuity purchased by the Corporation's contributions made for you during the period of your participation; or

(d) Even if you have not had at least 20 years of continuous service, you may nevertheless leave your contributions with the Insurance Company and receive a monthly annuity for life beginning at your normal retirement date in the amount purchased by such contributions, provided such annuity is at least $5 per month.

(e) Within 90 days after your participation ends, you may elect to advance the first payment of any annuity payable under (c) or (d) above to the first day of any month during the 10-year period immediately preceding your normal retirement date. If you do, your annuity will be reduced for the same reason and in the same manner as an annuity payable on early retirement.

(f) If your participation in the Plan ends for any reason and you later become eligible and resume participation, you will be considered as a new participant for all purposes of the Plan.

WHEN YOU DIE

Death Before Retirement

19. If you die before retirement, at least the total of your contributions and credited interest will be paid to the beneficiary named by you.

Death After Retirement

20. If you and your joint annuitant, if any, die after your retirement under the Plan, at least the

difference, if any, between your total contributions and interest to the date you retired less the total annuity payments received by you and your joint annuitant, if any, will be paid to the beneficiary named by you.

Death Benefits

21. If your Past Service Annuity is vested, at least its cost is repaid by the Insurance Company, either as an annuity or as a death benefit as described in paragraph 31. However, neither the Corporation's payments toward your Current Service Annuity nor your Additional Annuity, if any, provides for any death benefit. To reduce the unit cost of this part of your annuity, the Insurance Company assumed that some of you would die each year during your participation in the Plan and each year after retirement. As a result, no part of the Corporation's contributions to your Current Service Annuity or Additional Annuity, if any, is refundable on your death. However, if you are a female employee who was participating in the Plan on March 1, 1951, special provisions may be applicable to the computation of your death benefit. You should refer to paragraph 36 of the Supplement.

How Refunds Are Paid

22. Any refund due your beneficiary will be paid in a lump sum unless it exceeds $1,000. If it does, you, or your beneficiary after your death, may elect to have the refund made payable in equal monthly installments with interest over a period not to exceed 20 years, provided each installment will amount to at least $10.

INTEREST ON YOUR CONTRIBUTIONS

23. On your contributions made on and after March 1, 1942, interest at the rate of 2 per cent will be compounded annually from the March 1st following the date each contribution was made. This rate will continue in effect unless changed by the Insurance Company on or after March 1, 1952. Special interest provisions apply to any of your contributions made before March 1, 1942.

GENERAL PROVISIONS

Administration

24. The Plan will be administered by the Corporation which will decide all questions pertaining to the interpretation and application of the Plan.

Certificates

25. You will receive from the Insurance Company a certificate evidencing your participation in the Plan and your right to benefits payable in accordance with the master contract.

Proof of Age

26. You and your joint annuitant, if any, will be required to furnish proof of age satisfactory to the Insurance Company. After date of birth has once been established, no change shall be permitted without its approval. Any change or correction permitted may require actuarial adjustment of accumulated annuity or annuity being paid.

No Assignment of Benefits

27. No right or claim to any benefit or refund of contributions under this Plan is assignable either by

voluntary or involuntary assignment or by operation of law.

THE PLAN'S FUTURE

28. The Corporation hopes and expects to continue the Plan indefinitely but, as future conditions cannot be foreseen, the Corporation reserves the right to change, suspend or discontinue it at any time. Change, suspension or discontinuance will neither deprive you, your joint annuitant or beneficiary of any rights with respect to your contributions and interest nor adversely affect any part of your annuity purchased with the Corporation's contributions prior to the date of change, suspension or discontinuance. In the event of termination of the Plan, all annuities previously purchased by the Corporation's contributions for your benefit become vested in you regardless of the disposition you may thereafter make of that portion of your annuity purchased by your contributions.

DEFINITIONS

Additional Annuity

That part of your annuity, if any, which is in addition to any Past Service or Current Service Annuity for service before March 1, 1950.

Annuitant

A former participant who is retired under the Plan and entitled to receive an annuity.

Annuity

The yearly income payable to an annuitant or joint annuitant in equal monthly installments.

Beneficiary

The person or persons named by a participant or annuitant to receive any refunds due under the Plan in the event of the participant's or annuitant's death.

Corporation

California Packing Corporation and/or California Packing Sales Company (Incorporated).

Current Service Annuity

That part of your annuity other than Additional Annuity, if any, received for participation in the Plan on and after March 1, 1937.

Earnings

All salary and wages received by an employee from the Corporation exclusive of bonus, if any.

Employee

Any individual employed by the Corporation. An Employee's status as a regular employee or a seasonal or casual employee will be determined by the Corporation in accordance with its applicable written statement of policy then in effect.

Fiscal Year

March 1 to the last day of February.

Gender

Words such as "he," "his" and "him" shall refer to women as well as men unless the wording indicates otherwise.

Insurance Company

John Hancock Mutual Life Insurance Company.

Participant

An employee who has joined the Plan and is making the required contributions.

Past Service Annuity

That part of your annuity, other than Additional Annuity, if any, received for service prior to March 1, 1937.

Retirement Date

The date a participant becomes an annuitant. It must be the first day of a calendar month.

Service

The last continuous period of time an employee works for the Corporation which is recognized as service for Annuity Plan purposes under its applicable written statement of policy.

SUPPLEMENT
SECTION A—PAST SERVICE ANNUITIES

This section is of interest to you only if you were a regular employee of the Corporation on March 1, 1937.

Your Past Service Annuity

29. You received past service credits for any service you had between March 1, 1917, and March 1, 1937. These credits equal the number of years of such service multiplied by 1¼ per cent of your earnings from November 1, 1935, to October 31, 1936. The amount of Past Service Annuity bought for you by the Corporation was determined by the number of such credits. However, the dollar amount of your Past Service Annuity payable at normal retirement date is somewhat less than your total credits. The difference represents the cost of the death benefit feature described in paragraph 31.

When Your Past Service Annuity Vests

30. Your Past Service Annuity vests as soon as any one of the following events occurs:

(a) You complete 20 years of continuous service as a regular employee, or

(b) You retire on your normal retirement date, or

(c) You are a female and retire on the first day of March nearest your 60th birthday or continue participating in the Plan after such date.

When your Past Service Annuity vests, your rights become absolute and cannot thereafter be changed by the Corporation or adversely affected by anything that happens to you. On the other hand, if your service ends, by death or otherwise, before vesting occurs, neither you nor your beneficiary will be entitled to any Past Service Annuity payments or death benefit.

Your Past Service Annuity Death Benefit

31. Death benefits are provided to insure that once you are vested your designated beneficiary will receive the unreturned cost of your Past Service Annuity. Its unreturned cost is its total cost to the Corporation less all of the Past Service Annuity payments you received after your retirement. If any Past Service Annuity payments were made to your joint annuitant, they too are deducted from the original cost and only the balance, if any, is the unreturned cost. It is payable as a death benefit upon the death of the survivor of you and your joint annuitant, if any.

If you are a female employee and participated in the Plan after the first day of March nearest your 60th birthday, the Past Service Annuity death benefit payable upon your death may be greater than the unreturned cost of your Past Service Annuity. Upon your request, your personnel office will obtain for you the special provisions that are applicable in your case.

SECTION B — ADDITIONAL ANNUITIES

This section is of interest to you only if you had participated in the Plan for some years prior to March 1, 1950 and were still a participant on March 1, 1951.

Your Additional Annuity

32. The amount of your Additional Annuity, if any, depends upon your earnings on which you contributed between March 1, 1949, and February 28, 1950, your years of participation in the Plan prior to March 1, 1950, including your years of past service credited under the Plan, and the amount of Current and Past Service Annuities credited to your account on March 1, 1950. First multiply $\frac{3}{4}$ of 1 per cent of the first $3600 and 1 per cent of the balance, if any, of such earnings by the number of years of such service. If your annuity accrued on March 1, 1950, is less than this amount, the Corporation has purchased an Additional Annuity for you equal to the difference. However, to compute this difference if you are a female employee, you must use your annuity accrued to March 1, 1950, increased as described in paragraph 34 below to reflect your new normal retirement date.

Your Additional Annuity vests at the same time as your Past Service Annuity. There are no death benefits arising from your Additional Annuity.

SECTION C—SPECIAL PROVISIONS FOR CERTAIN FEMALE EMPLOYEES

This section is of interest to you only if you are a female employee who was participating in the Plan on March 1, 1951.

Why Special Provisions Necessary

33. On March 1, 1951, the normal retirement date for females was changed from the first day of March nearest age 60 to the first day of March nearest age 65. If you are a female employee who was participating in the Plan before this change, you will be interested in the special provisions described below in paragraphs 34 to 37. They were designed to insure that the change of your retirement date would not adversely affect that part of your annuity which was accrued on March 1, 1951.

If You Retire After the First Day of March Nearest Your 60th Birthday

34. Prior to March 1, 1951, your contributions as a female employee and the Corporation's contributions on your behalf were used to purchase an annuity for you to commence on the March 1 nearest your 60th birthday. This part of your annuity will be increased if you retire at some later date. Such an increase is the converse of the reduction that occurs on early retirement as described in paragraph 8. Dollarwise it is important to you. Suppose, for example, that on March 1, 1951, you had accrued an

annuity that would pay you $50 a month commencing on the first day of March nearest your 60th birthday. If you continue to participate until the first day of March nearest your 65th birthday, this part of your annuity will pay you $65.50 a month — an increase of 31 per cent. The Current Service Annuity that you accrue for your service after March 1, 1951 is, of course, separate from and in addition to this increase.

If You Retire On The First Day of March Nearest Your 60th Birthday

35. Your normal retirement date is now the first day of March nearest your 65th birthday. However, if you are a female employee who was participating in the Plan on March 1, 1951, you may, if you wish, still retire on your old normal retirement date which was the first day of March nearest your 60th birthday. Such a retirement will be treated as a special retirement, not as an early retirement, with respect to that part of your annuity accrued on March 1, 1951. This means that your Past Service Annuity, if any, and that part of your Current Service Annuity for service prior to March 1, 1951, will not be reduced. Your Past Service, Current Service and Additional Annuities, if any, will vest at the time of such special retirement even though you then have less than 20 years' service. However, your Additional Annuity, if any, and that part of your Current Service Annuity for service on and after March 1, 1951, although vested, will be reduced for early retirement as provided in paragraph 8.

Your Death Benefit If You Continue To Participate After The First Day of March Nearest Your 60th Birthday

36. If you are a female who has continued to participate after the date on which you could have elected special retirement under paragraph 35, a special death benefit may be payable on your death. It will be in addition to any Past Service Annuity death benefit to which your beneficiary may be entitled. Upon your request, your personnel office will obtain for you the information as to when this special death benefit is payable and how it is to be computed.

Special Provisions Are Applicable If You Elect A Joint Annuity

37. If you elect some form of joint annuity option and continue to participate after you could have elected special retirement under paragraph 35, special provisions are applicable. Because these provisions are technical and involve several factors that vary from case to case, no attempt is here made to describe them. If you are interested in some form of joint annuity option, you should consult your personnel office which, upon your request, will obtain for you the provisions applicable to your particular situation.

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