

Important Participant Notice Regarding Qualified Default Investment Alternative

You have the right to direct the investment of retirement plan contributions among the investment options offered under the I.A.T.S.E. Annuity Fund (the "Plan"). Properly investing retirement contributions is important for planning your future retirement income. You should consider your investment direction decisions carefully. This notice provides information regarding where contributions submitted to the Plan for your benefit will be directed in the absence of your investment election. You may direct the investment of the retirement funds by visiting www.principal.com.

Investment Option Default

If you have not provided complete, up-to-date direction as to how the account set up for you under the Plan is to be invested, the account will be invested under automatic rules. You need to understand these rules and make sure that you are comfortable with them or that you take action to direct the investment of the account according to your preferences. These rules state that, if we do not have complete investment directions from you, the retirement funds in your account and new contributions for which we do not have direction will be directed to the I.A.T.S.E. Annuity Balanced Fund, which is the "default" investment that the Board of Trustees of the Plan has selected.

The I.A.T.S.E. Annuity Balanced Fund is comprised of the following funds:

- Galliard Stable Return Fund X - 25%
- Vanguard Inflation-Protected Securities Inst- 15%
- Vanguard Total Bond Market Index I - 20%
- Vanguard Institutional Index Plus - 17%
- Vanguard Mid Cap Index Inst- 5%
- Vanguard Small Cap Index Inst- 3%
- Vanguard Total International Stock Index Inst- 15%

The I.A.T.S.E. Annuity Balanced Fund is a blend of the other investment options in the Plan and invests in a mix of 40% stocks/equities and 60% bonds/fixed income. The I.A.T.S.E. Annuity Balanced Fund is diversified to minimize the risk of large losses and is designed to provide long-term appreciation and capital preservation through a mix of equity and fixed income exposures consistent with a moderate level of risk.

Right to Direct

If you do not want your retirement funds to be directed as indicated above, then you may elect to direct your retirement funds to investment options under the Plan by visiting the Principal website at www.principal.com and logging into your account or by calling 1-866-728-3357. Your directions must be received at the Corporate Center of Principal Life Insurance Company.

You may make changes to your investment direction as allowed under the Plan. This includes transferring any contributions from the applicable investment option default to another investment option. You are permitted to change all of your investments from the default investment option to any of the alternative investment choices offered under the Plan without any restrictions or incurring a financial penalty or fee for such transfer. See the enclosed investment information for information regarding restrictions, fees or expenses.

Additional Information

For additional information about the investment option default or other investment alternatives under the Plan please visit www.principal.com or 1-866-728-3357.