

Dear JCPenney Pension Plan Participant,

This letter is in follow up to the letter sent to you by the J.C. Penney Corporation on April 26, 2021 regarding the upcoming termination of the J.C. Penney Corporation, Inc. Pension Plan (the "Plan") and the corresponding annuity purchase from Athene Annuity and Life Company. State Street Global Advisors Trust Company, as independent fiduciary of the Plan, represented your interests and the interests of the Plan in connection with the approval of Athene in the annuity purchase process.

In order to approve Athene as the insurer to issue a group annuity contract in connection with this transaction we conducted an objective, thorough and analytical due diligence review of Athene. This due diligence included, without limitation, our consideration of the following:

1. the quality and diversification of Athene's investment portfolio which primarily includes investments in investment grade long-term bonds and mortgage loans;
2. Athene's large size relative to the proposed annuity;
3. Athene's capital and surplus levels, including Athene's strong risk based capital ratio which reflects the proportion of Athene's available capital (i.e., Athene's surplus) to required capital (i.e., the minimum capital required before any enacted regulatory trigger);
4. the use of Athene's commingled separate account for this annuity which provides a pool of segregated assets well in excess of \$10 billion that are insulated, up to the amount of the statutory reserves with respect to the obligations supported by the separate account, from the liabilities arising out of any other business of Athene; and
5. the availability of additional protection through state guarantee associations and the extent of their guarantees (thus, in the exceedingly unlikely event that Athene becomes insolvent, annuitants here will have three layers of protection which are: (i) the separate account assets, up to the relevant statutory reserves, which are available exclusively to pay the annuity payments with respect to the annuity contracts supported by the separate account; (ii) if the assets in the separate account are insufficient to satisfy the annuity payment obligations, application of the state guarantee association coverage; and (iii) claims that have priority over general creditors under state law against Athene's general account (which currently includes assets well in excess of \$50 billion) with respect to any continuing shortfall in the amount of annuity payments).

In addition, among other considerations, we also specifically considered Athene's corporate structure, including that the planned merger between Apollo Global Management, Inc. and Athene Holding Ltd. has no effect on Athene Annuity and Life Company (a different company which is your insurer in this transaction) as a standalone regulated insurance company here in the United States. Your annuity is insured through either Athene Annuity and Life Company, an Iowa based insurer, or Athene Annuity & Life Assurance Company of New York, a New York based insurer, and the insurance regulators in Iowa and New York regulate the investments of assets in the applicable general and separate account.