



Summary of Employee Benefits, Recognition & Compensation Programs for Full-Time, Hourly Employees

EMPLOYEE BENEFITS

1. Health Insurance Coverage - *Optional*

We offer a comprehensive medical plan designed to manage your health care needs at a reasonable cost. You become eligible on the first of the month following 30 days of employment and you have the option of selecting between single coverage, employee plus children, or family coverage. Coborn's Incorporated pays the major portion of the premium cost.

2. Dental Coverage - *Optional*

The Group Dental Plan is designed as a preventative program that covers diagnostic and preventative services, basic services, and major restorative and prosthetics services. The coverage level will vary in each category. You become eligible on the first of the month following 30 days of employment. You have the option of selecting between single or family coverage. Coborn's Incorporated pays the full premium.

3. Disability Coverage

Coborn's Incorporated provides short-term and long-term disability coverage to full-time employees. In the event of disability caused by an injury or illness unrelated to your job, short-term disability coverage may replace lost income for up to 13 weeks and long-term disability coverage may replace lost income for up to 24 months. You become eligible on the first of the month following 30 days of employment. Generally, disability coverage provides 60% of your pay (based on a 40-hour work week). Coborn's Incorporated pays the full premium cost for disability coverage.

4. Life Insurance

Coborn's Incorporated provides Group Term Life Insurance and Accidental Death and Dismemberment coverage to employees. In addition, the company provides Dependent Life coverage for employees who have dependents. You become eligible for these benefits on the first of the month following 30 days of employment. Coborn's Incorporated pays the full premium cost for life insurance.

A. Group Term Life Insurance & Accidental Death and Dismemberment

The Group Term Life Insurance benefit is equal to one times your base salary, rounded up to the next \$1,000 to a maximum of \$50,000. The plan also includes a benefit for Accidental Death and Dismemberment that covers accidental death, the loss of a limb, or the loss of vision.

B. Dependent Life

Coborn's Incorporated provides \$4,000 spousal life coverage and \$2,000 life insurance coverage for dependent children from live birth to age 21 (or to age 25 if child is a full-time student).

5. Voluntary Life Insurance

Coborn's Incorporated offers you the opportunity to purchase up to \$300,000 life insurance for yourself, up to \$100,000 for your spouse and up to \$10,000 for your children. You become eligible on the first of the month following 30 days of employment. If you elect the voluntary life insurance as a new full-time employee, you do not have to go through any medical questions/ screenings.

6. Paid Time Off

A. Vacation

Coborn's Incorporated provides vacation to employees who have completed one year of continuous service. The vacation accrual rate depends on length of service. Vacation is accrued and earned based on the actual hours worked. The schedule is as follows:

- Up to Second Anniversary – Accrue up to 40 hours/year
- Second to Seventh Anniversary – Accrue up to 80 hours/year
- Seventh to Fourteenth Anniversary – Accrue up to 120 hours/year
- Fourteenth Anniversary or More – Accrue up to 160 hours/year

B. Holidays

Coborn's Incorporated observes the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Employees are eligible for holiday pay as of their full-time date of hire. They will receive holiday pay for eight hours, or the number of hours they would normally be scheduled to work, whichever is greater.

7. Retirement

Coborn's Incorporated provides the opportunity to participate in these retirement plans: Profit Sharing, Employee Stock Ownership (ESOP), and 401(k). Eligibility requirements are outlined below.

A. 401(k) Retirement Savings Plan

Coborn's Incorporated has established a 401(k) Retirement Savings program that allows employees to set aside a percentage of pre-tax income for retirement purposes. Employees can direct their funds into various investment options that best fit their long-range strategy for retirement. To be eligible, you must have reached age 21 and have completed 6 months of service. Upon meeting eligibility requirements, you can enter the plan on the next entry date. There are four entry dates: January 1, April 1, July 1, and October 1 of each year.

B. Employee Stock Ownership Plan (ESOP)

Coborn's Incorporated has established an Employee Stock Ownership Plan (ESOP). Employees that are eligible for the ESOP will be given shares of stock in Coborn's, Incorporated and become co-owners of the company. The shares are distributed to eligible employees based on the employees' annual salary as a percentage of all plan participant salaries. To be eligible, you must have reached age 21, have completed one year of service, and have worked 1,000 hours during a year of service. Upon meeting the eligibility requirements, you will enter the plan on the next entry date. There are two entry dates: January 1 and July 1 of each year.

C. Profit Sharing Plan

This is a government-approved and regulated plan designed to share company profits with eligible employees. This is a discretionary contribution, which is reviewed on an annual basis. To be eligible, you must have reached age 21, have completed one year of service, and have worked 1,000 hours during a year of service. Upon meeting the eligibility requirements, you will enter the plan on the next entry date. There are two entry dates: January 1 and July 1 of each year.

8. Other Benefits

A. Sundays

Due to the nature of our business, we are open seven days a week and 24 hours a day at most of our locations. Generally, full-time retail employees receive time and one half for hours worked on Sundays.

B. Section 125 Reimbursement Plans

Coborn's Incorporated offers you the opportunity to participate in health care, dental, and dependent care reimbursement plans. Payroll deductions are made on a pre-tax basis and are deposited into your account(s). After the services have been incurred, you are reimbursed from the accounts to cover your expenses. You pay no federal or state income tax or social security tax on the money contributed. This means you pay less tax, increase your take home pay, and set aside funds to pay for health care and dental expenses not covered by other health and dental plans, as well as dependent care expenses. You become eligible on the first of the month following 30 days of employment.

C. Tuition Reimbursement

Coborn's Incorporated has a tuition reimbursement program for full-time employees. To be eligible for reimbursement, the classes must be pre-approved by management. Also, employees must receive a grade of "B" or better or a rating of "satisfactory" to receive reimbursement.

D. Employee Assistance Program

Coborn's Incorporated has contracted with an independent organization staffed with professionals trained in helping people work through both work-related and personal problems. This confidential resource is available to employees and their immediate family members. Coborn's Incorporated has pre-paid for up to three visits.

E. Workers' Compensation

In the unlikely event that you incur a job-related injury or illness, Coborn's Incorporated provides workers' compensation coverage. Workers' compensation is a form of insurance that provides income continuation and medical benefits.

F. Unemployment Insurance

Coborn's Incorporated contributes to a special fund to provide unemployment benefits to employees who have lost their jobs for certain reasons.

G. Social Security Benefits

In addition to the amount you contribute to social security (FICA), Coborn's Incorporated contributes an equal amount on each payday. A full description of social security and Medicare benefits is available through the Social Security Administration.

RECOGNITION PROGRAMS

1. Golden Moments Dollar

Sacagawea "gold" dollars will be used to provide immediate and spontaneous recognition to employees who are providing good service to our customers or to our company. Golden Moment Dollars can be awarded for things like: going out of your way to assist a special needs customer, notifying a superior of happenings within the store, responding to a customer complaint with calmness and professionalism, assisting a fellow employee in time of need, coming in early or staying late. It is a quick way to thank you for exemplifying the kind of service that we expect from our employees.

2. 20/20 Point Program

The intent of the 20/20 Point Program is to give special recognition to employees for achieving notable behaviors or exceeding customer service expectations. If you achieve certain objectives you will be eligible to earn points. Upon accumulation of 20 points, you are eligible to redeem those points for a \$20.00 company gift card.

3. Employee of the Month/Quarter

The employee that is selected as Employee of the Month/Quarter will receive a \$20 company gift card and an 8 X 10 color portrait that will be displayed at the location.

4. Years of Service Award

In support of the dedication and loyalty associated with years of service, Coborn's Incorporated has initiated a program that gives special recognition to employees. Employees who reach an anniversary milestone (5, 10, 15, 20, etc.) will receive a Premiere Choice Award that allows the employee to select a gift certificate from numerous vendors.

The amounts of the Service Awards are listed below:

5 Years	-	\$50
10 Years	-	\$100
15 Years	-	\$150
20 Years	-	\$200
25 Years	-	\$250
Every 5 Years Thereafter	-	\$250

5. Other

Throughout the year, each location has activities to celebrate and recognize staff (summer picnics, holiday gatherings, potlucks, etc).

COMPENSATION

1. Performance Evaluations

Generally, employees will receive a performance evaluation at 8 weeks, six months, and every six months thereafter.

2. Wage Policy

Our philosophy regarding compensation is to be competitive with market pay rates, to be internally equitable, and to reward employees for their contribution to the company. Our wage program is based on a pay-for-performance system. It rewards employees for various jobs and departments in which they can perform various duties on an acceptable level, and more importantly, for the level of performance they contribute.

Employees may receive pay increases at the time of their performance evaluation, if they receive a promotion, or as their performance warrants.

NOTE: This outline is meant to be a brief summary of the Employee Benefit, Recognition, and Compensation Programs of Coborn's Incorporated. In the event of any conflicts between the official plan documents and this summary, the official plan documents will be controlling.