EMPLOYEE BENEFITS

1. Flexibility
   One of the greatest benefits, and the reason why so many employees are working part-time, is the flexible days and hours that allow for great freedom and the opportunity to get involved with other personal interests.

2. 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, retail employees receive a $1.00 per hour premium for hours worked on Sundays.

3. Vacation
   After completing one year of service, part-time employees are eligible for pro-rated vacation benefits based on the actual hours they work each year and the length of service with the company per the schedule below. After the first year of service, you are able to use vacation as you earn it each pay period.
   - 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
   - Fourteen Anniversary or More – Accrue up to 160 hours/year

4. Holidays
   Part-time employees qualify for holiday pay after one year of service. To be eligible, the employee must work at least three of the last six corresponding days of the week (the number of hours of holiday pay will be based on the average hours worked per day using the last six corresponding days the employee worked) and the employee must work their scheduled day before and after the holiday.

5. 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. At this point in time Coborn’s will automatically enroll you at 3% unless you choose to opt out or select to enroll at a different percentage.

6. 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.
7. **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 five visits.

9. **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.

10. **Unemployment Insurance**
Coborn’s Incorporated contributes to a special fund to provide unemployment benefits to employees who have lost their jobs for certain reasons.

11. **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**
“Gold colored dollar coins” 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 developed 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:

<table>
<thead>
<tr>
<th>Years</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>5 Years</td>
<td>$50</td>
</tr>
<tr>
<td>10 Years</td>
<td>$100</td>
</tr>
<tr>
<td>15 Years</td>
<td>$150</td>
</tr>
<tr>
<td>20 Years</td>
<td>$200</td>
</tr>
<tr>
<td>25 Years</td>
<td>$250</td>
</tr>
<tr>
<td>Every 5 Years Thereafter</td>
<td>$250</td>
</tr>
</tbody>
</table>

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

COMPENSATION PROGRAMS

1. Performance Evaluations
Employees will receive regularly scheduled performance evaluations based on their position.

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.

NOTE: This outline is meant to be a brief summary of the Employee Benefit, Recognition and Compensation Programs of Coborn’s Incorporated. These programs may change at any time; should this happen, you will be notified of such changes. In the event of any conflicts between the official plan documents and this summary, the official plan doc