

Malloy Incorporated
EMPLOYEE BENEFITS SUMMARY

As of January, 2011

This is a brief summary of benefits. See Plan Documents for details.

----- **HEALTH AND RETIREMENT BENEFITS** -----

Medical: Employees are eligible for coverage the first of the month after 30 days of employment. Malloy pays the major portion of the premium. After six months of employment the rates charged are reduced and after two years further reduced for family coverage. Two plans are available through Blue Cross/Blue Shield, and vision coverage may be added to either of the plans through Vision Service Plan (VSP) for an additional fee. The first plan, a traditional PPO, has a \$500 deductible for each eligible employee with prescription drug co-pay fees as follows: \$10 for generics, \$30 for "preferred," and \$50 for "non-preferred" prescription drugs. The second High Deductible Health Plan (HDHP) has a \$2,000 deductible for each eligible employee with prescription drug co-pay fees (after deductible is met) as follows: \$10 for generics and \$60 for brand name drugs.

Dental: Same eligibility as for the medical coverage: \$25 deductible for individual, \$75 per family, \$1500 per year max coverage per individual. Preventive care is 100% covered at Delta Dental In-Network Providers.

Wellness: Malloy provides a wellness benefit where employees will be reimbursed 50%, up to \$150, for wellness expenses related to any of the three following categories: 1) Weight Loss/Nutrition, 2) Smoking Cessation or 3) Gym membership/exercise classes per calendar year.

Employee Assistance Plan: Counseling services are available to every employee and his/her family members through a local agency, free of charge for up to 4 sessions per situation. If more than 4 sessions are needed then coverage is available through the medical plan.

Life Insurance: On the first day of the month following 30 days of employment employees will be provided with a life insurance benefit equal to one year's wages, rounded up to the nearest thousand, and capped at \$50,000. Malloy pays the entire premium. You must work a minimum of 20 hours per week to be eligible. Supplemental life insurance may also be purchased.

Retirement Plan: Malloy provides and pays administrative fees for a 401(k) Retirement Plan for employees. Employees will be eligible to contribute to the Plan the first of the month after six months of employment. Upon eligibility, unless the employee selects otherwise, he/she will be auto-enrolled in the Plan with a 3% deferral and an annual increase of 1% until reaching a 6% level. Employees select among several investment options.

----- **PAY AND PAID TIME OFF FOR VACATION, HOLIDAYS, Etc.** -----

Paid Time Off is allowed for Vacation & Holidays:

Vacation: 1 1/2 weeks the first year, 3 1/2 weeks the second through the ninth years, 4 1/2 weeks the tenth year and thereafter. Rules are on the back of Work Schedule Change forms.

Holidays: Malloy provides 6 1/2 paid holidays once you've been employed 60 days. These are: New Year's Day, Memorial Day, July 4, Labor Day, Thanksgiving, Christmas Eve (1/2 day), and Christmas.

Paid time off: Is also allowed for funerals, jury duty, and sick time (see Short and Long Term Disability Coverage).

Unpaid Time Off: Malloy may allow you to take unpaid time off for personal reasons such as qualifying events covered under the Family Medical Leave Act.

Automatic Paycheck Deposit: Malloy provides the opportunity to have part or all of your paycheck automatically deposited (at no charge) in almost any bank or credit union in the US.

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----- PAY AND JOB-RELATED BENEFITS -----

Paydays are every other Thursday. Second and Third shifts are paid on Wednesday, but the checks are dated for the following Thursday.

Pay increases: Employees receive periodic pay increases, and reviews may or may not occur at the same time. Reviews are more frequent for new employees, and less frequent for longer-term employees.

Overtime: A premium of time and one-half is paid for work over 40 hours, and double time is paid for work over 12 hours in one day or work on Sunday (after 40 hours).

Shift premium: Employees working second shift receive a 59 cents per hour premium, and employees working third shift receive 61 cents per hour.

Longevity Pay: Once an employee reaches and remains at the top of his/her pay scale for two years, the Longevity Pay amount is paid at \$400 and increases by \$100 annually until a max of \$2,000, which is continued annually. Eligible Employees receive their Longevity Pay amounts on their annual "top of scale" anniversary dates.

Profit Sharing: After 6 months of employment, employees are eligible for Malloy's profit sharing plan for the following quarter. During every quarter 15% of pre-tax profits are distributed to eligible employees. Distribution is based on attendance.

Holiday Bonus: A Holiday bonus is paid based on length of service.

Family Medical Leave Act (FMLA): Malloy provides eligible employees up to 12 weeks FMLA time yearly. Workers' Compensation and Short Term Disability time off will be counted towards the 12 week allowance. Unpaid time off may also be approved for FMLA circumstances where employees need to care for seriously ill family members, to care for new or adopted children, or for military family exigencies.

Worker's Compensation: Medical coverage and a reduced wage benefit are provided in the case of a work injury according to State of Michigan regulations. This is not taxable.

Short and Long Term Disability Coverage: Employees working a minimum of 20 hours per week are eligible after 6 months of employment. The Short Term Disability (STD) benefit includes 65% of pay after being off from work 5 business days (immediately, if hospitalized) for up to 26 weeks. After 26 weeks, Malloy's insurance provider for Long Term Disability (LTD) will evaluate continued eligibility. Malloy pays the entire premium, with employees only paying the monthly premium tax for LTD - this results in a larger tax-free benefit paid to the disabled employee.

----- TRAINING, TUITION REIMBURSEMENT & OTHER BENEFITS -----

Training: On the job and classroom training is provided on paid time by Malloy. Classroom training includes New Employee Orientation, Matrixx Colors (a personality profile class), Basic Communication, Conflict Resolution, Alcohol & Drug Free Workplace, and Anti-Harassment.

Tuition Reimbursement: For full-time employees with 6 months or more of service, Malloy provides a full tuition refund for academic courses successfully completed (grade C or better) at a college or university accredited by the North Central Association of Colleges and Schools (NCACS) *Commission on Institutions of Higher Education*.

Job Postings: Job openings are usually posted so that all interested employees can apply (the most recent review must have been satisfactory to be eligible).

Lunch Rooms, Lockers & Uniforms: Lunch rooms are provided throughout the plant, with several microwaves and refrigerators. Lockers are provided in some areas and uniforms are available at a reduced cost.

Malloy traditionally provides a Holiday party, summer picnic/event, and tickets to a major sports event annually.