STOWERS MACHINERY CORPORATION
EMPLOYEE BENEFITS SUMMARY

	PLAN	ELIGIBILITY		BENEFIT SUMMARY
1)	**Medical Plan (Self-insured)**	Active full time employees*	Premiums can be paid on a pre-tax basis.	Deductibles - $500 per person per calendar year; $1000 per family per calendar year. Out-of-Pocket Limits: $1,000 per person per calendar year; $3,000 per family per calendar year.
	BlueCross BlueShield of TN(BCBST)-(TPA)	Effective on 91st day of full time employment		Network Physicians - $35 co-pay for office visit; No deductible; Pays 85% for hospital or outpatient allowable charges after deductible; Physician files claim.
				Non-Network Physicians - Pays 60% for hospital or outpatient allowable charges after deductible; Physician files claim.
				Network Hospitals - Pays 85% for hospital or outpatient allowable charges after deductible; Hospital files claim.
				Non-Network Hospitals - Pays 60% for hospital or outpatient allowable charges after deductible; Hospital files claim.
				Prescription Card - Generic $10; Preferred Brand $35; $40 Non-preferred Brand up to 30 day supply. No deductible. Mail Order - 100-day supply for 2 co-pays.
				Vision Discount Program included.
2)	**Dental Insurance (Delta Dental)**	Active full time employees*	Premiums can be paid on a pre-tax basis.	Deductibles - $50 per person per calendar year; $150 per family per calendar year. No deductible for diagnostic & preventive services. Maximum Benefit: $1,000 per person per calendar year.
		Effective on 91st day of full time employment		Network Dentists - 100% for diagnostic & preventive services; 80% for basic services, 50% for major services. Orthodontia not covered. Dentist files claims.
				Non-Network Dentists - Dentist can charge over usual & customary rates. Dentist does not file claims.
				Vision Discount Program included.
3)	**Life & Accidental Death & Dismemberment Insurance - Basic (Unum)**	Active full time employees*		Term life & AD&D provided according to the following classifications: Officers - $60,000; Other Salaried Personnel - $50,000; All Hourly Personnel - $40,000; Spouse - $3,000; Children (6 months to 19 years) - $2,000.
		Effective on 91st day of full time employment		Convertible to individual policy upon termination of employment at employee's option.
4)	**Life - Supplemental (Unum)**	Active full time employees*		Can elect up to $300,000 for employee; $150,000 for spouse and $5,000 for each dependent. Spouse cannot have more than 50% of employee amount. Guaranteed issue amount is $75,000 for employee and $25,000 for spouse.
		Effective on 91st day of full time employment		Policy includes "Living Benefit" and offers conversion and portability options upon termination of employment.
5)	**Short Term Disability (Unum)**	Active full time hourly employees*		Provides 60% of pay to a maximum of $750 per week for up to 25 weeks with a 7 day elimination period.
		Effective on 91st day of full time employment		Payment may be reduced by deductible sources of income and disability earnings.
6)	**Long Term Disability (Unum)**	Active full time employees*		Provides 60% of pay to a maximum of $8,000 per month for up to 2 years with a 180 day elimination period.
		Effective on 91st day of full time employment		Employee can buy up the option of extending coverage to age 65.
				Payment may be reduced by deductible sources of income and disability earnings.
7)	**Flex Accounts (BCBST)**	Active full time employees*		Available under Section 125 of the IRS code. Allows employee to set aside money on a pre-tax basis to cover eligible expenses that are not covered by other plans. By using pre-tax income to pay for these expenses, the employee saves by not paying social security or federal income taxes.
		Effective on 91st day of full time employment		Choose Medical Reimbursement Account for medical-related expenses. Annual contribution limit of $5,000. Auto-reimbursement option available if participate in our medical plan.
				Choose Dependent Care Reimbursement Account for child care expenses. Annual contribution limit of $5,000.

	PLAN	ELIGIBILITY		BENEFIT SUMMARY
8)	**401(k) Plan (Nationwide)**	Active employees* (excluding Interns) Must be 18 years of age and complete 90-day waiting period. Automatically enrolled at 3% on the first of the month unless opt-out.	Can defer 1-100% of base pay.	The company may make an annual discretionary match based on company performance. Employees contribute up to 100% of base pay on a pre-tax basis. Contributions (including match) are invested weekly in the daily valued plan. Employees are 100% vested upon entry into plan. Employees direct investments from list of mutual funds. Hardship and rollover withdrawals are available under certain conditions.
9)	**Holidays**	Active employees* Part time employees must work at least 200 hours during 8 weeks preceding a holiday to qualify.		All stores are closed on New Year's Day, Memorial Day, 4th of July, Labor Day, Thanksgiving Day, Day after Thanksgiving,Christmas Eve (1/2 day) and Christmas Day.
10)	**Vacations**	Active full time employees*		Vacation accrual is based on years of service. It is accrued one year for use the following year. New hires will have some vacation available in year of hire upon completion of waiting period (see schedule below). Maximum accrual is 20 days. It cannot be carried over and must be taken in full day increments. Accrual rate for new hires is prorated based on hire date. Employees who begin work: Jan-Mar: get 4 days after completion of waiting period Apr-Jun: get 3 days after completion of waiting period Jul-Sep: get 2 days after completion of waiting period Oct-Dec: get 7 days after completion of waiting period
11)	**Personal Time**	Active full time employees*		2 days a year are available to use in at least 2-hour increments for personal reasons. Any hours not used by the end of the year are paid out in the final paycheck of that year (hourly employees only). Personal time can be used in conjunction with vacation or holidays. New employees will have 1 day available after 90 days and 1 day after 180 days.
12)	**Sick Pay**	Active full time employees*		Sick pay accrual is based on complete years of service. Maximum accrual is 130 days. New hires accrue 1/2 day per month until they have worked through one complete year of service (Jan. 1 through Dec. 31). Thereafter: 2 years, 10 days; 3-9 years, 15 days; 10+ years, 30 days. Sick Pay pays 75% of base pay. It can be used to supplement short term disability, but it must be taken in full day increments.
13)	**Group Banking (BB&T)**	Open		Free checking. No minimum balance. No monthly service charge. Free CheckCard. Discounts on installment loans. (Employee must sign up for direct deposit to take advantage of this benefit).
14)	**Direct Deposit**	Open		Can direct deposit into two different accounts. Takes up to two pay cycles to establish.
15)	**Credit Union (CEFCU)**	Open		Membership in Construction Equipment Federal Credit Union (CEFCU) is open to employees and dependents. CEFCU offers full service banking and is ranked among the top 15 credit unions in the U.S. Can direct deposit through payroll deduction.
16)	**Caterpillar Money Market (CAT Financial)**	Active full time employees*		Offers higher interest rate than conventional savings or credit union accounts. Free checking with unlimited checks. Minimum $250 per check. No fees or penalties for withdrawal. Can direct deposit through payroll deduction.
17)	**Tool Insurance**	According to job requirements.		Company provides coverage up to $25,000 for loss. Deductible - $500 (will be waived in cases where employee is found not negligent in safeguarding tools). Employee must maintain updated inventory (including replacement cost) on annual basis.
18)	**Tool Purchasing Plan**	According to job requirements.		Employees can purchase tools on company credit provided it is approved by manager and credit manager.
19)	**Uniforms**	According to job requirements.		Employee may choose to pay the difference between the cost of standard uniform and 100% cotton uniform.
20)	**Safety Shoes/Boots**	According to job requirements.		SMC pays for at least half the cost of safety shoes for any employee whose job requires them.
21)	**Safety Glasses**	According to job requirements.		SMC will provide non-prescription safety glasses or goggles which fit over prescription glasses for employee use in required areas.

This brochure is not a contract but is printed as a matter of general information only. SMC reserves the right to make changes to any and all of the programs listed. Plan design is subject to change. The terms of each Plan Document will govern in all cases.

*Active full time employees working an average of 32 hours per week.

For more information, refer to the specific Summary Plan Description or contact Stowers Machinery Corporation Human Resources Department.