

SCHREIBER FOODS, INC.
COBRA - HEALTH CARE CONTINUATION NOTICE
HIPPA SPECIAL ENROLLMENT RIGHTS NOTICE
WELLNESS PROGRAM NOTICE

The information in this notice is intended to inform you, in a summary fashion, of your rights and obligations under COBRA and HIPPA. In addition, the Wellness Program Notice will inform you about the Schreiber Health and Wellness Program. Like other employers sponsoring group health plans, Schreiber is required by law to provide new participants with this information when they first become covered by one of its health care plans. **You, your spouse and any dependents should take the time to read the entire notice carefully.**

COBRA – HEALTH CARE CONTINUATION NOTICE

The notice explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to obtain this coverage. When you become eligible for COBRA, you may also become eligible for other coverage options that may cost less than COBRA continuation coverage. For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. You can learn more about this option at www.healthcare.gov. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse's plan), even if that plan generally doesn't accept late enrollees.

If you are an employee of Schreiber Foods and are covered by any of the health plan options (which includes the medical, dental, vision plans, and the employee assistance plan) you have the right to elect COBRA continuation coverage for yourself (and your spouse and dependents to the extent that they would also lose coverage) if you lose this group health coverage because of a reduction in your hours of employment or the termination of your employment (for reasons other than gross misconduct on your part), subject to the terms and conditions of the Plans. You may also have some additional rights if you lose this group health coverage while you are on a leave of absence to serve in the military – but any separate right(s) that you may have to receive COBRA continuation coverage (e.g., under the Uniformed Services Employment and Reemployment Rights Act) will be run in conjunction with any rights under COBRA.

The spouse of an employee, covered by the group health plans, has a separate right to elect COBRA continuation coverage for yourself (and your dependents under age 26 if they would also lose coverage) if you lose group coverage for any of the following reasons:

- 1) your employee spouse's death;
- 2) your employee spouse's termination of employment (for reasons other than gross misconduct) or reduction in hours of employment;
- 3) divorce, legal separation or annulment from your employee spouse;
- 4) your employee spouse's entitlement to Medicare benefits.

A dependent child covered by the group health plan(s), has a separate right to elect COBRA continuation coverage (or if the child is under 26, a parent may exercise this right for the child) if his/her coverage is lost due to:

- 1) the parent's death;
- 2) parent's termination of employment (for reasons other than gross misconduct) or reduction in hours of employment;
- 3) parents' divorce or legal separation;

- 4) parent's entitlement to Medicare benefits;
- 5) ceasing to be a "dependent child" as defined by the group health plan.

A child, who is born to or adopted by a former employee, while such partner maintains COBRA continuation coverage, is also entitled to elect COBRA continuation coverage. Such coverage will be treated as though it started on the same date as the former employee's continuation coverage for purposes of determining the child's maximum period of coverage. The former employee must comply with the same enrollment rules that apply to active employees in order to obtain coverage for such a child. Please note, if you lose group health plan coverage in anticipation of one of the above events, you may have the right to elect COBRA continuation coverage even if you had lost coverage prior to the event.

The employee or a family member must notify the health plan administrator (i.e. local Human Resources Representative) of a divorce, legal separation, or a child losing dependent status under the group health plan. This notice must be given to the Company within 30 days after the later of the event or the date on which coverage would end under the plan due to such event. Schreiber will notify the health plan administrator of the partner's death, termination of employment (for reasons other than gross misconduct), reduction in hours of employment, or Medicare entitlement so that the appropriate notices can be sent.

When the health plan administrator is notified one of the COBRA qualifying events described above occurs, it will notify you that you have the right to choose COBRA continuation coverage. You have 60 days from the later of the date you would lose coverage (because of one of the events) or the date of this notice to you, whichever is later, to elect COBRA continuation coverage. **If you do not choose COBRA continuation coverage for yourself and/or covered dependents or you do not respond within this time period, group health plan coverage will end for yourself and/or your covered dependents.**

If you choose COBRA continuation coverage, your coverage will be the same as if you were still actively employed (or still the spouse or dependent of an actively employed plan participant). However, you must be eligible for coverage – and be covered by the plan – according to the plan at the time of the COBRA eligibility event; the plan administrator has the right to terminate COBRA continuation coverage retroactively if you are subsequently determined to be ineligible.

COBRA coverage can continue for up to 36 months unless you lost group health coverage because employment terminated, a reduction in hours or a leave for military service. In such cases, the maximum COBRA continuation coverage period is 18 months. However, the 18-month period may be extended by 11 more months (29 months in total) if the COBRA participant (employee, spouse or dependent) is determined to be disabled (for Social Security disability purposes) at the time employment terminated or the reduction in hours or at any time within the first 60 days after such an event. The plan administrator must be notified by the individual of the determination of disability by the Social Security Administration within 60 days but not after the end of the original 18-month period. The plan administrator must be notified within 30 days of a final determination the individual is no longer disabled for Social Security purposes. The 18 (and 29) month period may be extended to a maximum of 36 months from the date employment terminated or hours reduced if another event (such as a death, divorce, legal separation or Medicare entitlement) occurs during that 18 (or 29) month period and while you maintain COBRA continuation coverage.

The COBRA continuation coverage period may be cut short if:

- 1) Schreiber no longer provides group health coverage to any of its actively employed partners;
- 2) the premium for your COBRA coverage is not paid on time;
- 3) you become covered by another group health plan
- 4) you become entitled to Medicare; or

- 5) COBRA coverage had been extended due to a disability and Social Security has determined you (or covered family member) is no longer disabled.

You will have to pay the full monthly premium for your continuation coverage plus an administrative fee equal to 2% of the monthly premium. The administrative fee will increase to 50% of the monthly premium for the 11-month extension on disability described above, with the higher administrative fee continuing if you have another event that allows you to extend continuation coverage from 29 months to 36 months. All premiums (and administrative fee) must be paid on or before the first day of the month to which the premium applies. There is, however, a 30-day grace period for all premiums, except the first premium which must be paid within 45 days after you elect continuation coverage (which includes the premiums due for coverage back to the date of the COBRA qualifying event and including the current month's premium). **Your continuation coverage will be terminated and you will not be permitted to reenroll for coverage if you fail to pay any premium (including the appropriate administrative fee) in a timely manner.**

If you have any questions about this notice, COBRA continuation coverage rights or your health plans, please contact your local Human Resource representative. Please advise your local Human Resources representative if your current address changes or of any event that may entitle you or a coverage dependent or spouse to elect continuation coverage under federal law

For more information about your rights under the Employee Retirement Income Security Act (ERISA), including COBRA, the Patient Protection and Affordable Care Act, and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit www.dol.gov/ebsa For more information about the Marketplace, visit www.HealthCare.gov.

HIPPA SPECIAL ENROLLMENT RIGHTS NOTICE

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) provides employees additional opportunities to enroll in a group health plan if they experience a loss of other coverage or certain life events.

If you are declining coverage at this time for either yourself or your eligible dependents, you may be able to enroll yourself and/or your eligible dependents in coverage at a later date if there is a loss of other coverage. You must enroll and provide the required supporting documentation within 30 days of the date your other coverage ends.

In addition, you may be able to enroll yourself and your eligible dependents if you have a qualifying life event (i.e. change in marital status, birth or adoption of a child, death of dependent). You must enroll and provide applicable required supporting documentation within 30 days of the qualifying life event.

To request special enrollment or obtain more information, contact your Schreiber HR Representative.

For additional information regarding your rights under HIPAA, please visit the US Department of Labor website at:

<https://www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/faqs/hipaa-consumer.pdf>

WELLNESS PROGRAM NOTICE

The Schreiber Health and Wellness Program through Asset Health is a voluntary, self-directed wellness program available to all employees. The program is administered according to federal rules permitting employer-sponsored wellness programs that seek to improve employee health or prevent disease, including the Americans with Disabilities Act of 1990, the Genetic Information Nondiscrimination Act of 2008, and the Health Insurance Portability and Accountability Act, as applicable, among others. If you

choose to participate in the wellness program you may complete a voluntary health risk assessment or 'Personal Learning Survey' on the Asset Health website that asks a series of questions about your health-related activities and behaviors and whether you have or had certain medical conditions (e.g., cancer, diabetes, or heart disease). You are not required to complete the Health Risk Assessment.

Partners who choose to participate in the wellness program will receive an incentive of \$1,200 for achieving 5 points in Asset Health. Participants can earn points for completion of annual wellness exam, physical activity, completion of Asset challenges, preventive exams or vaccines. The dollars will be deposited in the partner's Health Savings Account if they are enrolled in one of Schreiber's High Deductible Health Plans and have a Schreiber affiliated Health Savings Account open at the time of payout. Partners enrolled in the Surest Copay Plan will receive the payment on their pay advice which will be subject to taxes. Partners must be active at the time of payment to receive the payment.

If you are unable to participate in any of the health-related activities, you may be entitled to a reasonable accommodation or an alternative standard. You may request a reasonable accommodation or an alternative standard by visiting the Asset Health website.

The information from your Health Risk Assessment (HRA or Personal Learning Survey) will be used to provide you with information to help you understand your current health, potential risks and may also be used to offer you services through the wellness program such as online education. You also are encouraged to share your results or concerns with your own doctor.

Protections from Disclosure of Medical Information

We are required by law to maintain the privacy and security of your personally identifiable health information. Although the wellness program and Schreiber Foods, Inc. may use aggregate information it collects to design a program based on identified health risks in the workplace, Asset Health will never disclose any of your personal information either publicly or to the employer, except as necessary to respond to a request from you for a reasonable accommodation needed to participate in the wellness program, or as expressly permitted by law. Medical information that personally identifies you that is provided in connection with the wellness program will not be provided to your supervisors or managers and may never be used to make decisions regarding your employment.

Your health information will not be sold, exchanged, transferred, or otherwise disclosed except to the extent permitted by law to carry out specific activities related to the wellness program, and you will not be asked or required to waive the confidentiality of your health information as a condition of participating in the wellness program or receiving an incentive. Anyone who receives your information for purposes of providing you services as part of the wellness program will abide by the same confidentiality requirements. The only individuals who will receive your personally identifiable health information are Asset employees, onsite health staff, or benefits team members in order to administer the program.

In addition, all medical information obtained through the wellness program will be maintained separate from your personnel records, information stored electronically will be encrypted, and no information you provide as part of the wellness program will be used in making any employment decision. Appropriate precautions will be taken to avoid any data breach, and in the event a data breach occurs involving information you provide in connection with the wellness program, we will notify you as outlined under the HIPAA policies and procedures.

You may not be discriminated against in employment because of the medical information you provide as part of participating in the wellness program, nor may you be subjected to retaliation if you choose not to participate.

If you have questions or concerns regarding this notice, or about protections against discrimination and retaliation, please contact your local HR Representative or tina.kowalczyk@schreiberfoods.com.