

401(k) Plan

McLane offers a competitive 401(k) plan to help teammates save for retirement. Teammates are eligible to participate in the 401(k) plan after 90 days of employment and will be automatically enrolled with a 3% contribution, unless they indicate otherwise during the initial enrollment. Teammates can contribute from 1% to 50% of their eligible pay, up to IRS and plan limits for the year.

McLane also provides a matching contribution based on profits for the year. New hires are only matched on amounts contributed after achieving one year of service. The amount of matching contribution a teammate receives from McLane is based on years of service, as shown here:

Years of Service	Percentage McLane Matches
1-6 years	3% of eligible pay
7-14 years	3.5% of eligible pay
15 years or more	4% of eligible pay

Vesting

Your contributions always belong to you. McLane's matching contributions become yours based on this vesting schedule:

Years of Service	Percentage Fully Vested
Less than 2 years	0%
2 years	40%
3 years	60%
4 years	80%
5 years or more	100%

Roth 401(k)

For teammates who prefer to save for retirement after taxes are deducted, McLane offers a Roth 401(k) option.

Paid Time Off (PTO)

Teammates start each year on January 1st with 6.66 hours of time off for each complete calendar month of service with McLane during the prior calendar year. For example, if a teammate worked for 12 complete months for McLane in the prior calendar year, he or she would have 80 hours of time off available for the current year.

The amount of paid time off a teammate is eligible to receive increases after the 7th, 15th and 25th years of service. A bonus week of time off is granted during a teammate's 10th, 15th and 20th year of service.

Full-time hourly teammates are eligible for additional paid time off that may be used for sickness or other unscheduled absences.

Holidays

McLane provides six paid holidays each year. Full-time hourly teammates are eligible for paid holidays after 90 days of service. One personal day is available after one year of employment.

Educational Assistance Program

Teammates are eligible for educational reimbursements of up to \$3,000 per calendar year through McLane's Educational Assistance Program. The program reimburses both tuition and books for courses that are determined by a teammate's supervisor to benefit them in their position or career with the company—and lead to an academic degree, certification or license.

Employee Assistance Program

The Employee Assistance Program (EAP) provides confidential, professional, short-term counseling to help teammates in resolving their personal problems that are difficult to deal with alone. In addition to counseling, the EAP provides a number of benefits, such as childcare and elder care referrals and resources, along with legal and financial support and counseling. The EAP is provided to all teammates and their household members at no cost.

Global Emergency Travel Services

One Beacon provides worldwide emergency travel assistance services for teammates and their families. These services are available 24 hours a day for travelers 100 miles or more from home or in a foreign country. In addition, One Beacon also provides identity theft coverage.



OVERVIEW OF McLANE'S 2010 BENEFIT PROGRAMS FULL-TIME HOURLY GROCERY TEAMMATES

At McLane, we're proud to offer full-time hourly Grocery teammates a comprehensive benefits program that provides financial protection for any number of expenses—both expected and unexpected. Recognizing that we hire a diverse group of individuals, our benefit programs are designed to offer choices so that McLane teammates can select the plans that best meet their needs, at prices they can afford.

Eligibility for Benefits

Full-time hourly Grocery teammates become eligible for most benefits beginning with the first pay period after 90 days of employment. Teammates can also cover eligible dependents under certain plans, including:

- *Legal spouse* — Of the opposite sex, except where allowed by state law*
- *Unmarried, eligible children under age 19* — Under age 25 if full-time college student at an accredited institution
- *Physically or mentally disabled children of any age*

**If a teammate's spouse is eligible for group health coverage through his or her employer and the teammate chooses to cover the spouse on the McLane medical plan, the teammate pays an extra \$50 per paycheck premium for medical coverage.*

Medical

Teammates can choose from several types of plans for their medical care needs:

- *Preferred Provider Organizations (PPOs)* — Basic, Core and Premium Plans from Blue Cross/Blue Shield
- *High-Deductible Plan* — Must be enrolled in a McLane plan for at least 12 months to be eligible
- *Health Maintenance Organizations (HMOs)* — Available in some locations

All the medical plan options cover similar medical services, including preventive care, office visits, prescription drugs and inpatient hospital stays. The plans differ in the level of benefits they provide and in the amount teammates pay out-of-pocket for expenses like copays and deductibles, as well as per-paycheck contributions for coverage.

Medical Options: At a Glance

Type of Expense	BCBS Basic PPO		BCBS Core PPO		BCBS Premium PPO	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Calendar Year Deductible • Individual • Family	\$1,000 \$2,000	\$2,000 \$4,000	\$750 \$1,500	\$1,500 \$3,000	\$500 \$1,000	\$1,000 \$2,000
Out-of-Pocket Maximum • Individual • Family	\$2,500 \$5,000	\$5,000 \$10,000	\$2,500 \$5,000	\$5,000 \$10,000	\$2,000 \$4,000	\$4,000 \$8,000
Preventive Care	100% covered	Not covered	\$20 copay	Not covered	\$20 copay	Not covered
Physician Office Visit • Primary • Specialist	20% after deductible	40% after deductible	\$20 copay \$40 copay	40% after deductible	\$20 copay \$40 copay	30% after deductible
Inpatient Hospital (precertification required)	20% after deductible	40% after deductible	20% after deductible	40% after deductible	10% after deductible	30% after deductible
Prescription Drugs - Retail (34-day supply) • Generic • Preferred Brand • Non-preferred Brand • Lifestyle	\$5 copay 20% (\$30 min, \$60 max) 20% (\$45 min, \$90 max) 50% copay	You pay 100% of the cost and will need to file a paper claim for reimbursement	\$5 copay 20% (\$30 min, \$60 max) 20% (\$45 min, \$90 max) 50% copay	You pay 100% of the cost and will need to file a paper claim for reimbursement	\$5 copay 20% (\$30 min, \$60 max) 20% (\$45 min, \$90 max) 50% copay	You pay 100% of the cost and will need to file a paper claim for reimbursement
Prescription Drugs - Mail Order (90-day supply) • Generic • Preferred Brand • Non-preferred Brand • Lifestyle	\$10 copay \$60 copay \$90 copay 50% copay	Not covered	\$10 copay \$60 copay \$90 copay 50% copay	Not covered	\$10 copay \$60 copay \$90 copay 50% copay	Not covered



Teammate Bi-weekly Medical Contributions for 2010

2010 Bi-weekly Deduction			
Coverage Option	BCBS Basic PPO	BCBS Core PPO	BCBS Premium PPO
Teammate only	\$10	\$17.50	\$30
Teammate + spouse	\$38	\$66.50	\$93
Teammate + spouse (with spouse premium)	\$88	\$116.50	\$143
Teammate + children	\$26	\$52.50	\$75
Teammate + family	\$50	\$87.50	\$127
Teammate + family (with spouse premium)	\$100	\$137.50	\$177

Dental

McLane offers two dental plan choices through MetLife. Both plans allow you to use any dentist you prefer, but you will save money if you use MetLife participating in-network dentists for your care.

Service	Dental Plan 1		Dental Plan 2	
	Individual \$50	Family \$150	Individual \$100	Family \$300
Annual Deductible	Individual \$50	Family \$150	Individual \$100	Family \$300
Preventive Services (exams, X-rays)	Plan pays 100%; no deductible		Plan pays 100%; no deductible	
Basic Services (fillings, extractions)	Plan pays 80% after deductible		Plan pays 80% after deductible	
Major Services (crowns, dentures)	Plan pays 50% after deductible		Plan pays 50% after deductible	
Orthodontia Services (for children and adults)	Not covered		Plan pays 50% after deductible	
Orthodontia Maximum	Not covered		\$1,000 lifetime	
Annual Maximum Benefit	\$1,500 per person		\$2,000 per person	

Dental Plan 1 has lower deductibles and offers a basic level of coverage for preventive, basic and major services, but does not cover orthodontia. Dental Plan 2 covers the same types of services as Dental Plan 1, but has higher deductibles and also covers implants and orthodontia for children and adults.

Coverage Option	2010 Bi-weekly Deduction	Coverage Option	2010 Bi-weekly Deduction
Dental Plan 1		Dental Plan 2	
Teammate only	\$4.51	Teammate only	\$6.55
Teammate + spouse	\$11.51	Teammate + spouse	\$15.35
Teammate + children	\$11.90	Teammate + children	\$31.45
Teammate + family	\$16.90	Teammate + family	\$36.90

Vision

McLane's vision plan is provided by EyeMed and helps teammates cover typical eye care expenses, such as exams and fittings, glasses and contact lenses. When you use access network providers, you pay only a copay for most covered services.

Vision Care Plan	2010 Bi-weekly Deduction
Teammate only	\$2.00
Teammate + spouse	\$4.00
Teammate + children	\$5.00
Teammate + family	\$5.50

Flexible Spending Accounts

The Flexible Spending Accounts (FSAs) we offer allow you to save taxes on the money you spend for out-of-pocket health care or dependent daycare expenses. If you choose to enroll, any amounts you contribute are taken out of your paycheck pre-tax, so you pay less in overall taxes.

The two FSAs we offer and the amounts you can contribute each calendar year are:

- *Health Care FSA* — You may contribute anywhere from \$150 to \$5,000 per year.
- *Dependent Daycare FSA* — You may contribute anywhere from \$150 to \$5,000 per year (or \$2,500 if you are married and you and your spouse file separate income tax returns).

When you contribute to one or both of the accounts, you'll receive a special debit card to pay for eligible expenses directly at the point of service. This means you can avoid paying up-front and having to then wait for a reimbursement check. If you use the debit card, you may be required to send in receipts for your purchases, so please save all receipts.

Life Insurance and Accidental Death and Dismemberment (AD&D) Insurance

McLane automatically provides full-time hourly teammates with basic life and AD&D insurance coverage in the amount of one times salary (minimum of \$30,000 and maximum of \$50,000) at no cost. Teammates also have the option of purchasing additional life and AD&D insurance for themselves and their eligible dependents. Unlike other benefits covered here, life insurance is available from date of hire.

Benefit	Coverage
Teammate Life	\$1,000 increments, maximum of \$500,000 or 7 × annual base pay (whichever is less)
Teammate AD&D	Must be same amount as optional life, if elected
Spouse Life	\$10,000, \$15,000, \$25,000 or \$50,000 (coverage cannot exceed teammate's total basic and optional life insurance)
Dependent Life	\$5,000, \$10,000 or \$20,000

Disability

Short-term disability

After one year of continuous employment, teammates are eligible for short-term disability coverage equal to 60% of their base wage (up to a maximum of \$600 per week) for up to 25 weeks. This benefit is provided by McLane and incurs no cost to the teammate. These benefits keep a paycheck coming in the event you are unable to work due to a non-work related illness or injury.

Long-term disability

Teammates can also elect to purchase long-term disability coverage. Optional plans include those lasting 2 years, 5 years, or up to age 67. These plans pay a benefit equal to 60% of a teammate's basic monthly earnings, up to a maximum amount of \$5,000 per month.

Business Travel Accident Insurance

McLane also provides business travel accident insurance at no cost to the teammate.