



Benefits Summary

Kionix, Inc. strives to provide their employees with a competitive and cost effective benefits program. It should be recognized that the total cost to provide the benefit programs listed below is a significant supplement to an employees' compensation. The following summary of benefits provides a brief description or explanation of the benefits that are made available to eligible employees. Detailed information on each benefit, including eligibility requirements, is available in individual summary plan descriptions for each benefit. Kionix, Inc. reserves the right to design provisions, add, terminate, or in other ways modify any discretionary benefit described below. Furthermore, it should be understood that this Benefits Summary does not represent or imply a guarantee of benefits, an employment contract, or a contract of benefits between the employee and Kionix, Inc.

Kionix, Inc. Health Reimbursement Account and Excellus BlueCross BlueShield Healthy Blue Group Health Plan:

The Company offers a health reimbursement account plan that provides reimbursement or payment for medical expenses, including prescription drugs, for the employee and/or the employee's covered dependents through a combination of employer reimbursement and group health insurance. The employer reimbursement portion of the plan is administered by SSA (Support Services Alliance, Inc.) and is paid from the general assets of the Company. The insured portion of the plan is underwritten by BlueCross of the Rochester Area and is paid directly from BlueCross under the provisions of the group health contract.

The plan provides for 100% reimbursement of eligible health expenses based on the provisions of the group health contract after the employee's individual and/or family deductible has been met.

An employee enrolled in the group health plan will assume a \$500.00 deductible per individual to a maximum of \$1,000.00 per family per plan year. Once the employee has met the required deductible, the Company will reimburse the covered employee for eligible health expenses incurred in the plan year between \$500.01 and the plan deductible amount of \$2,600.00, plus eligible health expenses applied to the individual out-of-pocket maximum up to \$5,500.00 per individual; and between \$1,000.01 and the plan deductible amount of \$5,200.00; plus eligible health expenses applied to the individual out-of-pocket maximum up to \$11,000.00 per family.

BlueCross of the Rochester Area provides reimbursement based on the carrier's fee schedule for eligible expenses beyond the plan deductibles of \$2,600.00 per individual and \$5,200.00 per family and for eligible expenses beyond the plan out-of-pocket maximums of \$5,500.00 per individual and \$11,000.00 per family.

Prescription drugs are covered as an eligible health expense under the plan. Employees are responsible for payment of prescription drugs at the time they pick up the prescription drug and the Company or BlueCross will reimburse the employee based on the provisions of the group health contract.

Dependents are covered through age 25. Coverage provides an unlimited lifetime maximum benefit.

Specific details of coverage are outlined in the benefit plan Summary Plan Description and the BlueCross of the Rochester Area Member Contract.

Dental and Vision Insurance Plan:

Dental insurance is offered through The First Rehabilitation Life Insurance Company of America which provides preventive, basic, and major dental care benefits up to \$1,000 per person per calendar year. The plan provides for an in-network and an out-of-network service provider option.

For preventive care, the plan pays 100% of customary and reasonable charges as they relate to oral exams, cleaning, some x-rays, space maintainers, fluoride, and sealants, with no deductible. For basic care, the plan pays 80% of customary and reasonable charges for such care as fillings, extractions, root canals, periodontics, and oral surgery—with a \$50 deductible per person/per year (maximum family deductible is 3 persons). For major care, the plan pays 50% of customary and reasonable charges for such care as crowns, bridges, and dentures—with a \$50 deductible.

This plan also provides for orthodontic services: 50% coverage up to \$1000 lifetime for covered dependent children through age 19. The premiums are fully paid by the company.

Vision coverage is offered through The First Rehabilitation Life Insurance Company of America and provides coverage for eye exams and materials such as lenses or contact lenses and frames per covered person during any consecutive 12 month benefit period. Eye exams are reimbursed up to a maximum of \$71.00. Materials, such as lenses or contact lenses and frames, are reimbursed at a specific benefit amount, dependent upon the type of lenses.

Dependents are covered through age 25

Personal Lifestyle Protector Cancer Plan (a Section 125 Plan):

Through AFLAC New York, the Company offers employees the option to purchase this specified disease supplemental insurance for themselves, their spouse, and/or their dependent children. This insurance coverage is designed to supplement existing health, accident, and sickness coverages when certain losses occur as a result of the disease of cancer and other disease and conditions caused, complicated, or aggravated by or resulting from cancer or cancer treatment.

Employees may choose from two plans, the Level 2 Plan or the Level 3 Plan, which slightly vary in the benefits offered. Employees are responsible for the cost of premiums for purchase of specified disease insurance. Payment of these premiums is made through the convenience of payroll deduction on a pre-tax basis.

Flexible Spending Accounts (a Section 125 Plan):

Employees may open a flexible spending account that provides tax and income advantages for certain types of health care (medical, dental, and vision) and dependent care expenses. The FSA works quite simply: Each payday an amount you have specified is deducted from your paycheck, before taxes are withheld. This money is placed in your personal FSA, and you submit claims to this account for out-of-pocket health and dependent care expenses.

This account is administered by SSA (Support Services Alliance, Inc.). You may defer up to \$2,500 per year in pretax dollars to the health care account; you may defer up to \$5,000 per year in pretax dollars to the dependent care account.

Kionix, Inc. provides employees with an employer contribution to the medical account of the Flexible Spending Account Plan in the amount of \$300.00 for employees with individual coverage under the Kionix, Inc. Health Reimbursement Account and Excellus BlueCross BlueShield Healthy Blue Group Health Plan and a contribution in the amount of \$600.00 for each employee with family coverage under the Kionix, Inc. Health Reimbursement Account and Excellus BlueCross BlueShield Healthy Blue Group Health Plan.

Group Term Life and AD&D Insurance:

The company provides basic life insurance for all employees at "1x" annualized base wages/salary, with a \$15,000 minimum and \$50,000 maximum, and modest dependent coverage. This plan also provides benefits for accidental death and dismemberment for losses experienced within 365 days of a covered accident. The plan pays 100% or 50% of the amount of life insurance depending on the consequence of injuries suffered. If death occurs as a direct result of an automobile accident injury while the insured is properly wearing an unaltered seatbelt installed by the automobile manufacturer, the plan will pay an additional benefit amount.

Voluntary Supplemental Life Insurance:

The company offers employees the option to purchase term life insurance for themselves, their spouse, and/or their dependent children. Employees may choose to elect term life insurance coverage amounts ranging from \$10,000 to \$250,000. The employee's spouse is eligible for coverage equivalent to 50% of the employee's elected amount to a maximum of \$100,000 of coverage. Dependent children ages 15 days to 19 years (or 25 years if a full-time student) are eligible for coverage in the amount of \$4,000 for each dependent child.

Employees are responsible for the cost of premiums for purchase of voluntary term life insurance. Payment of these premiums is made through the convenience of payroll deduction. Elected employee coverage in excess of \$150,000 requires an employee to provide evidence of insurability for determination of eligibility of coverage.

Long-Term Disability Insurance:

Long-term disability benefits are provided for employees through the Sun Life Insurance Company. The employer pays the entire cost of this benefit. All full-time employees are covered by this plan beginning the first of the month following their first day of employment. The plan provides disabled employees who are unable to work with 60% of their basic monthly earnings. The maximum monthly earnings coverage is \$11,000 with a guarantee issue limit of \$10,000. (There is a 90-day period of consecutive days of disability for which no benefit is payable).

Employees have the option of electing to receive long-term disability benefits on a pre-tax or post-tax basis. An employee can avoid taxes on long-term disability benefits by electing to have the value of employer-paid premiums included in their gross income. Employees are allowed to make an irrevocable election before the start of each plan year to have the employer-paid premiums for that plan year included in their taxable income or not. Employees can make different elections for subsequent plan years as they become more (or less) concerned with becoming long-term disabled. The tax treatment of benefit payments would depend on what election the employee made for the plan year in which he/she became disabled regardless of elections made in prior plan years.

401(k) Retirement Plan:

This plan offers an attractive way to save money for the future by using pre-tax dollars to support your retirement savings. Employees may contribute from 1% to 25% of salary to the plan. The maximum personal investment allowed by the Internal Revenue Service in calendar year 2012 is \$17,000. In addition, the plan allows "catch-up" contributions to be made to the plan for qualifying individuals. The employer matches 100% of employee contributions, up to 6% of salary.

This plan, administered by Ascensus Retirement Services, allows you to choose how your contributions are invested from nine investment alternatives covering the range from money market type investments to higher risk equities (small cap and international stocks). You have the ability to change your allocation among the investment options and move your money among the funds on a daily basis.

Employee Educational Assistance Program:

Kionix, Inc. believes that continuing education has a positive impact on an employee's professional growth, development, and contribution to the Company. The Company offers an educational assistance benefit of up to a maximum of \$2,500.00 per year to employees who meet the eligibility requirements. The benefit can be used for

covered expenses outlined in the program and provides for either advance payment of expenses or reimbursement of expenses upon completion of the course.

To be eligible for educational assistance under the program, the course must meet one of the following criteria:

- Improve the employee’s skills in her/his present position
- Prepare the employee for another appropriate position within the organization
- Be a course required for the completion of a degree

Employees may pursue a degree or take individual courses at approved and accredited educational institutions (matriculating or non-matriculating) under the program, provided the course of study is related to the employee’s current position or future assignment appropriate to employment at Kionix and the Company approves the course(s).

Vacation, Paid Holidays and Sick Leave:

Vacation: Employees earn paid vacation based upon the following schedule:

HOURLY, NON-EXEMPT (EMPLOYEES WHOSE SCHEDULED WORK DAY HOURS ARE 8) AND SALARIED, EXEMPT EMPLOYEES		
Length of Service (Years)	Hours Of Vacation Accrual Earned Per Month	Maximum Hours Of Vacation Accrual Earned Per Year
Less Than .25	N/A	N/A
.25 But Less Than 3	6.67	80.00
3 But Less Than 7	10.00	120.00
7 Or More	13.34	160.00
HOURLY, NON-EXEMPT (EMPLOYEES WHOSE SCHEDULED WORK DAY HOURS ARE 12)		
Length of Service (Years)	Hours Of Vacation Accrual Earned Per Month	Maximum Hours Of Vacation Accrual Earned Per Year
Less Than .25	N/A	N/A
.25 But Less Than 3	7.00	84.00
3 But Less Than 7	10.50	126.00
7 Or More	14.00	168.00

Company Recognized Paid Holidays (7):

- **New Year's Day**
- **Memorial Day**
- **The Fourth of July**
- **Labor Day**
- **Thanksgiving Day**
- **The Day after Thanksgiving Day**
- **Christmas Day**

Sick Leave:

Five (5) days each calendar year—is available for employees who are not able to perform their regular work duties due to illness or other incapacitation.