



ICON EMPLOYEE HANDBOOK

2005-2006

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INTRODUCTION

This handbook summarizes many of the Employee benefit plans and policies of ICON Health and Fitness, Inc. and Affiliates. This handbook is a handy reference and you should familiarize yourself with its contents.

The policies in this handbook are intended as general guidelines only. Nothing in this handbook, or any other materials which may be issued from time to time, should be considered a contract or guarantee that any particular procedures or criteria will be utilized in individual instances. Your employment at ICON is “at will.” You and the company have the right to terminate the employment relationship at any time for any cause or for no cause at all. Nothing but an express written contract signed by you and the President of the Company can modify this “Employment at Will” arrangement.

The Company may add, amend, or waive the guidelines, policies, and procedures in this handbook (or any other documents that may be distributed from time to time) or their implementation at any time. Individual managers are not authorized to enter into employment contracts of any kind on behalf of the Company and should seek to adhere to the policies in this handbook.

WELCOME TO ICON

You are now an Employee of the fastest growing manufacturer and distributor of exercise equipment in the world. We welcome you and extend our very best wishes for a successful career with our organization.

We hope you will enjoy your work here, and this handbook will help you get “off to the right start”. Our company’s progress and success depends largely on the cooperation and teamwork of each Employee, regardless of the job.

It is our belief that a well informed Employee makes the best Employee. This handbook provides information concerning our company policies and your benefits, and should be studied and reviewed by you from time to time. Your supervisor will be glad to answer any questions you have.

We believe in participative management and encourage Employee input at all levels. We try to provide our Employees with opportunities for personal growth and development.

We believe in the free enterprise system and that the profit motive is the best system for creating the greatest common benefit for the Employees, company, and the communities in which we operate. In other words, we are in business to make money and will operate the business to maximize long-term return on investments with full regard for the best interests of our customers, Employees, and stockholders.

We take pride in giving our customers the finest quality products and services.

We believe that high ethical and moral standards are the foundation of good business policies and will seek to operate with a foundation of good business policies and integrity in all facets of our business.

We are dedicated to pursuing an aggressive growth philosophy and will strive for excellence in every phase of our business.

High-quality, satisfied staff can best serve the interests of our customers. If we had a motto, it would be centered around service and progress but we feel no motto is needed to govern the working days of a company that constantly strives to better serve our customers.

While this is not primarily a book of policies, some policies are included. Proper conduct and consideration for your fellow Employees help us to keep policies at a minimum.

HISTORY OF ICON

In 1977, Scott Watterson and Gary Stevenson, both business majors at Utah State University, founded Weslo, Inc. to finance their college education. The two started the company importing kitchenware, tableware, and marble products from the Far East.

Blaine Hancey, Jr., a Certified Public Accountant, established businessman, and land developer joined Weslo, Inc. in 1979. In that same year, the trio responded to the nation's energy conservation movement and acquired the rights to a free-standing wood burning stove. The company began marketing the stoves under the trade name of Fire King, Inc.

The company's entry into the health and fitness industry began with the manufacture of trampolines to carry it through the summer months. As the three partners studied the exercise and fitness market, they were able to forecast the tremendous growth which occurred in the industry during the 80's. Their entry into the fitness market proved to be timely as they expanded the product line to include treadmills, exercise bikes, rowing machines, home gyms, and other innovative products. As the company's exercise equipment business grew, the partners decided to spin-off their wood burning stove business to focus on the sporting goods industry.

At this time, there were two separate companies, Weslo, Inc. ("Weslo") and ProForm Fitness Products, Inc. ("ProForm"), each distributing fitness products to different market segments. Weslo purchased ProForm in 1987, and it continued to grow as an independent business. Products were sold at the retail level through many sporting goods chains, discount stores, and department stores.

In 1988, ProForm and Weslo were acquired by Weider Health & Fitness of Woodland Hills, California. Weider is a privately held company and is headed by

brothers, Ben and Joe Weider. The more-than-50-year-old company manufactures fitness and sport nutrition products, and is the nation's largest publisher of health, fitness, and life-style magazines.

In July of 1990, ProForm and Weslo moved into a new 300,000 square foot international headquarters. The facility houses state-of-the-art manufacturing and includes all aspects of the company's operations-from research and development, to assembly, customer service, and marketing.

Silicone Products, Inc. was located in Millville, Utah and was purchased in April 1991. Silicone Products, Inc. is a plastic injection molding company that produces plastic components for our fitness products and other plastic parts for customers.

In November of 1994, Weider Health & Fitness sold the assets of ProForm Fitness Products, Inc. and Weslo, Inc. and Weider Care (American Physical Therapy, Inc.) to a group lead by Bain Capital, Inc. of Boston. Our new name is now ICON Health and Fitness, Inc. Company headquarters are located in Logan, Utah, and manufacturing operations were not impacted by this change.

As part of the transaction, ICON purchased the licensing rights that expanded our product line to include such brand names as: Golds Gym, Weider, and Reebok. Healthrider, a leading marketer of Riders was purchased in August of 1996. This acquisition provides another strong name to the ICON family, and allows the company to expand its sales through its own chain of retail stores located across the country.

In 1999, ICON acquired the NordicTrack name.

ICON has expanded into the commercial fitness market with the acquisition of Free Motion Fitness, Inc., manufacturer of Free Motion Strength Training equipment and the introduction of its NordicTrack branded commercial cardiovascular line. The new division was publicly launched in March 2001 and is based in Colorado Springs, Colorado.

Future plans for ICON show continued growth in the exercise and fitness industry and other segments of the sporting goods business.

EMPLOYMENT GUIDELINES

EQUAL EMPLOYMENT OPPORTUNITY

We firmly believe that the success of ICON is largely dependent on the support and contribution of its Employees whom we consider to be its most valuable resource. We are committed to the equitable treatment of all Employees and applicants regardless of age, gender, race, color, creed, religion, disability, national origin or Vietnam veteran status. This goal applies to all personnel actions and includes, but is not limited to, recruitment, hiring, classification, benefits, compensation, promotion, transfer, layoff, termination, training, and education assistance, social and recreational programs, etc.

To help ICON achieve this goal, a formal affirmative action policy has been developed; and to ensure that this policy and its procedures and practices are effectively implemented, we have designated Fred Beck to be our Equal Employment officer. Fred Beck will be responsible for implementing and directing our affirmative action plan (AAP) and its internal and external reporting requirement. Our AAP is available for review by Employees and applicants for employment. It can be reviewed at the Human Resource Office on workdays between 9:00 a.m. and 3:00 p.m.

EMPLOYMENT CLASSIFICATIONS

Full-Time Regular

Employees regularly scheduled to work at least 30 hours per week.

Part-Time Regular

Employees regularly scheduled to work less than 30 hours per week.

Temporary/Seasonal

Employees working full or part-time whose employment is planned to be of short duration, typically less than six months.

Only full-time regular Employees are eligible for the benefit plans listed in this handbook unless otherwise specified. From time to time ICON may verify whether Employees are in the correct classification.

INTRODUCTORY EMPLOYMENT PERIOD

All new Employees have an introductory period that is at least two months. This period gives the Employee and the company an opportunity to see whether they are compatible. Certain benefits begin after completion of this period.

HARASSMENT

ICON believes that each individual employed by us has the right to be free from harassment because of age, color, race, religion, national origin, gender, or disability, etc. It cannot be stressed enough that this company will not tolerate such harassment. It may take the form of harassment of an Employee by a supervisor, other coworker, non-Employees in the workplace, or a supervisor by Employees. If you feel you have been the victim of harassment, please follow the guidelines below to help solve the problem.

1. If you feel you are a victim of harassment, and you have been unable to solve the problem yourself, you should bring it to the immediate attention of your supervisor. If your supervisor is the source of the harassment or if you cannot comfortably discuss the situation with your supervisor, you should contact his/her supervisor, the Human Resources Department, or a member of the Executive Committee.
2. The person you contact, with assistance from the Human Resources Department, will investigate the matter. If the allegation is confirmed, the responsible individual may be subject to discipline up to and including termination. If the harassment stems from a non-Employee, that individual's company will be notified and the problem will be handled in an appropriate manner.
3. Should you feel the manager has not investigated the matter to your satisfaction, you should contact the member of the Executive Committee responsible for your department immediately.
4. If the harassment persists or if other factors make it unreasonable to follow the procedures as outlined above, please contact the Human Resources Department, one of the Executive Committee members, or the President directly.

Definition of Harassment

Harassment is defined as any offensive treatment or behavior which creates a hostile work environment or results in the intimidation or persistent and repeated annoyance of an individual based on age, color, race, religion, national origin, gender or disability. Examples:

- Unwelcome physical contact such as touching, holding, grabbing, kissing, hugging, "accidental collisions", and other unwanted offensive physical contact. Worst cases involve physical and sexual assault.
- Threatening or obscene language or offensive gestures.
- Unwanted or uninvited sexual advances, requests of sexual favors, and other verbal or physical conduct of a sexual nature.

- Photographs, stories, jokes, sexually graphic language, comments about a person's body, printed materials, t-shirts, tattoos, etc., that create an offensive environment.

These are not intended to be all inclusive, but examples only.

ICON BUSINESS STANDARDS HELPLINE
1-866-715-7380

As you know illegal, unethical, or irresponsible acts cause harm to our company, employees, and our customers. Ignoring a problem will not make it go away. We have set-up the above phone number for you to report behavior or actions that are harmful to our employees, our community, our customer and our vendors. You can report anything from theft, harassment, drug use, waste of company assets, abuse of time, etc. Each call will be handled in a confidential and anonymous manner.

For matters regarding questionable accounting or auditing matters please contact Steve Albrecht at (801) 422-4124, or e-mail: [Steve Albrecht@byu.edu](mailto:Steve.Albrecht@byu.edu). Mr. Albrecht is on our Board of Directors. All comments directed to Mr. Albrecht will be handled in a confidential and anonymous manner.

ATTENDANCE POLICIES

HOLIDAYS

| | |
|------------------|------------------------------|
| New Years Day | January |
| Memorial Day | May |
| Independence Day | July |
| *Pioneer Day | July |
| Labor Day | September |
| Thanksgiving Day | November |
| Christmas Day | December |
| Floating Holiday | After one year of employment |

*** State Holiday in Utah, other locations will have one additional floating holiday.**

If you are required to work on a paid holiday, you will receive both holiday pay and your regular pay. This must be approved in advance by your manager.

Eligibility for Holiday Pay

1. Must be classified as a Regular Full-Time Employee or Regular Part-Time Employee.
 - Full-time Employees receive eight hours of holiday (base) pay.
 - Part-time Employees who have worked an average of 20 hours or more a week for the past five pay periods will receive four hours of holiday (base) pay.
 - Part-time Employees who have worked less than 20 hours per week will not be eligible for holiday pay.
 - Holiday pay is based on your base pay rate.
2. Must have completed your two month introductory period.
3. Work your scheduled shifts immediately preceding and following the paid holiday, unless excused by management (i.e., vacation, previously scheduled day off, medical emergency). Plant shut down days are not counted as scheduled work days).
4. Holiday and vacation hours are not counted when computing overtime. Only actual hours worked will be used to determine overtime pay.
5. If a holiday falls during the unpaid portion of a leave-of-absence, you do not receive pay for the holiday.
6. If a paid holiday falls within your vacation time, the holiday will not be counted as part of your vacation time.
7. With your Manager's approval you can schedule your floating holiday after one year of employment.
8. Your floating holiday/holidays are paid out if you terminate your employment after one year of service.

VACATIONS

You become eligible for paid vacation on each anniversary of your employment. Vacation time is a benefit to our Employees which allows them time away from work to renew and revitalize so that time spent at work is more productive and enjoyable.

Vacation Schedule

| Years of Service | Vacation hours Accrued to be used in the next year | Maximum amount of Paid Vacation available to you |
|---|---|---|
| During your 1 st year of service | 1.54 hours are earned per pay period in which you work | 0 hours |
| During your 2 nd year of service | 3.08 hours are earned per pay period in which you work | 40 hours |
| During your 3 rd year of service and through the end of your 6 th year of service | 3.08 hours are earned per pay period in which you work | 80 hours |
| During your 7 th year of service | 4.62 hours are earned per pay period in which you work | 80 hours |
| During your 8 th year of service and through the end of your 9 th year of service | 4.62 hours are earned per pay period in which you work | 120 hours |
| During your 10 th year of service | 4.93 hours are earned per pay period in which you work | 120 hours |
| During your 11 th year of service | 5.23 hours are earned per pay period in which you work | 128 hours |
| During your 12 th year of service | 5.53 hours are earned per pay period in which you work | 136 hours |
| During your 13 th year of service | 5.85 hours are earned per pay period in which you work | 144 hours |
| During your 14 th year of service | 6.16 hours are earned per pay period in which you work | 152 hours |
| During your 15 th year of service and every year thereafter | 6.16 hours are earned per pay period in which you work | 160 hours |

* For hourly employees, any amount after your 2nd week may be taken in cash. You need to request this 2 weeks in advance, to be paid out on a regular payday.

Vacation hours taken will be paid at your current hourly base rate.

Vacations must be taken during the 12-month period starting on the date the vacation time was earned. Any vacation that was not taken can be carried over for 12 months and then it will be forfeited if not taken. This should only happen in rare situations and must be approved by your Vice President.

Your manager will coordinate vacation scheduling. You should give at least one week notice when requesting vacation. If several Employees request vacation at the same time, priority will be based on factors such as:

- * Date of written request
- * Length of employment
- * Workloads in your department

Vacation hours can be taken for any day that you are scheduled to work Monday through Sunday.

If you are on a leave-of-absence, laid-off, or do not work in a pay period, you will not accrue vacation hours for that pay period.

If you leave the company, you will be paid for any unused vacation hours; however, these hours will not extend your employment. Your last day of work will be your termination date. You will not be paid for vacation hours that you were earning for your next anniversary year.

Vacation time may be used for sick leave if you do not have enough sick leave time for your full absence due to illness or accident.

SICK/BEREAVEMENT PAY

Full-Time Regular Employees who have successfully completed their 2-month introductory period will begin to accrue one hour of sick/bereavement pay per pay period in which they work, backdated to his/her hire date.

- **Sick Pay** is intended to provide time off with pay for sickness, for **yourself** or when necessary for a spouse or dependent child when **approved** by your manager. Verification of sickness or emergency may be required before the leave is paid.
- **Bereavement Pay** must be earned before it is taken. It can be used for **immediate family** (spouse, children, parents, brothers, sisters, grand-parents, mother-, father-, brother- and sister-in-law).
- The maximum amount of time that can be accrued for both sick/bereavement leave is six (6) days. We care that you stay well. If an Employee is reporting to work sick, the supervisor may request that he/she go home.
- Sick/Bereavement pay will be forfeited on termination and will not be paid.

- Sick/Bereavement pay can be taken for any day that you are **scheduled** to work Monday through Sunday.

JURY DUTY

Employees who are called to serve on jury or witness duty will be paid their base pay less any amount received from the court. To be paid for this time, you must provide documentation to your supervisor. He/she will notify the Payroll Department.

PAY DAY

You may have your check directly deposited into your bank account or put on an e-cash card account. Check with the Payroll Office for details.

Newly hired employees must use either direct deposit or an e-cash card.

Payroll for all Employees is distributed on alternate Fridays for work performed during the preceding two work weeks. The company does not withhold a week of pay. It takes this week to calculate, print and distribute checks. If the normal pay day falls on a company holiday, checks will be handed out on Thursday.

Every precaution is taken to avoid errors in your paycheck. If there is an error in your check, please report it to your manager or supervisor as soon as possible so it can be corrected.

PERFECT ATTENDANCE AWARD

We would like to reward Employees who have perfect attendance by paying one day of base pay for one year of perfect attendance, and two days of base pay for 2 or more years of perfect attendance. The following absences if properly excused will not be counted against perfect attendance: funeral for immediate family, jury duty, scheduled paid vacation, scheduled plant shut downs, military or FMLA leave. This award is based on any 12-month period without use of sick pay or attendance points in production departments. If you feel you have qualified for this award contact your supervisor or the Human Resources Department for a Perfect Attendance Award form. This should be completed within one month of earning the award.

ATTENDANCE AND PUNCTUALITY

We ask all Employees to make special efforts to develop good habits. Each person needs to be at work ready to start work on time every time. Each

department has attendance requirements that Employees should follow. Questions regarding these requirements should be directed to your supervisor.

LEAVE OF ABSENCE INCLUDING FMLA

Family and Medical Leave Policy

Eligible Leaves

An eligible Employee who meets all other conditions will be granted a leave of absence for any of the following reasons:

- * Inability to work due to the Employee's own serious health condition (including pregnancy);
- * Care for Employee's newborn son or daughter (within 12 months after birth);
- * Care for Employee's son or daughter (under age 18 or disabled) with a serious health condition;
- * Placement with the Employee of a son or daughter for adoption or foster care (within 12 months after placement); or
- * Care for Employee's spouse, dependent, or parent, with a serious health condition.

Eligible Employees

To be eligible, an Employee must have, on the date leave begins, (1) worked for the company for at least 12 months (does not have to be consecutive); (2) worked at least 1,250 hours for the company during the prior 12 months; and (3) currently work at a worksite where 50 or more Employees work within 75 miles.

Leave Requests

Whenever possible, at least 30 days advance notice must be given to your supervisor and the Human Resource Department (otherwise, leave may be delayed). Leave requests should normally be written on a leave-of-absence form (obtained from the Human Resource Department) and must give the reason(s) for the leave and the anticipated starting and ending dates. Upon request by the company, Employees must provide appropriate information and/or documentation, in a timely and acceptable form; otherwise, leave, continuation of leave, and/or other rights, may be delayed or denied. Additional medical opinions (at company expense) may be required.

Length of Leave

No leave or combination of leaves under this policy may exceed 12 weeks in any 12-month period, beginning from your first day of leave. Spouses who both work for the company may in some instances be limited to a combined total of

12 weeks leave in a 12-month period. Intermittent or reduced leave schedules (including temporary job changes, as appropriate) may be approved if medically necessary. Whenever possible, medical treatment schedules should minimize the disruption to company operations.

Employee Benefits

An Employee covered by medical insurance may continue coverage during leave on essentially the same terms as if not on leave. Acceptable premium payment arrangements must be made and followed. Other benefits may continue during leave in accordance with the terms of applicable plans. Upon return from leave, an Employee may normally have all prior benefits reinstated on the same terms as if the Employee had never taken leave. (In some circumstances, an Employee/ex-Employee may be required to repay certain premium payments made on his/her behalf during the leave.)

The appropriate amount of earned vacation pay (and sick pay, if applicable) must be used at the start of any (FMLA) family medical leave of absence. If leave is due to a work-related injury/illness, vacation pay or sick pay may not be used for any day(s) for which workers' compensation benefits are paid. Leave is unpaid unless vacation, holiday, sick pay, or workers' compensation benefits are available. Vacation, holiday, sick leave do not accrue during the leave.

Return from Leave

Upon return from leave, an Employee will normally be reinstated to the same or an equivalent position. If leave is due to an Employee's own serious health condition, or pregnancy, the Employee must provide a doctors certification of fitness to return to work before reporting to work; or otherwise, employment restoration and/or other rights may be delayed or denied. Failure to return to work at the designated time may result in termination of employment, regardless of your points under our attendance policy.

Key Employees

Somewhat different leave provisions apply to otherwise eligible, salaried Employees, who are in the highest paid 10% of all Employees within 75 miles of his/her worksite. These Employees are not guaranteed a leave under this law but **may** be granted a leave depending on certain circumstances.

Additional Information

Additional information, including a Fact Sheet from the U.S. Department of Labor which more fully describes Employee rights and obligations under the Family and Medical Leave Act of 1993, is available from the Human Resources Department.

Other Non-Paid Leaves

Personal Leave

Same service eligibility as FMLA must be approved by your Manager and be for personal reasons beyond your control (i.e.: immigration issues, death of a family member, school interns, etc.) If a personal leave is granted, you are not guaranteed a position upon your return.

Military Leave

Leave and Benefits as defined by the Uniformed Services Employment and Re-employment Rights Act (USERRA).

EMPLOYEE BENEFITS GENERAL INFORMATION

CONTACT INFORMATION

Regence BlueCross BlueShield – Medical

866-851-9392.....www.regence.com
800-662-0876 (Outside of Utah).....www.bluecares.com
Prescriptions: 800-572-0316.....www.regencerox.com

Regence ValueCare – Dental

866-851-9392..... www.ut.regence.com

Beneficial Financial Group – Life

800-325-7056.....www.beneficialgroup.com
801-933-1493

Full Court Financial – Reimbursement Account

801-263-9797; Traci: ext. 206www.fcfin.com
Fax: 801-268-4590 / 800-748-4597

Wells Fargo – Health Savings Account

800-473-0926..... www.wfhbs.com
888-826-3868

Fred A. Moreton & Company – Broker

Sherry Anderson: 801-715-7018
800-594-8949.....www.moreton.com

Human Resources

Please contact human resources for questions about benefits and contributions, enrollment questions, benefit change forms, notification for changes in status, provider directories and any other general carrier information.

ENROLLMENT GUIDELINES

Open enrollment for ICON Health & Fitness benefit programs will be held each year. You will be notified by Human Resources of the dates. During the 30-day open enrollment period (usually 30 days), you may change your benefit elections, as you desire. All premiums paid by employees for medical and dental coverage can be deducted from payroll on a pretax basis.

Elections may be altered only when you have a qualifying change in employment or family status. **You have 30 days after a qualifying event** to complete and return a new enrollment or change form to your Human Resources Department. Otherwise, elections you have now will stay in effect for the plan year.

Qualifying Event

A qualifying event in employment or family status occurs if:

- You get married, legally separated or divorced;
- You add a dependent child through birth, adoption or change in custody;
- Your spouse or child dies;
- Your work schedule changes, effecting benefits, i.e. reduction or increase in hours affecting eligibility;
- Your spouse begins or terminates employment, effecting benefit coverages;
- Your dependent loses eligibility for coverage;
- Your spouse involuntarily loses health coverage through his/her employer;
- You and/or your spouse and dependents become eligible for COBRA;
- You and/or your spouse and dependents gain or lose Medicaid coverage;
- ICON receives a qualified medical child support order (QMCSO) for you.

Newly Hired Employees

Employees hired after the plan year begins will select their coverage choices for the remainder of that plan year at the time of eligibility. All the necessary enrollment and change forms are available through the Human Resources Department.

Eligibility

- Eligible employees must work 30+ hours/week
- Employees will receive benefits the first day of the month following 90 days from hire (provided that forms are properly submitted)
- Employees will receive coverage for dependents who are less than 23 years of age and who rely upon the insured for more than 50% of their support (according to IRS Code)

FEDERAL GUIDELINES: PERSONAL HEALTH INFORMATION

As of April 14th, 2004, many employers in the U.S., including ICON, are now required to adhere to new privacy rules regarding their employees' personal health information. This new act, the Health Insurance Portability and Accountability Act (HIPAA), requires employers to adhere to strict privacy guidelines. This act establishes employees' rights with regard to their personal health information.

Employers may implement the new HIPAA guidelines using one of two approaches: "Hands-On" and "Hands-Off" of employees' personal health information. An employer who adopts a Hands-On approach is granted access to all of their employees' personal health information, and accordingly is required to adhere to all of the HIPAA privacy rules. An employer who adopts a Hands-Off approach chooses to not have access to its employees' personal health information, and is thus required to follow only a limited portion of the HIPAA privacy rules. We have elected to take the Hands-off approach to personal health information.

We feel it is vitally important that our employees' personal health information remain private. If you have any questions regarding this new federal regulation, you are welcome to speak with our Fred A. Moreton & Company Service Representative, Sherry Anderson (801) 715-7018, or you may contact human resources.

EMPLOYEE BENEFITS

HEALTH SAVINGS ACCOUNT (HSA) OVERVIEW

On January 1, 2004, the federal government instituted provisions for Health Savings Account (HSA) plans. This new program has the potential to save you (and your family, if applicable) money for your medical insurance needs. ICON Health & Fitness has responded to these new government provisions by providing a qualified high deductible health plan (QHDHP). The three plans offered this year include two of BlueCross BlueShield's Traditional plans: ValueCare/PPO and BlueCross BlueShield Indemnity, and the BlueCross BlueShield HSA option.

The HSA program is a completely new approach to the way medical care is paid. To explain how an HSA works, let's first look at medical costs. There are two ways that employees pay for healthcare. One: the premiums that are taken out of employee paychecks; Two: out-of-pocket expenses. When employees pay more premium, they are paying for a higher level of benefits such as low

office visit copays, low deductibles, low prescription drug copays, etc. Monthly medical premiums that you and ICON pay add up to quite a bit of money. Yet, the majority of Utah employees (75%) don't use their medical benefits enough to equal the total amount of employer and employee premiums. So where do these extra insurance dollars go? In typical insurance programs, these dollars are used to pay for those with high-cost medical needs – 25% of the medically insured population on average. With an HSA Plan, the majority of your money is “pooled” in your own personal Health Savings Account (HSA) rather than with the insurance company.

The HSA philosophy is – don't pay for things you don't use. Rather than paying high insurance premiums each pay period, the HSA option is set up for you to pay lower premiums per paycheck. The tax-free money that would have gone toward those premiums can now be directed to a separate Health Savings Account, which you own, to be used when you actually need it – that is – whenever you need medical care. So, if you think that your gross medical costs will be under \$1,050 (for single persons) or \$2,100 (for two or more insured parties) during your medical plan year, you will have the remainder of that \$1,050 or \$2,100 in a medical savings account in your name.

It is important to be aware that for those who sign up for two-party or family coverage, the HSA requires that the entire \$2,100 deductible be met either by one member or the entire family collectively before any benefit gets paid out. **The BlueCross BlueShield HSA Plan also has a preventive care benefit:** You pay a \$20 copay per visit for preventive care up to a maximum benefit of \$150 per covered person, per year.

How It Works - In order to start an HSA, you need the following two things:

1. **Qualified High Deductible Health Plan (QHDHP)*:** You must enroll in a high deductible insurance policy designed to insure you for catastrophic events, you pay the full price (network discounts apply) for smaller medical expenses until your deductible is met. The BlueCross BlueShield HSA Plan (further explained on the following two pages) qualifies as a QHDHP.
2. **Health Savings Account:** A Health Savings Account is a tax exempt account within any financial institution where you accumulate savings to pay for medical expenses. Contributions are made either pre-tax through a payroll deduction or as an above-the-line tax deduction. Plus, income earned on funds in the HSA will grow tax-deferred. An HSA allows you to enjoy tax reductions on medical needs while having affordable premiums without risking your insurance protection.

Maximum Annual Contributions to an HSA Plan

| | |
|---------------|----------------------------------|
| Employee Only | \$1,050 (\$43.75 per pay period) |
| Two-Party | \$2,100 (\$87.50 per pay period) |
| Family | \$2,100 (\$87.50 per pay period) |

Please ask for the Wells Fargo HSA enrollment form to make HSA contributions.

HEALTH SAVINGS ACCOUNTS INFORMATION

Contributions

- Can be made by account holder or family member;
- Can be made up to 100% of annual deductible with maximum limits determined by the IRS each year;
- Catch-up contributions are available to individuals and their spouses who are between the ages of 55 and 65.

Tax Benefits

- Contributions can be made pre-tax through a Cafeteria (Medical Reimbursement) Plan or as an above-the-line tax deduction;
- Interest and/or earnings on the assets grow tax-deferred;
- Distributions are tax-free if used for qualified medical purchases.

Allowable Distribution

- Account holders may use money saved in an HSA for qualified medical expenses. Even if employee is terminated, the money in the account may still be used by account holder (see IRS Publication 502);
- HSA funds can also be used to pay COBRA or other medical insurance premiums during periods of unemployment or temporary layoff;
- At age 65 unused HSA money can be withdrawn for non-medical reasons without penalty (ordinary income tax applies).

HSA Contribution Requirements

You must meet the following requirements in order to contribute to an HSA Plan:

- 1) You must be covered by a QHDHP.
- 2) You cannot be covered by **any** health plan other than a QHDHP.
- 3) You are not entitled to benefits under Medicare.
- 4) You may not be claimed as a dependent on another person's tax return.

MEDICAL PLAN OPTIONS (NON-TOBACCO USER)

BlueCross BlueShield – You may choose one of the three following plans: ValueCare, BlueCross BlueShield Indemnity, or the BlueCross BlueShield Health Savings Account (HSA) Plan.

Traditional Plans:

| Plan #1 ValueCare/PPO (see Medical Plan Notes on following page) | | |
|--|--|--|
| Plan Provisions | In-Network | *Out-of-Network |
| Deductible | \$300 Single/\$600 Two-Party/\$900 Family* | |
| Out-of-Pocket | \$2,500/\$5,000/\$7,500 | \$2,500/\$5,000/\$7,500* |
| Prescriptions & Mail Order | | |
| Generic | \$7.50 Copay | Not Covered |
| Preferred Name Brand | \$2.50 + 30% | |
| Non-Preferred Name Brand | \$2.50 + 50% | |
| Office Visits | \$20 Copay AD | \$20 Copay + 30% AD* |
| Preventive Care | \$20 Copay AD \$150 Annual Maximum | \$20 Copay AD* \$150 Annual Maximum |
| Alternative Medicine Screening | \$20 Copay \$750 Annual Maximum | Not Covered |
| Inpatient Hospital | 20% AD | 30% AD* |
| Inpatient Surgery | 20% AD | 30% AD* |
| Outpatient Surgery | 20% AD | 30% AD* |
| Emergency Room | \$100 Copay AD | \$100 AD* |

The benefits illustrated are in summary form only. They should not be construed as complete in and of themselves. They are only for comparison. In the case of a discrepancy, the plan documents apply. Please refer to the Group Certificate Booklet for a complete description of benefits, limitations and exclusions.

| Plan #2 BlueCross BlueShield (see Medical Plan Notes on following page) | | |
|---|---|---------------------------------|
| Plan Provisions | In-Network | Out-of-Network |
| Deductible | \$400 Single/\$800 Two-Party/\$800 Family* | |
| Out-of-Pocket | \$2,500 Single/\$5,000 Two-Party/\$5,000 Family | |
| Prescriptions & Mail Order | | |
| Generic | \$7.50 Copay | Not Covered |
| Preferred Name Brand | \$2.50 + 30% | |
| Non-Preferred Name Brand | \$2.50 + 50% | |
| Office Visits | 25% AD | 25% AD* |
| Preventive Care | 20% AD \$150 Annual Maximum | 25% AD* \$150 Annual Maximum |
| Alternative Medicine Screening | \$20 Copay \$750 Annual Maximum | Not Covered |
| Inpatient Hospital | 25% AD | 25% AD* |
| Inpatient Surgery | 25% AD | 25% AD* |
| Outpatient Surgery | 25% AD | 25% AD* |
| Emergency Room | 25% AD | 25% AD* |

The benefits illustrated are in summary form only. They should not be construed as complete in and of themselves. They are only for comparison. In the case of a discrepancy, the plan documents apply. Please refer to the Group Certificate Booklet for a complete description of benefits, limitations and exclusions.

Health Savings Account (High Deductible) Plan:

| Plan #3 BlueCross BlueShield Health Savings Account (HSA) (see Medical Plan Notes below) | | |
|---|---|--|
| Plan Provisions | In-Network | Out-of-Network |
| Deductible | \$1,050 Single/\$2,100 Two-Party or Family* | |
| Out-of-Pocket | \$3,900 Single/\$7,800 Two-Party or Family* | |
| Prescriptions & Mail Order | | Not Covered |
| Generic | 20% AD | |
| Preferred Name Brand | 20% AD | |
| Non-Preferred Name Brand | 20% AD | |
| Office Visits | 20% AD | 20% AD* |
| Preventive Care | \$20 Copay \$150 Annual Maximum | \$20 Copay AD* \$150 Annual Maximum |
| Alternative Medicine Screening | | Not Covered |
| Annual Maximum | \$20 Copay | |
| Screening | \$750 Annual Maximum | |
| Remedies or Supplements | | |
| Inpatient Hospital | 20% AD | 20% AD* |
| Inpatient Surgery | 20% AD | 20% AD* |
| Outpatient Surgery | 20% AD | 20% AD* |
| Emergency Room | 20% AD | 20% AD* |

The benefits illustrated are in summary form only. They should not be construed as complete in and of themselves. They are only for comparison. In the case of a discrepancy, the plan documents apply. Please refer to the Group Certificate Booklet for a complete description of benefits, limitations and exclusions.

Medical Plan Notes

(For all three Non-Tobacco User plans)

AD = After Deductible

* Member will be responsible for billed amounts over eligible charges

**Pay full price, then submit receipt for deductible credit or reimbursement.

Certificate of prior coverage is required to reduce or eliminate new hire pre-existing waiting period. There is never a pre-existing condition limitation for maternity benefits.

You may refer to the Medical Carrier's Directory to find a provider of your choice.

You may also visit www.bluecares.com, put in your zip code, and get a list of providers in your area anywhere in the country.

PAYMENT COORDINATION – ICON is a Maintenance of Benefits (MOB) plan. If you are covered under two group medical plans, total payment will be no more than the ICON plan would have paid had it been the only coverage. This applies to all medical and dental benefit plans.

MEDICAL PLAN OPTIONS (TOBACCO USER)

BlueCross BlueShield – You may choose one of the three following plans: ValueCare, BlueCross BlueShield Indemnity, or the BlueCross BlueShield Health Savings Account (HSA) Plan.

Traditional Plans:

| Plan #1 ValueCare/PPO (see Medical Plan Notes on following page) | | |
|--|--|--|
| Plan Provisions | In-Network | *Out-of-Network |
| Deductible | \$350 Single/\$700 Two-Party/\$1,050 Family* | |
| Out-of-Pocket | \$2,500/\$5,000/\$7,500 | \$2,500/\$5,000/\$7,500* |
| Prescriptions & Mail Order | | |
| Generic | \$7.50 Copay | Not Covered |
| Preferred Name Brand | \$2.50 + 30% | |
| Non-Preferred Name Brand | \$2.50 + 50% | |
| Office Visits | \$20 Copay AD | \$20 Copay + 30% AD* |
| Preventive Care | \$20 Copay AD \$150 Annual Maximum | \$20 Copay AD* + 30% AD* \$150 Annual Maximum |
| Alternative Medicine Screening | \$20 Copay \$750 Annual Maximum | Not Covered |
| Inpatient Hospital | 20% AD | 30% AD* |
| Inpatient Surgery | 20% AD | 30% AD* |
| Outpatient Surgery | 20% AD | 30% AD* |
| Emergency Room | \$100 Copay AD | \$100 AD* |

The benefits illustrated are in summary form only. They should not be construed as complete in and of themselves. They are only for comparison. In the case of a discrepancy, the plan documents apply. Please refer to the Group Certificate Booklet for a complete description of benefits, limitations and exclusions.

| Plan #2 BlueCross BlueShield (see Medical Plan Notes on following page) | | |
|---|--|---------------------------------|
| Plan Provisions | In-Network | Out-of-Network |
| Deductible | \$450 Single/\$900 Two-Party/\$900 Family* | |
| Out-of-Pocket | \$2,500/\$5,000/\$5,000* | |
| Prescriptions & Mail Order | | |
| Generic | \$7.50 Copay | Not Covered |
| Preferred Name Brand | \$2.50 + 30% | |
| Non-Preferred Name Brand | \$2.50 + 50% | |
| Office Visits | 25% AD | 25% AD* |
| Preventive Care | 20% AD \$150 Annual Maximum | 25% AD* \$150 Annual Maximum |
| Alternative Medicine Screening | \$20 Copay \$750 Annual Maximum | Not Covered |
| Inpatient Hospital | 25% AD | 25% AD* |
| Inpatient Surgery | 25% AD | 25% AD* |
| Outpatient Surgery | 25% AD | 25% AD* |
| Emergency Room | 25% AD | 25% AD* |

The benefits illustrated are in summary form only. They should not be construed as complete in and of themselves. They are only for comparison. In the case of a discrepancy, the plan documents apply. Please refer to the Group Certificate Booklet for a complete description of benefits, limitations and exclusions.

Health Savings Account (High Deductible) Plan:

| Plan #3 BlueCross BlueShield Health Savings Account (HSA) (see Medical Plan Notes below) | | |
|---|---|--|
| Plan Provisions | In-Network | Out-of-Network |
| Deductible | \$1,100 Single/\$2,200 Two-Party or Family* | |
| Out-of-Pocket | \$3,900 Single/\$7,800 Two-Party or Family* | |
| Prescriptions & Mail Order | | Not Covered |
| Generic | 20% AD | |
| Preferred Name Brand | 20% AD | |
| Non-Preferred Name Brand | 20% AD | |
| Office Visits | 20% AD | 20% AD* |
| Preventive Care | \$20 Copay \$150 Annual Maximum | \$20 Copay AD* \$150 Annual Maximum |
| Alternative Medicine Screening | | Not Covered |
| Annual Maximum | \$750 Annual Maximum | |
| Screening | \$20 Copay | |
| Remedies or Supplements | \$5 Copay | |
| Inpatient Hospital | 20% AD | 20% AD* |
| Inpatient Surgery | 20% AD | 20% AD* |
| Outpatient Surgery | 20% AD | 20% AD* |
| Emergency Room | 20% AD | 20% AD* |

The benefits illustrated are in summary form only. They should not be construed as complete in and of themselves. They are only for comparison. In the case of a discrepancy, the plan documents apply. Please refer to the Group Certificate Booklet for a complete description of benefits, limitations and exclusions.

Medical Plan Notes

(For all three Tobacco-User plans)

AD = After Deductible

* Member will be responsible for billed amounts over eligible charges

**Pay full price, then submit receipt for deductible credit or reimbursement.

Certificate of prior coverage is required to reduce or eliminate new hire pre-existing waiting period. There is never a pre-existing condition limitation for maternity benefits.

You may refer to the Medical Carrier's Directory to find a provider of your choice.

You may also visit www.bluecares.com, put in your zip code, and get a list of providers in your area anywhere in the country.

PAYMENT COORDINATION – ICON is a Maintenance of Benefits (MOB) plan. If you are covered under two group medical plans, total payment will be no more than the ICON plan would have paid had it been the only coverage. This applies to all medical benefit plans.

Breast Reconstruction after Mastectomy

The following services in connection with a mastectomy for which benefits are provided:

- reconstruction of the breast on which the mastectomy was performed;
- surgery and reconstruction of the other breast to produce a symmetrical appearance; and
- prostheses and treatment of physical complications at all stages of the mastectomy, including lymphedemas.

Breast reconstruction will be at the election of the Claimant and in a manner determined in consultation between the attending physician and the Claimant. Benefits will be subject to the same cost-sharing (deductible, copayment, and/or coinsurance) provisions as apply to the mastectomy (or, in the event reconstruction is not performed at the time of the mastectomy, the same cost-sharing provision as would apply to a mastectomy performed under the coverage in effect at the time of the reconstruction).

VISION

BlueCross BlueShield

Vision benefits are provided for BlueCross BlueShield and ValueCare options as part of your medical coverage based upon the schedule below. Please be aware that if you select the Health Savings Account (HSA) medical plan, you must first meet your deductible before you receive any vision benefit.

Vision Examination: Plan pays in full up to \$40.00 every two calendar years (after deductible under HSA Plan only)

Prescribed Lenses and Frames:

Lenses – Sphere, spherocylinder, or lenticular, per pair every two calendar years:

- **Single vision lenses:** Paid in full up to \$30.00 (after deductible under HSA Plan only)
- **Bifocal lenses:** Paid in full up to \$40.00 (after deductible under HSA Plan only)
- **Trifocal lenses:** Paid in full up to \$50.00 (after deductible under HSA Plan only)
- **Lenticular lenses:** Paid in full up to \$60.00 (after deductible under HSA Plan only)

Frames - \$40.00 every two calendar years (after deductible under HSA Plan only)

Prescribed Contact Lenses: \$100.00 every calendar year (in lieu of lenses and frames, after deductible under HSA Plan only)

Benefits are limited to either one pair of eyeglasses (Prescribed Lenses and Frames) or Prescribed Contact Lenses.

VOLUNTARY DENTAL

BlueCross BlueShield – ValueCare Program

| | In-Network* | Out-of-Network** |
|---|--|----------------------------------|
| Deductible Single / Two-Party / Family | \$50 / \$100 / \$150 | |
| Annual Maximum Benefit | \$1,250 | \$1,250 |
| Preventive & Diagnostic (Deductible Waived) | 100% | 100%** |
| Basic Composite Fillings Silver Amalgam Restoration | 80% AD 90% AD 50% AD | 80% AD** 90% AD** 50% AD** |
| Major | 50% AD (12 month waiting period for new enrollees) | 50% AD** |
| Orthodontia Age Restrictions Benefit Annual Maximum Lifetime Maximum Waiting Period | Dependent children of employee to age 23 only 50% AD \$750 \$1,500 12 Month Waiting Period | |

Definitions and Explanations

UCR = Usual, Customary and Reasonable Fees for Utah.

*When you go to a Network (Preferred) Dentist, Regence BlueCross BlueShield's payment and your payment is based on the negotiated fee with the Network (preferred) Dentist, after the required deductible amount, as shown above.

**When you go to a Non-Network (Non-Preferred) Dentist, Regence BlueCross BlueShield will allow up to the usual & customary charge for the dental procedures and services as shown above. Charges above the usual and customary charge are the patient's responsibility.

EMPLOYEE ASSISTANCE PROGRAM

The Employee Assistance Plan is designed to help if you have any type of problem. Typical problems include marital difficulties, family problems, personal emotional difficulties, legal issues, financial problems, referrals to medical professionals, and drug/alcohol abuse. When you or a family member have a problem you would like help with you may access the plan by calling the toll free number. You will be referred to a professional counselor and an appointment will be scheduled for a personal meeting.

Access is simple through a toll-free number and counselors are available on an emergency basis 24 hours a day 7 days a week. The toll-free number is (800) 395-7850; or 752-3241 in Logan, 723-1610 in Brigham City, or 392-6833 in Ogden. If you live outside of Utah, call toll-free (800) 395-7850 and you will

be referred to an affiliate in your area. There is no cost to Employees or family members who are on ICON's medical insurance plans. Services are strictly confidential.

Mental Health Condition Benefits (including alcohol & drug use and abuse services)

We encourage our Employees to access mental health benefits through our Employee Assistance Plan. The mental health professionals at the Employee Assistance Plan will refer you to other competent providers if additional services are needed. When additional services are needed they will be paid as indicated on the summary charts.

Supplemental Accident Benefit

You have 100% coverage without a Deductible for up to \$500 per Calendar Year per Member for accidents. This does not include emergency room visits for illnesses. After the first \$500 of charges, accidents are paid under the regular provisions of the Plan.

If you are involved in a traffic accident and are wearing seat belts, the Inpatient Coinsurance percentage is increased by 10% of Eligible Medical Expenses.

If a Member covered under our Plan is involved in a motor vehicle accident while under the influence of illegal drugs or alcohol, and the drugs and alcohol are a contributing cause of the accident, the first \$5,000 of charges will not be covered. The Plan will then pay 80% of the balance. Your out-of-pocket expense does not apply toward your Maximum Coinsurance.

If a Member covered under our Plan is injured in connection with commission of a misdemeanor or felony involving the presence of or acting under the influence of illegal drugs or alcohol, the first \$5,000 of charges will not be covered. The Plan will then pay 80% of the balance. Your out-of-pocket expense does not apply toward your Maximum Coinsurance.

Prescription Drug Benefit

Your group health plan provides prescription drug benefits through a drug card. To receive benefits, simply present your drug card at a member pharmacy, complete and sign your portion of the pharmacy voucher, and pay your Copayment. Should you leave your employment, your drug card must be returned to your Employer.

Generic drug prescriptions are significantly less expensive than brand name drugs. If a name brand drug is prescribed by your Physician when a generic drug is available or if a generic drug is prescribed by your Physician and you choose a name brand drug, you will be responsible for the generic drug Copayment, plus the difference in price between the generic and name brand drug.

Prescription drug mail order benefits. For those using maintenance drugs, substantial savings can be realized by utilizing this benefit. You may receive up to a 90-day supply of medication at a 30% Copayment for drugs listed in the formulary or a 50% Copayment for drugs not listed in the formulary. Check with Human Resources Department for details.

Acupuncture/Acupressure

Five (5) visits per year to a maximum of \$30 per visit, when rendered by a physician or a licensed practitioner.

FLEXIBLE SPENDING ACCOUNT

A flexible spending account enables you to pay certain qualified expenses using tax-free dollars. This can save you 10% - 30% or more on medical and dependent care out-of-pocket costs, depending on your personal tax rate.

- The Health Care Reimbursement Account allows you to set aside up to \$4,800 in pretax dollars to pay most out-of-pocket medical, dental or vision care expenses, including: medical and dental premiums, deductibles and copayments, eye glasses, dental and orthodontic work not covered by insurance; and for over-the-counter medications including pain relievers, antacids, and cold and allergy medicines.
- If you elect the HSA account, you can only run dental out-of-pocket expenses through your flex plan.
- The Dependent Care Reimbursement Account lets you set aside up to \$5,000 in pretax dollars to pay for eligible dependent care expenses so you (and if married, your spouse) can work.

How It Works

During Annual Enrollment, you decide how much you want to deposit into your reimbursement account(s). That amount is deducted evenly during the calendar year from your paycheck before taxes are taken out. When you have an expense that qualifies, you pay the bill, submit a claim, and you are reimbursed with tax-free dollars from your account.

Eligibility

You will be eligible to participate in the Health Care Reimbursement Account on the first day of the month following 90 days of full-time employment if:

- the expense is for services received during the plan year (June 1, 2005 through May 31, 2006)
- the expenses are not covered by any health care plan in which you are enrolled
- the IRS would otherwise let you deduct the expenses on your income taxes
- the employee is active on the plan

The Dependent Care Account

With the Dependent Care Account you can set aside tax-free income to pay for dependent care expenses, such as day care, that you normally pay with after-tax dollars. If your spouse is unemployed or doing volunteer work you cannot set up a reimbursement account. You can set up this account if you meet the following criteria:

- You and your spouse both work;
- You are a single head of household;
- Your spouse is disabled or a full-time student.

Each calendar year the IRS allows you to contribute the following amounts, depending on your family status:

- If you are single, the lesser of your earned income or \$5,000
- If you are married, you can contribute the lowest of:
 - Your (or your spouse's) earned income.
 - \$5,000 if filing jointly, or \$2,500 if filing separately.

Use it or Lose it

If you don't use all the pretax dollars you deposited in your account(s), you will forfeit any balance in the account(s) at the end of the plan year. **You have 135 days after the plan year ends to submit claims for expenses incurred during that plan year.**

Once Enrolled, You May Not Change

Once you have designated how much you want to contribute to one or both of your reimbursement accounts, you cannot stop or change your contributions unless you have a qualifying change in family status. Examples of qualifying changes include:

- Spouse gaining or losing employment
- Addition or deletion of a dependent
- Reduction or increase in work hours that affects your benefit status
- Death of Employee or dependent

Reimbursements

To claim reimbursements, fill out a claim form and attach any pertaining information. For medical reimbursements this will include receipts of the amount you paid and the date(s) on which you or a dependent received services. For dependent care this may include any contracts, letters or receipts. You may either mail or fax this information to Full Court financial

The Advantages

There are some significant advantages to using reimbursement accounts. Income directed to a reimbursement account is tax free. When you pay less in taxes, you

receive more spendable income. The accounts can save you 10% to 30% or even more, depending on your personal tax rate. Convenient payroll deductions help assure that you will have money available for out-of-pocket health and/or dependent care expenses.

| <u>John's Expenses</u> | <u>John's Situation Without The Account</u> | |
|-----------------------------------|---|-----------------|
| \$ 280 Lenses and Frames | John's Annual Earnings | \$30,000 |
| \$1,000 Orthodontia | Taxes (25%) | \$ -7,500 |
| \$ 120 Co-pays | Net Pay | \$22,500 |
| \$2,400 Anticipated Surgery | Expenses | \$ -3,800 |
| \$3,800 Total For The Year | Take Home Pay | \$18,700 |

| <u>John's Situation With The Account</u> | |
|--|-----------------|
| John's Annual Earnings | \$30,000 |
| Expenses | \$ -3,800 |
| Taxable Pay | \$26,200 |
| Taxes (25%) | \$ -6,360 |
| Take Home Pay | \$19,840 |

John's take home pay increases by \$1,140 by using the reimbursement account.

ADDITIONAL BENEFITS

ICON PERSONAL WELLNESS PLAN

We are pleased to offer to our Employees the ICON PERSONAL WELLNESS PLAN. It is appropriate we reward our Employees for their fitness efforts.

- **Exercise**
- **Nutrition**
- **Safety and Health Evaluation**

In order to be eligible for the fitness awards, Employees and/or Spouses must be Participants in one of the Company sponsored medical plans.

How do I get started?

Getting started is easy. Enroll on-line at www.iconfitness.com. Click on the "Employees" button, and go to the ICON Wellness Program and begin keeping track of your exercise and nutrition. Your Human Resources Department can answer your questions. Just remember; before starting any serious exercise program or changing your nutrition plan, you should consult your personal

physician for guidance, especially if you are on maintenance medications or have prior health conditions that would place you at risk.

Points for Prizes

The main payoff in this program is the way you will look and feel as you consistently participate in regular exercise and good nutrition. As a bonus, you may accumulate points by your consistent participation. These points can be redeemed for prizes. Points can be accumulated over any period of time. When you have completed a month's worth of points please turn into the Human Resources office.

Total Points

140 - 280
281 - 420
421 or more

Prizes

\$20 *NordicTrack products, or products available in your HR department
\$40 *NordicTrack products, or products available in your HR department
\$100 in cash, or *NordicTrack products, or products available in your HR department

*For employee pricing, call 800-457-8808.

Grand Prize Drawing: Participants who have reached at least 281 points in the year will be entered into a drawing for \$1,000 in personal exercise equipment or a 3-day 2-night weekend for two at the Green Valley Resort in St. George, Utah (or equivalent for out-of-state employees) and \$500 in cash. (Employees may use vacation days).

See your Human Resources Department for details on how to get started!

GROUP LIFE INSURANCE

Eligibility

This life insurance coverage is included with the Medical Benefits Plan and has the same eligibility requirements.

Basic Group Life Insurance

When you have met the eligibility requirements and are properly enrolled, you will be covered for \$10,000 of term life insurance. Family coverage includes \$2,000 for dependents (spouse and children).

Accidental Death Benefit

The accidental death benefit is \$10,000 and will be paid in addition to the Basic Group Life Insurance if you are killed accidentally for a total of \$20,000. If you

are killed in an auto accident while wearing your seat belt your beneficiary will receive a total of \$30,000.

VOLUNTARY BENEFIT PLANS

In addition to the voluntary dental and supplemental life insurance benefits, certain other voluntary benefits are available to our Employees. The eligibility for these benefits is the same as with all other company benefits and the enrollment period and plan year runs the same as with other benefits. (See page 14). The other voluntary benefits include:

- Long-Term Disability
- Other benefits may also be offered

To enroll in these benefits, contact your Human Resources representative. Complete and return the proper enrollment forms to your HR department. Premiums will be deducted from your paycheck.

401(K) EMPLOYEE BENEFIT PLAN

The company is proud of its history and growth. We wish to reward those who have worked so diligently to make us successful. As part of this we have established a 401(k) plan that allows each of us to invest part of our own wages on a tax-deferred basis.

Eligibility

To be eligible to participate in this Employee benefit plan, you must (a) be at least 21 years of age, (b) have completed twelve (12) months of service, and (c) have worked 1,000 hours during that time. You will then be eligible to sign up during the next open enrollment period--June or December. Your contributions will begin with the first full pay period after July 1 or January 1.

Company Contributions

Each year the company plans to contribute with a matching amount as determined by the overall performance of the company.

Your Contributions

As a Participant, you may contribute 1 to 50 percent (in full percentage points) of your gross compensation each pay period through payroll deductions into the 401(k). The dollars that you contribute and the interest they earn will not be taxed until they are withdrawn (the IRS has strict rules to limit withdrawals).

You may change the amount of your contribution anytime during the year. You may stop contributing at any time. You may also increase, decrease, or resume contributing at any time.

Investment Options

There are several types of investments in which to place your contributions--from money market accounts to non-guaranteed mutual funds. More details will be available during your enrollment time.

Withdrawals

As mentioned earlier, the IRS governs the reasons for withdrawing 401(k) contributions:

- * Retirement
- * Total disability
- * Termination of service
- * Upon reaching age 59 ½
- * Death
- * Loan provisions – up to 50% of vested balance
- * Severe financial hardship
 - * Purchase of primary residence
 - * To prevent loss of primary residence (eviction or foreclosure)
 - * Large uninsured medical expenses
 - * Post secondary education expenses

Rollovers – when employed at ICON you may immediately rollover 401(k) money from a previous plan into the ICON plan.

Disbursement other than qualified rollovers or retirement payouts will be subject automatic IRA withholdings. Only your portion of the contribution can be withdrawn for hardship reasons. See the Human Resources Department for details.

Vesting Schedule

Your Contributions and earnings are always 100% vested. The company’s contributions and earnings will be vested based on your number of completed years of service.

| <u>Completed Years of Service</u> | <u>Vested Percentage</u> |
|---------------------------------------|------------------------------|
| 1 | 33% |
| 2 | 66% |
| 3 or more | 100% |

Vesting mainly applies to individuals who leave the company. (It is the amount of company contributions you would be eligible for if you left the company.) The unvested portion is then reallocated to all other remaining eligible Employees. Vesting also applies to loans you may take from your 401(k) account.

EMPLOYEE PURCHASE PROGRAM

The following procedures need to be followed on all purchases of product.

Employee sales will take place at Al's Sporting Goods in Logan, Utah. You will need two forms of ID when buying equipment. One must be your Employee identification badge and the other must be some form of picture ID (not all items are immediately available).

Please remember the current policy:

Employees benefit from the company policy which permits them to purchase equipment at a discount. This equipment is to be purchased for home use or as gifts to immediate family [spouse, children, parents, brothers, sisters, grandparents, (mother, father, brother, and sister-in-laws)]. A purchase for any other reason is against company policy. Any additional purchases must be approved by the appropriate Vice President or President but should never be used by the Employee with the intent to resell or trade. We have local customers to accomplish this sales goal.

Al's offers a 15% discount off the regular price on most items in their retail store.

NordicTrack products must be purchased by calling (801) 947-6000 or 1-800-457-8808.

GENERAL POLICIES

WORK-RELATED INJURIES / WORKERS COMPENSATION INSURANCE

Our company provides insurance coverage to all Employees who are injured on the job or who develop a work-related illness. All injuries and illnesses must be reported immediately to your supervisor and, if you need medical attention, you will be sent to a company-designated doctor. This insurance provides specific coverage under the Workers Compensation Law for medical treatment and compensation benefits, but you must report the injury or illness to your manager for it to be effective.

People who are off because of a work-related injury or illness may return to their job or a similar one if there is an opening. People who come back to work on a light-duty release will receive the rate of pay for the new job they are assigned.

If you are on Worker's Compensation and FMLA at the same time, you cannot be paid sick or vacation pay. However, if you are only on Worker's Compensation, you can elect to take sick and/or vacation pay.

Employees who are off because of a work-related injury may extend medical benefits the same as Employees on a leave of absence, but they do not need to meet the (FMLA) eligibility requirements.

REHIRE POLICY

It is our policy, in general, not to rehire Employees who have voluntarily quit without good cause, who have been terminated for cause, or have not given adequate quit notice. Those past Employees who want to be rehired must receive approval from their Director and the Human Resource Department.

CONFLICT OF INTEREST

Employees should not maintain an outside business or have a financial interest or engage in any outside business which conflicts with the interests of the company, or which interferes with his or her ability to fully perform job responsibilities. For example and not by way of limitation, if your job responsibilities include purchasing or you are in a position to influence such purchases, you should have no proprietary or financial interest in any business that furnishes products, materials or services to the company or in any related transaction. Nor may you benefit directly or indirectly from a third party who furnishes products, materials or services to the company. Violation of this

policy will result in immediate disciplinary action up to and including termination.

PERSONAL USE OF TELEPHONES, E-MAIL, INTERNET, FAX, ETC.

To maintain a productive working environment and better assure compliance with Company policies and applicable laws, ICON reserves the right to monitor the use of all phones, faxes, e-mail, computers and other Company equipment and property. If you become aware of any abuse of this policy you have a responsibility to report this to your manager. Any improper use of the above items may result in discipline up to and including termination.

A large percentage of the company's business is transacted by telephone. There is a limited number of outgoing and incoming lines which are provided to conduct business and provide our customers with the service they expect from us. If you need to use the phone for personal use, please try to make calls during your breaks or lunch. No long distance personal calls may be made on company phones.

COMPUTER SOFTWARE

It is the policy of the company to abide by all software licensing agreements, including music, movies, software, and other literary and artistic works. When a software program is purchased, whether off the shelf or a custom program, it must be purchased through the MIS department. Only programs purchased by the Company are authorized for use in the Company. Generally, only one copy of a program can be made for back-up. Any unauthorized duplication of software or the use of such unauthorized duplication is illegal and constitutes a violation of the license agreement and Company policy. Never download or enter a virus into any company computer. The Company does not condone these acts and will take appropriate discipline for employees who violate this policy. Employees may also be subject to other legal remedies which may include fines, penalties, etc.

The MIS department will conduct audits, without notice, of company-owned equipment to verify that they are in compliance with this standard.

PROTECTING TRADE SECRETS

Like most successful companies, we have developed special ways to design, produce and market products. These techniques keep our products competitive

in the marketplace. Employees must treat information about these techniques as confidential, not to be revealed to sources outside the company.

In short, our policy is an absolute one and is stated as follows:

As an Employee, agent or representative of ICON, you are prohibited from using for yourself or disclosing to any person not employed by ICON any proprietary information of ICON, without the prior and specific approval of the President. As used herein, the term "proprietary information" shall include all memoranda, notes, correspondence, records or recordings of any type, papers, apparatus or product manufactured, used, developed, or investigated by ICON patents or patentable products or processes, sales practices, computer programs and storage mediums, trade secrets, customer lists, supplier information, know-how, flowcharts and systems, drawings, blueprints, etc., and all documents and copies thereof relating to ICON or any of their affiliate's operations or business, whether or not developed by you while an Employee or by any other person.

Accordingly, if you should have any question as to whether or not any information is confidential or proprietary in nature, please make inquiry with your supervisor prior to any use or disclosure thereof.

SMOKING

No smoking will be allowed in the office, production areas, company vehicles, or within 25 feet of any entrance. The Employee parking lots are designated areas as long as you are 100 feet or more away from a propane tank or other flammable material and at least 25 feet from any entrance.

SOLICITATION POLICY

Solicitation is defined as selling, attempting to sell, or advertising of consumer products and/or services, or collecting of charitable donations for outside organizations.

These guidelines are not intended to regulate ICON's public relations program with regards to charitable donations.

1. Outside agencies or organizations or individuals will not be allowed in the plant or on company grounds to offer their products or services to Employees without Management approval.
2. No Employee may sell products or services or be solicited to during work time while they are supposed to be performing actual duties. No

Employee shall distribute handbills or fliers to any other person in the working areas of the company.

3. Employees who are selling personal items may get approval in the HR office to display an 8 1/2 by 11 notice on certain bulletin boards.

Any need to deviate from these guidelines will require management approval in advance.

GENERAL COMPANY GUIDELINES

All Employees are expected to avoid inappropriate conduct, including that which costs the Company money, interferes with Company operations, has the potential to cast a negative light on the Company, poses safety risks, or creates adverse working conditions. Such conduct may make an Employee subject to termination or lesser disciplinary action, depending on the seriousness of the offense as determined by management. The following are examples of conduct which may result in disciplinary action.

1. Failure to report to work as scheduled without notification to your supervisor or designated rep with a valid reason. **Illnesses must be reported on a daily basis.** If you are absent due to an accident or illness, you may be required to have a physician's written release before returning to work. Excessive absences and tardiness, even with valid reasons, cannot be tolerated.
2. Alcohol and/or Controlled Substances
 - a. Reporting for work with the presence of alcoholic beverages or controlled substances.
 - b. Consuming alcoholic beverages or controlled substances during working hours or on company premises.
 - c. Possession of alcoholic beverages or controlled substances, firearms, fireworks, or explosive devices of any nature, on the plant premises.
3. Removal from the company or the failure to secure tools, equipment, materials, cash, or products without specific authorization in each case.
4. Fighting, horseplay, the use of threatening language or gestures, or the use of obscene language, malicious gossip, or carrying unauthorized weapons.

5. Visitors are permitted in the **lunchroom but not in the plant area** during breaks or lunches.
6. Speeding or reckless driving on company property, or parking in a no-parking zone.
7. Smoking outside of designated areas or spitting of tobacco or any other substance on floors, equipment, garbage cans, products or buildings.
8. Violation of safety procedures, Federal laws, State laws, or company regulations.
9. Neglect of duty, abuse of breaks, or leaving your job without permission.
10. Unauthorized clocking in or out or signing of another Employee's timecard or recording time of another Employee. Both Employees are subject to disciplinary action.
11. Insubordination, including refusal or failure to perform assigned work. Unwillingness or inability to work in harmony with others.
12. Conduct on or off the job that is contrary to the common decency or morality of the community or that reflects unfavorably upon the corporation.
13. Making malicious false or derogatory statements that may damage the integrity or reputation of the corporation, its products and performance, or Employees.
14. Disclosure of confidential material to unauthorized persons or falsification of company records.
15. Dishonesty, misrepresentation, or the withholding of pertinent facts in securing your employment. Dishonesty or falsification in any form while you are employed.
16. Use of radios, cassette players, headphones, etc., without approval of your manager, and only in areas that are not designated as a hearing conservation area.
17. Random searches of Company property, including lockers, desks, etc. and Employee's vehicles parked on ICON premises can be conducted at any time and at the sole discretion of the Company. Illegal items or substances will be turned over to law enforcement authorities when appropriate. Any Employee who refuses to comply with or allow the

search or investigation in accordance with this Policy will be subject to disciplinary action.

18. ICON may use surveillance or video cameras to monitor the workplace for safety or security reasons.
19. Dress Code – each department manager has the responsibility to establish an appropriate dress code for their department. Casual, but proper business attire should be worn. The following is a brief list of clothing which would be considered inappropriate for any location in the workplace (this list is not intended to be all inclusive):
 - bare midriffs
 - short shorts/short dresses
 - halter tops
 - spaghetti straps
20. Personal Hygiene – employees are expected to present with a well-groomed appearance each work day, including regular bathing, well kept hair and unobtrusive perfume/cologne/body odors.

ICON AND AFFILIATES SUBSTANCE ABUSE POLICY

PHILOSOPHY

The company believes that a healthy and productive work force that is free from the effects of illicit drugs and alcohol is important to the company, to our Employees, and to the local community. The abuse of drugs and alcohol creates a variety of workplace problems, including increased injuries, absenteeism, theft, added cost to benefit plans, decreased Employee morale, productivity, safety, and a decline in quality of products and services.

For these reasons, the company has adopted the following drug and alcohol policy.

POLICY

Controlled Substance Abuse Provision

Possessing, dispensing or using a controlled substance or reporting to work or working with the presence of a controlled substance without a medical prescription is strictly prohibited. Any Employee found violating this provision will be subject to immediate termination of employment.

Employees must notify their supervisor if they are taking over-the-counter or prescriptions drugs that may affect their ability to work safely. Such employees may be transferred to a non-safety sensitive job or may be required to provide a doctor's release.

Alcohol Provision

Reporting to work with any presence of alcohol or consuming alcohol during your scheduled work hours, at lunch or breaks is prohibited. Employees transporting company visitors, other Employees or products, or conducting company business with the presence of alcohol in their system cannot be tolerated. Any Employee found violating the alcohol provision will be subject to appropriate discipline or termination of employment.

If you have a problem related to using either alcohol or drugs, we strongly encourage you to contact Human Resources for help in securing counseling or other treatment. To aid the company in detecting drug or alcohol abuse and in providing a safer working environment, the company has adopted a testing procedure for all Employees.

PROCEDURE

A. Voluntary Admittance to Drug Use

Employees who voluntarily admit to drug or alcohol abuse before they are required to be tested will be placed on probationary status and be subject to individual testing at any time. Any positive test at a later time would result in immediate discharge. Employees in a safety sensitive job will be moved immediately to a non-safety sensitive position or placed on suspension until a position becomes available. If appropriate, their pay will be adjusted to accommodate the pay scale for the new position.

Any Employee wanting to return to work following a leave of absence for alcohol or drug abuse must submit to and pass the screening process. The Employee may be required to pass a drug screen at any time following re-employment; failure to pass the screen will result in termination of employment.

If an Employee cannot agree to this course of action, he or she may voluntarily resign.

B. Categories for Screening

The alcohol and drug testing program is not intended to violate individual rights, but to meet our objective of safeguarding all Employees and the assets of the company. Following are categories and reasons the company may require a drug screen:

1. **All Employees:** The company may at any time choose to test all Employees, or all Employees within a department or job class - with or without notice.
2. **All Final Job Candidates:** Candidates for salaried and hourly jobs will be required to pass a drug screen before being placed on the payroll. This test must be completed as scheduled by management. If the test is positive, the applicant must wait six months before reapplying - evidence of rehabilitation or counseling will be helpful.
3. **Safety Sensitive Jobs:** The final internal candidate who applies for transfer into the following positions must also pass a drug screen: truck drivers, forklift operators, maintenance personnel, punch press operators, welders, benders, employees working with hazardous chemicals/materials, or others as deemed necessary by management.
4. **Random Drug Testing:** A random method will be used to select several Employees periodically to take a drug screen.
5. **Layoffs and Rehires:** If the separation from employment has been longer than 90 days, a drug screen may be required before returning to work.
6. **Probable Cause:** This shall include but not be limited to:
 - a. Accidents that require medical attention at a doctor's office or hospital.
 - b. Employees involved in or party to an accident even though they were not injured.
 - c. Accidents that involve major property, product or equipment damage (\$500 or more), other accidents, or near-accidents may also require testing as determined by management.
 - d. Suspicion of individual use (odor, behavior, rumor, staggering, slurred speech, etc.)

A supervisor should consult with his or her manager and the Human Resources Department or Safety Department when available, before a drug test is required in all cases, except for medical injuries that require treatment at a medical center. If these departments are not available the Supervisor will be responsible to make the decision.

7. **Employees of Contractors:** Those working on ICON property may also be required to be tested if the work they are performing has safety concerns associated with it, or for probable cause.
8. **Temporary Employees of ICON:** If employment will last 2 weeks or less a drug screen may be required.

C. Testing

1. The Company may use urine, breath, saliva, hair, or any other normal, commonly accepted means for testing purposes. The most common test administered will be urine. All pending tests will automatically be screened a second time using more extensive and detailed chemical analysis.
2. Employees sent for a “probable cause” drug screen will not drive themselves. Their manager will be responsible for transportation arrangements. They will be suspended until final test results are completed.
3. The company will pay the cost for the testing.
4. Samples will be collected and tested in a manner to reasonably prevent substitutions or interference’s with the sample.
5. Testing for current Employees shall occur during or immediately after the regular work period and shall be deemed as time worked for purposes of compensation.
6. We take reasonable precaution to maintain the confidentiality of test results.

D. Positive Drug/Alcohol Screen Results

If the sample is not within proper temperature range, has been adulterated, or is positive for any drug not authorized by a current doctor’s prescription, Employees are given two choices: (a) they can voluntarily resign, or (b) be terminated. They may be eligible to reapply for employment in six months. Some evidence of

rehabilitation or counseling will be helpful for re-employment. A second positive drug screen will result in immediate discharge and a no re-hire status. Employees may request a copy of the written test results.

If the result is positive for alcohol, the Employee will be subject to appropriate discipline or termination of employment.

For any drug test that is pending, the Employee will be suspended without pay until final results are obtained. If the results are negative the Employee may be paid their lost wages, this will depend on the circumstance surrounding the reason for the drug screen. Employees who disagree with the results can request a second confirmation test at a certified lab of their choice. They may also request a confidential meeting with management to discuss the test results. This test will be performed on the original sample as well as on a second sample at the company's or Employee's option. Negative tests will be paid for by the company and positive tests will be paid for by the Employee.

E. Each Employee agrees to abide by the terms of our Substance Abuse Policy and notify the company of any criminal drug conviction for a violation occurring in the workplace within five days after such conviction.

F. Refusal to Submit to an Alcohol/Drug Screen

A refusal to provide a sample will be viewed as a voluntary resignation or grounds for immediate discharge.

G. ICON reserves the right to inspect and search any packages, parcels, packs, briefcases, lockers, storage areas, other containers and automobiles brought upon the Company Premises.

Under unusual or mitigating circumstances, management reserves the right to adjust the disciplinary measures listed in this policy.

SAFETY RULES

The following is a list of safety rules and regulations for all Employees and visitors while on company property. These rules are provided as a reminder of your responsibility to prevent accidents.

We recognize that no list of rules can cover all possible situations and that this list is not inclusive of all safe work practices. However, the following is a

general guide for basic safe work habits in the work environment. If there are questions about your specific work, contact your manager or supervisor.

1. Work-related Illness or Injury, no matter how slight, must be reported **at once** to your department manager or supervisor. Medical treatment will be provided by a company-designated physician when necessary.
2. Running, horseplay, throwing objects, or distracting other Employees involved in work will not be tolerated.
3. Excessive jewelry (including facial and other bodily jewelry) or loose clothing must not be worn around moving machinery. Gloves can only be worn when approved by your department manager. Some departments will require the use of gloves.
4. Hair that is shoulder length or hangs in an unsafe manner must be tied up in a bun or groomed in such a way that it could not be caught in a machine. This applies to all Employees assigned to work in a production position.
5. Good housekeeping is required in your work area. Keep all walking and working surfaces clear of debris and oil.
6. Obey all warning signs and posters.
7. Do not lift objects over 50 pounds without asking for help. Even then, lift with your legs while keeping your back straight.
8. Never operate any equipment, including forklifts, unless you have been trained to do so and you have permission from the appropriate manager.
9. KEEP CLEAR ACCESS TO all fire fighting equipment, first aid stations, electrical panels and disconnects, exit doors and aisles.
10. Only operate manufacturing equipment which has all guards in place. Report any problems to your manager. Preventive maintenance work will be done by the Maintenance Department unless instructed differently by a manager. REPLACE ALL GUARDS BEFORE OPERATING. (This does not include products for resale.)
11. DO NOT USE COMPRESSED AIR TO CLEAN YOURSELF OR YOUR CLOTHING.
12. Never walk under or near a load carried by forklifts or other heavy equipment. It is your responsibility to watch out for heavy equipment since the vision of the equipment operator is at times impaired.
13. Facility electrical problems are to be handled by maintenance electricians. Do not work with electrical circuits, switches or wiring. Small hand tools

with electrical problems should be reported or returned to the Maintenance Department. Regular inspection of the circuit switches and wiring will be made by a maintenance electrician. (This does not include products for sale.)

14. Personal protective equipment such as eyeglasses, ear plugs, face shields, coveralls, etc., must be worn at all times while in designated areas.

Eye/Foot Protection: Safety glasses with side shields will be issued to Employees whose work could expose them to eye injury. Check with your manager. **The company will pay \$40 towards prescription eye glasses after 60 days of employment if required for safety reasons.**

Safety Shoes: Must be worn by Employees whose managers require them, such as: Steel-tech, Powder Coat areas, Fabrication and Robotics. **The company will pay \$50 towards safety shoes after 60 days if required for safety reasons.** Safety department has more details.

Ear Protection: As assigned by your manager

Face Shields: All Employees involved in cutting, welding, grinding or as assigned by your manager.

15. During the course of employment, you may be working with hazardous chemicals. A Material Safety Data Sheet (MSDS) is available in the safety office and it explains all of the precautions in using these chemicals.
16. Dress requirements for Employees who work in the metal fabrication and production areas: no open-toed shoes, pants must extend to the ankle and shirts that cover the body; no halter tops or bare midriffs.
17. Seat belts must be worn by all Employees driving company vehicles (including forklifts) or who drive personal vehicles on company time. Employees who drive personal vehicles must hold a valid operators license and have a current insurance policy.

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**ICON
EMPLOYEE'S ACKNOWLEDGMENT OF
RECEIPT OF EMPLOYEE HANDBOOK**

This handbook, among other things, contains information concerning ICON benefit plans, general company guidelines, general policies, safety rules, and our substance abuse policy.

I agree to abide by the rules and/or policies contained in this book. I acknowledge and agree that my refusal to submit to give a sample and/or my failure or refusal to submit to drug and/or alcohol testing will be grounds for discipline and/or including immediate termination of employment.

Nothing in this handbook should be construed as a contract, or as a guarantee that any particular procedure or criteria will be utilized in individual instances. Your employment at ICON is "at will". You and the Company each have the right to terminate the employment relationship at any time for any cause or for no cause at all. Nothing but an express written contract signed by you and a the President of this Company can modify this "employment at will" arrangement.

All Employees must obtain initial treatment for work-related injuries at an approved location.

| | |
|---|---|
| <u>Location for Logan/Smithfield Employees:</u> | <u>Location for Clearfield Employees:</u> |
| The Clinic at | WorkMed |
| Logan Regional Hospital | 1992 West 2000 North |
| 1400 North 500 East | Layton, Utah |
| Logan, Utah | Phone: 776-4444 |
| Phone: 752-1010 | Open: 7:30 a.m. to 5:30 p.m. |

Consult with your supervisor or Human Resources Department if you are outside the Logan or Clearfield areas. In the event of a life-threatening emergency after hours or outside of Cache Valley, injured Employees will be sent to the nearest hospital emergency facility.

Injured Employees are permitted by law to obtain medical care from a physician of their choice only after being seen by the company designated health care provider. If an Employee is treated by an unauthorized medical provider, the Employee may be disciplined up to and including termination. Contact your supervisor immediately if you are injured.

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Print Name

Date

Employee Signature