

Kimball Electronics, Inc.

The Kimball Electronics, Inc. Short-Term Disability Plan

Plan Number: SA3-880-054511-01

January 1, 2016, updated January 1, 2020, updated January 1, 2022, updated January 1, 2023

The information contained in this document is merely a compilation of the Company's short-term disability plan provisions for use in administering claims handling and is not intended to be a Plan document on which a participant may rely for benefits. The Company has reviewed and approved the summary of the Plan's provisions contained herein. The Company is the Plan Fiduciary. The Plan provides short term disability (STD) benefits to eligible participants under the terms and conditions of the Plan. The Plan is a self-funded welfare benefit plan (Plan).

Kimball Electronics, Inc. (Company).

Liberty Life Assurance Company of Boston (Liberty) provides non-fiduciary claim processing services to the Plan. The Plan is not insured by Liberty, and Liberty has not issued any insurance policy that would fund benefits under the Plan. Liberty is not responsible to fund the payment of any benefits under the Plan. All benefits are funded by **Kimball Electronics, Inc.**

This document provides a summarized explanation of the Plan benefits in effect as of the date on the front page of this document. The master plan, if any, more fully describes the terms and conditions of the Plan. If the terms of this document and the master plan differ, the master plan will govern. A complete copy of the master plan, if any, is in the possession of the Company and is available for your review upon request. In the event of any changes in benefits or Plan provisions, the Company will provide you a new summary plan description, a statement of material modification, or a supplement that describes any changes.

Possession of this document does not necessarily mean you are a participant under the Plan. This document explains the requirements for becoming a participant under the Plan. The dates on which participation begins or ceases are explained within this document. The description of Eligible Classes, as that term is defined in this document, will help you determine what benefits, if any, may apply to you.

For information, call **Kimball Electronics, Inc.** at 812-634-4640.

THE PLAN MAY BE AMENDED OR TERMINATED BY KIMBALL ELECTRONICS, INC. AT ANY TIME AND FOR ANY REASON.

SECTION 1 - PLAN SPECIFICATIONS

ELIGIBILITY REQUIREMENTS FOR BENEFITS

Minimum Hourly Requirement:

Employees working a minimum of 30 regularly scheduled hours per week.

Short Term Disability Benefits:

All eligible full-time Employees of Kimball Electronics, Inc. that **do not** work in a state that mandates statutory short disability benefits. Employees in those states will participate in the statutory benefits for their respect state.

Note: This policy does not cover the following Employees: Temporary, seasonal Employees, or Part Time Employees (those working less than 30 hours weekly average), and Employees who are not legal residents working in the United States.

Eligibility Waiting Period:

1. If the Covered Person is employed by the Sponsor on the plan effective date-
Immediately, no waiting period.
2. If the Covered Person begins employment for the Sponsor after the plan effective date-
Immediately, no waiting period.

Employee Contributions Required:

Yes for 60% option; no for 50% option.

SHORT TERM DISABILITY BENEFITS

Elimination Period:

The period for which a benefit is payable will commence following the Elimination Period shown below:

7 calendar days for Injury

7 calendar days for Sickness

Note: Benefits will be paid retro to the 1st day of continuous Disability if the Covered Person remains Disabled following the completion of the Elimination Period. If no longer disabled during the elimination period, no benefits paid.

Amount of Benefits:

Either 50% or 60% of Basic Weekly Earnings less Other Income Benefits and Other Income Earnings as outlined in Section 4; to a maximum of \$2,500 weekly.

Maximum Benefit Period: 26 weeks for either injury or sickness.

Applicable to Injury:

The period for which a benefit is payable, following completion of the Elimination Period, for any one Disability will end on the earliest of:

- a. the end of the Disability; or
- b. the end of the 26th week of Disability for which a benefit is payable.

Applicable to Sickness:

The period for which a benefit is payable, following completion of the Elimination Period, for any one

Disability will end on the earliest of:

- a. the end of the Disability; or
- b. the end of the 26th week of Disability for which a benefit is payable.

In this section the Sponsor defines some basic terms needed to understand this plan. The male pronoun whenever used in this plan includes the female.

SECTION 2 – DEFINITIONS

Active Employment" means the Employee must be actively at work for the Sponsor:

1. on a full-time basis and paid regular earnings;
2. for at least the minimum number of hours shown in the Plan Specifications; and either perform such work:

- a. at the Sponsor's usual place of business; or
- b. at a location to which the Sponsor's business requires the Employee to travel.

An Employee will be considered actively at work if he was actually at work on the day immediately preceding:

1. a weekend (except where one or both of these days are scheduled work days);
2. holidays (except when the holiday is a scheduled work day);
3. paid vacations;
4. any non-scheduled work day;
5. an excused leave of absence (except medical leave for the Covered Person's own disabling condition and lay-off); and
6. an emergency leave of absence (except emergency medical leave for the Covered Person's own disabling condition).

Administrative Office" means Liberty Life Assurance Company of Boston, 9 Riverside Road, Weston, MA 02493.

"Application" is the document designated in Section 9, it is attached to and is made a part of this plan.

"Appropriate Available Treatment" means care or services which are:

1. generally acknowledged by Physicians to cure, correct, limit, treat or manage the disabling condition;
2. accessible within the Covered Person's geographical region;
3. provided by a Physician who is licensed and qualified in a discipline suitable to treat the disabling Injury or Sickness;
4. in accordance with generally accepted medical standards of practice.

"Basic Weekly Earnings/Pre-Disability Earnings" means your regular weekly rate of pay, not counting commissions, bonuses, tips and tokens, overtime pay or any other fringe benefits or extra compensation in effect on the last day you were Actively at Work before you became disabled.

However, if you are an hourly paid employee, Pre-disability Earnings equals your hourly rate based on a 40 hour work week.

"Covered Person" means an Employee covered under this plan.

"Disability" or **"Disabled"** means the Covered Person, as a result of Injury or Sickness, is unable to perform the Material and Substantial Duties of his Own Job including Injury, Sickness, Mental Illness, Substance Abuse or pregnancy.

"Eligibility Date" means the date an Employee becomes eligible for benefits under this plan. Eligibility Requirements are shown in the Plan Specifications.

"Eligibility Waiting Period" means the continuous length of time an Employee must be in Active Employment in an eligible class to reach his Eligibility Date.

"Elimination Period" means a period of consecutive days of Disability for which no benefit is payable.

SECTION 2 – DEFINITIONS (cont.)

The Elimination Period is shown in the Schedule of Benefits and begins on the first day of Disability.

"Employee" means a person in Active Employment with the Sponsor.

"Enrollment Form" is the document completed by the Covered Person, if required, when enrolling for benefits. This form must be satisfactory to the Sponsor or its agent.

"Family and Medical Leave" means a leave of absence for the birth, adoption or foster care of a child, or for the care of the Covered Person's child, spouse or parent or for the Covered Person's own serious health condition as those terms are defined by the Federal Family and Medical Leave Act of 1993 (FMLA) and any amendments, or by applicable state law.

"Gross Weekly Benefit" means the Covered Person's Weekly Benefit before any reduction for Other Income Benefits and Other Income Earnings.

"Hospital" or "Institution" means a facility licensed to provide Treatment for the condition causing the Covered Person's Disability.

"Initial Enrollment Period" means one of the following periods during which an Employee may first enroll for benefits under this plan:

1. for an Employee who is eligible for benefits on the plan effective date, a period before the plan effective date set by the Sponsor.
2. for an Employee who becomes eligible for benefits after the plan effective date, the period which ends the employee waiting period, which is the 1st of the month following 30 days employment.

"Injury" means bodily impairment resulting directly from an accident and independently of all other causes. For the purpose of determining benefits under this plan:

1. any Disability which begins more than 7 days after an Injury will be considered a Sickness; and
2. any Injury which occurs before the Covered Person is covered under this plan, but which accounts for a medical condition that arises while the Covered Person is covered under this plan will be treated as a Sickness.

"Material and Substantial Duties" means responsibilities that are normally required to perform the Covered Person's Own Job and cannot be reasonably eliminated or modified.

"Own Job" means the Covered Person's job that he was performing when his Disability or Partial Disability began.

"Partial Disability" or "Partially Disabled" means the Covered Person, as a result of Injury or Sickness, is able to:

1. perform one or more, but not all, of the Material and Substantial Duties of his Own Job or another job on an Active Employment or a part-time basis; or
2. perform all of the Material and Substantial Duties of his Own Job or another job on a part-time basis; and
3. earn between 20% and 80% of his Basic Weekly Earnings.

"Physician" means a person who:

1. is licensed to practice medicine and is practicing within the terms of his license; or

SECTION 2 – DEFINITIONS (cont.)

2. is a licensed practitioner of the healing arts in a category specifically favored under the health coverage laws of the state where the Treatment is received and is practicing within the terms of his license. It does not include a Covered Person, any family member or domestic partner.

"Proof" means the evidence in support of a claim for benefits and includes, but is not limited to, the following:

1. a claim form completed and signed (or otherwise formally submitted) by the Covered Person claiming benefits;
2. an attending Physician's statement completed and signed (or otherwise formally submitted) by the Covered Person's attending Physician; and
3. the provision by the attending Physician of standard diagnosis, chart notes, lab findings, test results, x-rays and/or other forms of objective medical evidence in support of a claim for benefits. Proof must be submitted in a form or format satisfactory to Liberty.

"Regular Attendance" means the Covered Person's personal visits to a Physician which are medically necessary according to generally accepted medical standards to effectively manage and treat the Covered Person's Disability or Partial Disability.

"Plan Specifications" means the section of this plan which shows, among other things, the Eligibility Requirements, Eligibility Waiting Period, Elimination Period, Amount of Benefits, Minimum Benefit, and Maximum Benefit Period.

"Sickness" means illness, disease, pregnancy or complications of pregnancy.

"Sponsor" means the entity to whom this plan is issued.

"Statutory Disability Benefits" is a State-mandated disability insurance program which provides **monetary benefits** to an eligible wage earner to replace, in part, wages lost when he/she is disabled by an off-the-job illness or injury, and for disabilities arising from pregnancy.

"Treatment" means consulting, receiving care or services provided by or under the direction of a Physician including diagnostic measures, being prescribed drugs and/or medicines, whether the Covered Person chooses to take them or not, and taking drugs and/or medicines.

"Weekly Benefit" means the weekly amount payable by the Sponsor to the Disabled or Partially Disabled Covered Person.

You or your means the person to whom this Plan is issued.

SECTION 3 - PLAN ELIGIBILITY AND EFFECTIVE DATES

Eligibility Requirements for Benefits

The eligibility requirements for benefits are shown in the Plan Specifications.

Eligibility Date for Benefits

An Employee in an eligible class will qualify for benefits on the later of:

1. this plan's effective date; or
2. the day after the Employee completes the Eligibility Waiting Period shown in the Plan Specifications.

SECTION 3 - PLAN ELIGIBILITY AND EFFECTIVE DATES (cont.)

Effective Date of Benefits

Benefits will be effective at 12:01 A.M. Standard Time in the governing jurisdiction on the day determined as follows, but only if the Employee's application or enrollment for benefits is made with the Sponsor in a form or format satisfactory to the Sponsor.

An Employee will be covered on his Eligibility Date.

Delayed Effective Date for Benefits

The effective date of any initial, increased or additional benefits will be delayed for an individual if he is not in Active Employment because of Injury or Sickness. The initial, increased or additional benefits will begin on the date the individual returns to Active Employment.

Change in Family Status: What constitutes a change in Family Status?

A Change in Family Status occurs when:

- 1) You get married;
- 2) You and your spouse divorce;
- 3) Your child is born or You adopt or become the legal guardian of a child;
- 4) Your spouse dies;
- 5) Your child is no longer financially dependent on You or dies; or
- 6) Your spouse is no longer employed, which results in a loss of group benefits.

Change in coverage? :Can I change my benefit options?

You may change your benefit option only:

- 1) During an Annual Enrollment Period; or
- 2) Within 30 days of a change in family status.

At such time you may decrease coverage, or increase coverage to a higher option. An increase in coverage will be subject to your submission of an application that meets the approval of the Claims Administrator.

Continuity from a Prior Plan: Is there a continuity of coverage from a Prior Plan?

If you were:

- 1) Insured under the Prior Plan; and
- 2) Not eligible to receive benefits under the Prior Plan;
- 3) On the day before the Plan Effective Date, the Deferred Effective Date provision will not apply.

Continuation Provisions: can my coverage be continued beyond the date it would otherwise terminate?

Coverage can be continued by Your Employer beyond a date shown under termination provisions, if your employer provides a plan of continuation which applies to all employees the same way. Continued coverage:

- 1) Is subject to any reductions in the Plan; and
- 2) Terminates if:
 - a) The plan terminates; or
 - b) Coverage for your class terminates.

In any event, Your benefit level, or the amount of earnings upon which Your benefits may be based, will be that in effect on the day before your coverage was continued. Coverage may be continued in accordance with the above restrictions and as described below:

Family and Medical

An Employee's benefits may be continued under this plan for an approved family or medical leave of absence for up to 12 weeks following the date benefits would have terminated, subject to the following:

1. the authorized leave is in writing;
2. the required contribution is made;
3. the Covered Person's benefit level, or the amount of earnings upon which the Covered Person's

SECTION 3 - PLAN ELIGIBILITY AND EFFECTIVE DATES (cont.)

- benefit may be based, will be that in effect on the date before said leave begins; and
4. continuation of benefits will cease immediately if any one of the following events should occur:

- a. the Covered Person returns to work;
- b. this group benefit plan terminates;
- c. the Covered Person is no longer in an eligible class;
- d. fails to make the required contribution when due to the Sponsor;
- e. the Covered Person's employment terminates.

Leave of Absence

The Sponsor may continue the Covered Person's benefit by making the required contribution, if the Covered Person is given a leave of absence.

The Covered Person's benefit will not continue beyond a period of 26 weeks; as limited by the following: 8 weeks for Lay off; 12 weeks for FMLA and 26 weeks for STD. In continuing such benefit under this provision, the Sponsor agrees to treat all Covered Persons equally.

Coverage while Disabled: *Does my coverage continue while I am Disabled and no longer an Active Employee?* If you are disabled and You cease to be an Active Employee, Your coverage will be continued

- 1) While you remain Disabled; and
- 2) Until the end of the period for which you are entitled to receive short term Disability Benefits.

After short term Disability benefit payments have ceased, Your coverage will be reinstated, provided:

- 1) You return to work for one full day as a full-time Active Employee in an eligible class; and
- 2) The policy remains in force.

Extension of Coverage for Total Disability: *Does coverage continue if the Policy terminates?*

If you are entitled to coverage while disabled and the plan terminates, coverage:

- 1) Will continue as long as you remain disabled by the same Disability; but
- 2) Will not be provided beyond the date We would have ceased to pay coverage had the coverage remained in force.

Termination of the Policy for any reason will have no effect on The Employer's liability under this provision.

Rehire Terms

If a former Employee is re-hired by the Sponsor within 6 months of his termination date, all past periods of Active Employment with the Sponsor will be used in determining the re-hired Employee's Eligibility Date. If a former Employee is re-hired by the Sponsor more than 6 months after his termination date, he is considered to be a new Employee when determining his Eligibility Date.

SECTION 4 - DISABILITY INCOME BENEFITS

SHORT TERM DISABILITY BENEFITS

Disability Benefit

When Liberty, on behalf of the Sponsor, receives Proof that a Covered Person is Disabled due to Injury or Sickness and requires the Regular Attendance of a Physician, he may be eligible to receive a Weekly Benefit after the end of the Elimination Period, subject to any other provisions of this plan. The benefit will be paid for the period of Disability if the Covered Person gives to Liberty, on behalf of the Sponsor, Proof of continued:

SECTION 4 - DISABILITY INCOME BENEFITS (cont.)

1. Disability;
2. Regular Attendance of a Physician; and
3. Appropriate Available Treatment.

The Proof must be given upon Liberty's request, on behalf of the Sponsor, and at the Covered Person's expense. In determining whether the Covered Person is Disabled, Liberty, on behalf of the Sponsor, will not consider employment factors including, but not limited to, interpersonal conflict in the workplace, recession, job obsolescence, paycuts, job sharing and loss of a professional or occupational license or certification.

For purposes of determining Disability, the Injury must occur and Disability must begin while the Employee is covered under this plan.

The Weekly Benefit will not:

1. exceed the Covered Person's Amount of Benefits; or
2. be paid for longer than the Maximum Benefit Period.

The Amount of Benefits and the Maximum Benefit Period are shown in the Plan Specifications.

Amount of Disability Weekly Benefit

To figure the amount of Weekly Benefit:

1. Take the lesser of:
 - a. the Covered Person's Basic Weekly Earnings multiplied by the benefit percentage shown in the Plan Specifications; or
 - b. the Maximum Weekly Benefit shown in the Plan Specifications; and then
2. Deduct Other Income Benefits and Other Income Earnings, (shown in the Other Income Benefits and Other Income Earnings provision of this plan), from this amount.

Partial Disability

When Liberty, on behalf of the Sponsor, receives Proof that a Covered Person is Partially Disabled and has experienced a loss of earnings due to Injury or Sickness and requires the Regular Attendance of a Physician, he may be eligible to receive a Weekly Benefit, subject to any other provisions of this plan. To

be eligible to receive Partial Disability benefits, the Covered Person may be employed in his Own Job or another job, must satisfy the Elimination Period, and must be earning between 20% and 80% of his Basic Weekly Earnings.

A Weekly Benefit will be paid for the period of Partial Disability if the Covered Person gives to Liberty, on behalf of the Sponsor, Proof of continued:

1. Partial Disability;
2. Regular Attendance of a Physician; and
3. Appropriate Available Treatment.

The Proof must be given upon Liberty's request, on behalf of the Sponsor, and at the Covered Person's expense. In determining whether the Covered Person is Partially Disabled, Liberty, on behalf of the Sponsor, will not consider employment factors including, but not limited to, interpersonal conflict in the workplace, recession, job obsolescence, paycuts, job sharing and loss of a professional or occupational license or certification.

For purposes of determining Partial Disability, the Injury must occur and Partial Disability must begin while the Employee is covered under this plan.

SECTION 4 - DISABILITY INCOME BENEFITS (cont.)

Proportionate Loss Weekly Calculation

To figure the Amount of Weekly Benefit the formula (A divided by B) x C will be used.

A = The Covered Person's Basic Weekly Earnings minus the Covered Person's earnings received while he is Partially Disabled. This figure represents the amount of lost earnings.

B = The Covered Person's Basic Weekly Earnings.

C = The Weekly Benefit as figured in the Disability provision of this plan plus the Covered Person's earnings received while he is Partially Disabled (not including adjustments under the Cost of Living Adjustment Benefit, if included).

The Weekly Benefit payable will not be more than the Disability benefit otherwise payable under this plan.

Other Income Benefits and Other Income Earnings

Other Income Benefits means:

1. The amount for which the Covered Person is eligible under:
 - a. any work loss provision in mandatory "No-Fault" auto coverage; or
 - b. any other governmental program or coverage required or provided by statute (including any amount attributable to the Covered Person's family).
2. any amount the Covered Person receives from any unemployment benefits; or
3. any amount of Disability and/or Retirement Benefits under the United States Social Security Act, the Canada Pension Plan, the Quebec Pension Plan, or any similar plan or act, which:
 - a. the Covered Person receives or is eligible to receive; and
 - b. his spouse, child or children receives or are eligible to receive because of his Disability; or
 - c. his spouse, child or children receives or are eligible to receive because of his eligibility for Retirement Benefits.

Other Income Earnings means:

1. any amount the Covered Person receives from any formal or informal sick leave or salary continuation plan(s); and
2. the amount of earnings the Covered Person earns or receives from any form of employment including severance.

Other Income Benefits, except Retirement Benefits, must be payable as a result of the same Disability for which the Sponsor pays a benefit. The sum of Other Income Benefits and Other Income Earnings will be deducted in accordance with the provisions of this plan.

Estimation of Benefits

The Covered Person's Disability or Partial Disability benefits will be reduced by the amount of Other Income Benefits that Liberty estimates is payable to the Covered Person and his dependents. The Covered Person's Disability benefit will not be reduced by the estimated amount of Other Income Benefits if the Covered Person:

1. provides satisfactory proof of application for Other Income Benefits;
2. signs a reimbursement agreement under which, in part, the Covered Person agrees to repay the Sponsor for any overpayment resulting from the award or receipt of Other Income Benefits;
3. if applicable, provides satisfactory proof that all appeals for Other Income Benefits have been made on a timely basis to the highest administrative level unless Liberty, on behalf of the Sponsor, determines that further appeals are not likely to succeed; and

SECTION 4 - DISABILITY INCOME BENEFITS (cont.)

4. if applicable, submits satisfactory proof that Other Income Benefits have been denied at the highest administrative level unless Liberty, on behalf of the Sponsor, determines that further appeals are not likely to succeed.

In the event that Liberty, on behalf of the Sponsor, overestimates the amount payable to the Covered Person from any plans referred to in the Other Income Benefits and Other Income Earnings provision of this plan, the Sponsor will reimburse the Covered Person for such amount upon receipt of written proof of the amount of Other Income Benefits awarded (whether by compromise, settlement, award or judgment) or denied (after appeal through the highest administrative level).

Lump Sum Payments

Other Income Benefits from a compromise, settlement, award or judgement which are paid to the Covered Person in a lump sum and meant to compensate the Covered Person for any one or more of the following:

1. loss of past or future wages;
2. impaired earnings capacity;
3. lessened ability to compete in the open labor market;
4. any degree of permanent impairment; and
5. any degree of loss of bodily function or capacity; will be prorated on a weekly basis as follows:
 1. over the period of time such benefits would have been paid if not in a lump sum; or
 2. if such period of time cannot be determined, over a period of 260 weeks.

Cost of Living Freeze

After the first deduction for each of the Other Income Benefits, the Weekly Benefit will not be further reduced due to any cost of living increases payable under the Other Income Benefits provision of this plan.

Prorated Benefits

For any period for which a Short Term Disability benefit is payable that does not extend through a full week, the benefit will be paid on a prorated basis. The rate will be 1/5th for each day for such period of Disability.

Discontinuation of the Short Term Disability Benefit

The Weekly Benefit will cease on the earliest of:

1. the date the Covered Person fails to provide Proof of continued Disability or Partial Disability and Regular Attendance of a Physician;
2. the date the Covered Person fails to cooperate in the administration of the claim. Such cooperation includes, but is not limited to, providing any information or documents needed to determine whether benefits are payable or the actual benefit amount due;
3. the date the Covered Person refuses to be examined or evaluated at reasonable intervals;
4. the date the Covered Person refuses to receive Appropriate Available Treatment;
5. the date the Covered Person refuses a job with the Sponsor where workplace modifications or accommodations were made to allow the Covered Person to perform the Material and Substantial Duties of the job;
6. the date the Covered Person is able to work in his Own Job on a part-time basis, but chooses not to;
7. the date the Covered Person's current Partial Disability earnings exceed 80% of his Basic Weekly Earnings; Because the Covered Person's current earnings may fluctuate, earnings will be averaged over three consecutive weeks rather than immediately terminating his benefit once 80% of Basic Weekly Earnings has been exceeded.
8. the date the Covered Person is no longer Disabled according to this plan;
9. the end of the Maximum Benefit Period; or

SECTION 4 - DISABILITY INCOME BENEFITS (cont.)

10. the date the Covered Person dies.

Successive Periods of Disability

With respect to this plan, "**Successive Periods of Disability**" means a Disability which is related or due to the same cause(s) as a prior Disability for which a Weekly Benefit was payable.

A Successive Period of Disability will be treated as part of the prior Disability if, after receiving Disability benefits under this plan, a Covered Person:

1. returns to his Own Job on an Active Employment basis for less than 14 continuous days; and
2. performs all the Material and Substantial duties of his Own Job.

To qualify for the Successive Periods of Disability benefit, the Covered Person must experience more than a 20% loss of Basic Weekly Earnings.

Benefit payments will be subject to the terms of this plan for the prior Disability. If a Covered Person returns to his Own Job on an Active Employment basis for 30 continuous days or more, the Successive Period of Disability will be treated as a new period of Disability. The Covered Person must complete another Elimination Period.

If a Covered Person becomes eligible for benefits under any other group short term disability plan, this

Successive Periods of Disability provision will cease to apply to that Covered Person.

SECTION 5 – EXCLUSIONS

GENERAL EXCLUSIONS

This plan will not cover any Disability due to:

1. war, declared or undeclared, or any act of war;
2. intentionally self-inflicted injuries, while sane or insane;
3. active Participation in a Riot;
4. the committing of or attempting to commit a felony or misdemeanor;
5. cosmetic surgery unless such surgery is in connection with an Injury or Sickness sustained while the individual is a Covered Person;
6. Employees covered by a state statutory disability plan (California, New York, New Jersey, Rhode Island, Hawaii, and Puerto Rico).

You must be under the Regular Care of a Physician

If you are receiving or are eligible for benefits for a disability under a prior disability plan that:

- 1) Was sponsored by the Employer; and
- 2) Was terminated before the Effective date of The Plan;

No benefits will be payable for the Disability under the Plan.

No benefit will be payable during any period of incarceration.

With respect to this provision, **Participation** shall include promoting, inciting, conspiring to promote or incite, aiding, abetting, and all forms of taking part in, but shall not include actions taken in defense of public or private property, or actions taken in defense of the Covered Person, if such actions of defense are not taken against persons seeking to maintain or restore law and order including, but not limited to police officers and fire fighters.

SECTION 5 – EXCLUSIONS (cont.)

With respect to this provision, **Riot** shall include all forms of public violence, disorder or disturbance of the public peace, by three or more persons assembled together, whether or not acting with a common intent and whether or not damage to persons or property or unlawful act or acts is the intent or the consequence of such disorder.

Weekly Benefit will not be payable if a Covered Person becomes Disabled due to:

1. Injury that arises out of or in the course of employment; or
2. Sickness when a benefit is payable under a Workers' Compensation Law, or any other act or law of like intent.

These exceptions will not apply to partners or proprietors who elect not to be covered under such laws.

SECTION 6 - TERMINATION PROVISIONS

Termination of a Covered Person's Benefits

A Covered Person will cease to be covered on the earliest of the following dates:

1. the date this plan terminates, but without prejudice to any claim originating prior to the time of termination;

2. the date the Covered Person is no longer in an eligible class;
3. the date the Covered Person's class is no longer included for benefits;
4. the last day of the month coincident with or following the date employment (status as an active Employee) or eligibility ends for any reason. Cessation of Active Employment will be deemed termination of employment, except that benefits will be continued for an Employee absent due to Disability during the Elimination Period.
5. the date the Covered Person ceases active work due to a labor dispute, including any strike, work slowdown, or lockout.

The Sponsor, reserves the right to review and terminate all classes covered under this plan if any class(es) cease(s) to be covered.

SECTION 7 - GENERAL PROVISIONS

Assignment

No assignment of any present or future right or benefit under this plan will be allowed.

Complete Contract - Plan Changes

1. This plan is the entire contract. It consists of all of the pages.
2. This plan may be changed in whole or in part. Only an officer of the Sponsor can approve a change. The approval must be in writing and endorsed on or attached to this plan.
3. No other person, including an agent, may change this plan or waive any part of it.

Employee's Booklet

The Sponsor will provide a Booklet for delivery to each Covered Person. It will state:

1. the name of the Plan Administrator and the plan number;
2. a description of the benefits provided;
3. the method used to determine the amount of benefits;
4. to whom benefits are payable;
5. limitations or reductions that may apply;
6. the circumstances under which benefits terminates; and
7. the rights of the Covered Person upon termination of this plan.

If the terms of a Booklet and this plan differ, this plan will govern.

SECTION 7 - GENERAL PROVISIONS (cont.)

Examination

Liberty, on behalf of the Sponsor, may have the right and opportunity to have a Covered Person, whose Injury or Sickness is the basis of a claim, examined or evaluated at reasonable intervals deemed necessary by Liberty, on behalf of the Sponsor. This right may be used as often as reasonably required.

Legal Proceedings

A claimant or the claimant's authorized representative cannot start any legal action:

1. until 60 days after Proof of claim has been given; or
2. more than one year after the time Proof of claim is required.

Notice and Proof of Claim

1. Notice

- a. Notice of claim must be given to Liberty, on behalf of the Sponsor, within 30 days of the date of the loss on which the claim is based. If that is not possible, Liberty, on behalf of the Sponsor, must be notified as soon as it is reasonably possible to do so. Such notice of claim must be received in a form or format satisfactory to Liberty, on behalf of the Sponsor.
- b. When written notice of claim is applicable and has been received by Liberty, on behalf of the Sponsor, the Covered Person will be sent claim forms. If the forms are not received within 15 days after written notice of claim is sent, the Covered Person can send to Liberty, on behalf of the Sponsor, written Proof of claim without waiting for the forms.

2. Proof

- a. Satisfactory Proof of loss must be given to Liberty, on behalf of the Sponsor, no later than 30 days after the end of the Elimination Period.
- b. Failure to furnish such Proof within such time shall not invalidate or reduce any claim if it was not reasonably possible to furnish such Proof within such time. Such Proof must be furnished as soon as reasonably possible, and in no event, except in the absence of legal capacity of the claimant, later than one year from the time Proof is otherwise required.
- c. Proof of continued loss, continued Disability or Partial Disability, when applicable, and Regular Attendance of a Physician must be given to Liberty, on behalf of the Sponsor, within 30 days of the request for such Proof.

Liberty, on behalf of the Sponsor, reserves the right to determine if the Covered Person's Proof of loss is Satisfactory

Claim Payment: *When are benefit payments issued?*

When the Claims Administrator determines that You:

- 1) Are disabled; and
- 2) Eligible to receive benefits:

The Claims Administrator will pay accrued benefits at the end of each month that You are Disabled. The Claims Administrator may, at their option, make an advance benefit payment based on the Claims Administrator's estimated duration of Your Disability. If any payment is due after a claim is terminated, it will be paid as soon as Proof of Loss satisfactory to the Claims Administrator is received.

Claims to be Paid: *To who will benefits for my claim be paid?*

All payments are payable to You. Any payments owed at Your death may be paid to Your estate. If any payment is owed to:

- 1) Your estate;

SECTION 7 - GENERAL PROVISIONS (cont.)

- 2) A person who is a minor; or
- 3) A person who is not legally competent;
- 4) Then the Claims Administrator may pay up to \$1,000 to a person who is Related to You and who, at the Claim Administrator's sole discretion, is entitled to it. Any such payment shall fulfill the Claim Administrator's responsibility for the amount paid.

Claim Denial: *What notification will I receive if my claim is denied?*

If a claim for benefits is wholly or partly denied, You will be furnished with written notification of the decision. This written notification will:

- 1) Give the specific reason(s) for the denial;
- 2) Make specific reference to The Policy provisions on which the denial is based;

- 3) Provide a description of any additional information necessary to perfect a claim and an explanation of why it is necessary; and
- 4) Provide an explanation of the review procedure.

Claim Appeal: *What recourse do I have if my claim is denied?*

On any claim, You or Your representative may appeal to the Employer for a full and fair review. To do so You:

- 1) Must request a review upon written application within:
 - a) 180 days of receipt of claim denial if the claim requires the Employer to make a determination of disability; or
 - b) 60 days of receipt of claim denial if the claim does not require the Employer to make a determination of disability; and
- 2) May request copies of all documents, records, and other information relevant to Your claim; and
- 3) May submit written comments, documents, records and other information relating to Your claim.

The Employer will respond to you in writing with the final decision on the claim.

Social Security: *When must I apply for Social Security Benefits?*

The Employer may require that you apply for Social Security disability benefits when the length of Your Disability meets the minimum duration required to apply for such benefits. You must apply within 45 days from the date of the request. If the Social Security Administration denies Your eligibility for benefits, You will be required:

- 1) To follow the process established by Social Security Administration to reconsider the denial; and
- 2) If denied again, to request a hearing before an Administrative Law Judge of the Office of Hearing and Appeals.

Benefit Estimates: *How does the Claims Administrator estimate Disability benefits under the United States Social Security Act?*

The Claims Administrator reserves the right to reduce Your weekly benefit by estimating the Social Security disability benefits You or Our spouse and children may be eligible to receive.

When the Claims Administrator determines that You or Your Dependent may be eligible for benefits, the Claims Administrator may estimate the amount of these benefits. The Claims Administrator may reduce Your Weekly Benefit by the estimated amount.

Your Weekly Benefit will not be reduced by estimated Social Security disability benefits if:

- 1) You apply for Social Security disability benefits and pursue all required appeals in accordance with the Social Security provision; and
- 2) You have signed a form authorizing the Social Security Administration to release information about awards directly to the Claims administrator.

If the Claims Administrator has reduced Your Weekly Benefit by an estimated amount; and

- 1) You or Your Dependent are later awarded Social Security disability benefits, the Claims Administrator will adjust Your Weekly Benefit when the Claims Administrator receives proof of the amount awarded, and determine if it was higher or lower than the Claims Administrator estimates; or

SECTION 7 - GENERAL PROVISIONS (cont.)

- 2) Your application for Social Security disability benefits has been denied, the Claims Administrator will adjust Your Weekly Benefit when You provide the Claims Administrator proof of final denial form which You cannot appeal from an Administrative Law Judge of the office of Hearing and Appeals.

If your Social Security benefits were lower than the Claims Administrator estimated, and the Claims Administrator owes You a refund, the Claims Administrator will make such refund in a lump sum. If Your

Social Security Benefits were higher than the Claims Administrator estimated, and if Your Weekly Benefit has been overpaid, You must make a lump sum refund to the Claims Administrator equal to all overpayments, in accordance with the Overpayment Recovery provision.

Right of Recovery

The Sponsor has the right to recover any overpayment of benefits caused by, but not limited to, the following:

1. fraud;
2. any error made by the Sponsor in processing a claim; or
3. the Covered Person's receipt of any Other Income Benefits.

The Sponsor may recover an overpayment by, but not limited to, the following:

1. requesting a lump sum payment of the overpaid amount;
2. reducing any benefits payable under this plan;
3. taking any appropriate collection activity available including any legal action needed; and
4. placing a lien, if not prohibited by law, in the amount of the overpayment on the proceeds of any Other Income Benefits, whether on a periodic or lump sum basis.

It is required that full reimbursement be made to the Sponsor.

Subrogation and Reimbursement

When a Covered Person's Injury or Sickness appears to be someone else's fault, benefits otherwise

payable under this plan for loss of time as a result of that Injury or Sickness will not be paid unless the Covered Person or his legal representative agree(s):

1. to repay the Sponsor for such benefits to the extent they are for losses for which compensation is paid to the Covered Person by or on behalf of the person at fault;
2. to allow Liberty, on behalf of the Sponsor, a lien on such compensation and to hold such compensation in trust for Liberty, on behalf of the Sponsor; and
3. to execute and give to Liberty, on behalf of the Sponsor, any instruments needed to secure the rights under 1. and 2. above.

Further, when the Sponsor has paid benefits to or on behalf of the injured Covered Person, the Sponsor will be subrogated to all rights of recovery that the Covered Person has against the person at fault. These subrogation rights will extend only to recovery of the amount the Sponsor has paid. The Covered Person must execute and deliver any instruments needed and do whatever else is necessary to secure those rights to Liberty, on behalf of the Sponsor.

Workers' Compensation

This plan and the benefits provided are not in lieu of, nor will they affect any requirements for coverage under any Workers' Compensation Law or other similar law.

SECTION 7 - GENERAL PROVISIONS (cont.)

Misstatements: What happens if facts are misstated?

If material facts about You were not stated accurately, the true facts will be used to determine if, and for what amount, coverage should have been in force.

Plan Interpretation: Who interprets the terms and conditions of the Plan?

The Employer has full discretion and authority to determine eligibility for benefits and to construe and interpret all terms and provisions of The Plan. This provision applies where the interpretation of The Policy is governed by the Employee Retirement Income Security Act of 1974, as amended (ERISA).

SUMMARY PLAN DESCRIPTION

Name of Plan: Kimball Electronics, Inc. Master Welfare Benefits Plan

Plan benefits are provided under the terms of the self-insured Group Disability Income Contract No. SA3-880-054511-01, hereinafter referred to as "the contract", issued by Liberty Life Assurance Company of Boston, hereinafter referred to as "Liberty," to the Employer hereinafter referred to as "Plan Sponsor".

Participants Included: See Schedule of Benefits

Name and Address of Sponsor:

Sponsor's Name and Address

Kimball Electronics, Inc.
1205 Kimball Boulevard
Jasper, IN

Who Pays For the Plan: The Sponsor pays for the 50% plan. The cost of the 60% Plan is funded with both employee post-tax deductions and employer contributions.

Plan Identification Number:

- a. Sponsor IRS Identification No.: 35-2079204
- b. Plan No.: WD520

Type of Plan: Welfare Benefit Plan providing Group Short Disability Income

Plan Year: January 1st - December 31st