



Presentation to Southern Employee
Benefits Conference



REPUBLIC
NATIONAL
DISTRIBUTING COMPANY

Company History

- ❑ Republic National Distributing Company (RNDC) formed in 2007
 - ❑ Approximately \$5 billion in annual sales
 - ❑ Currently 74th on the Forbes List of America's Largest Private Companies
 - ❑ Operations in 21 states
 - ❑ Approximately 7,700 associates
 - ❑ Mostly non-union
-



REPUBLIC
NATIONAL
DISTRIBUTING COMPANY

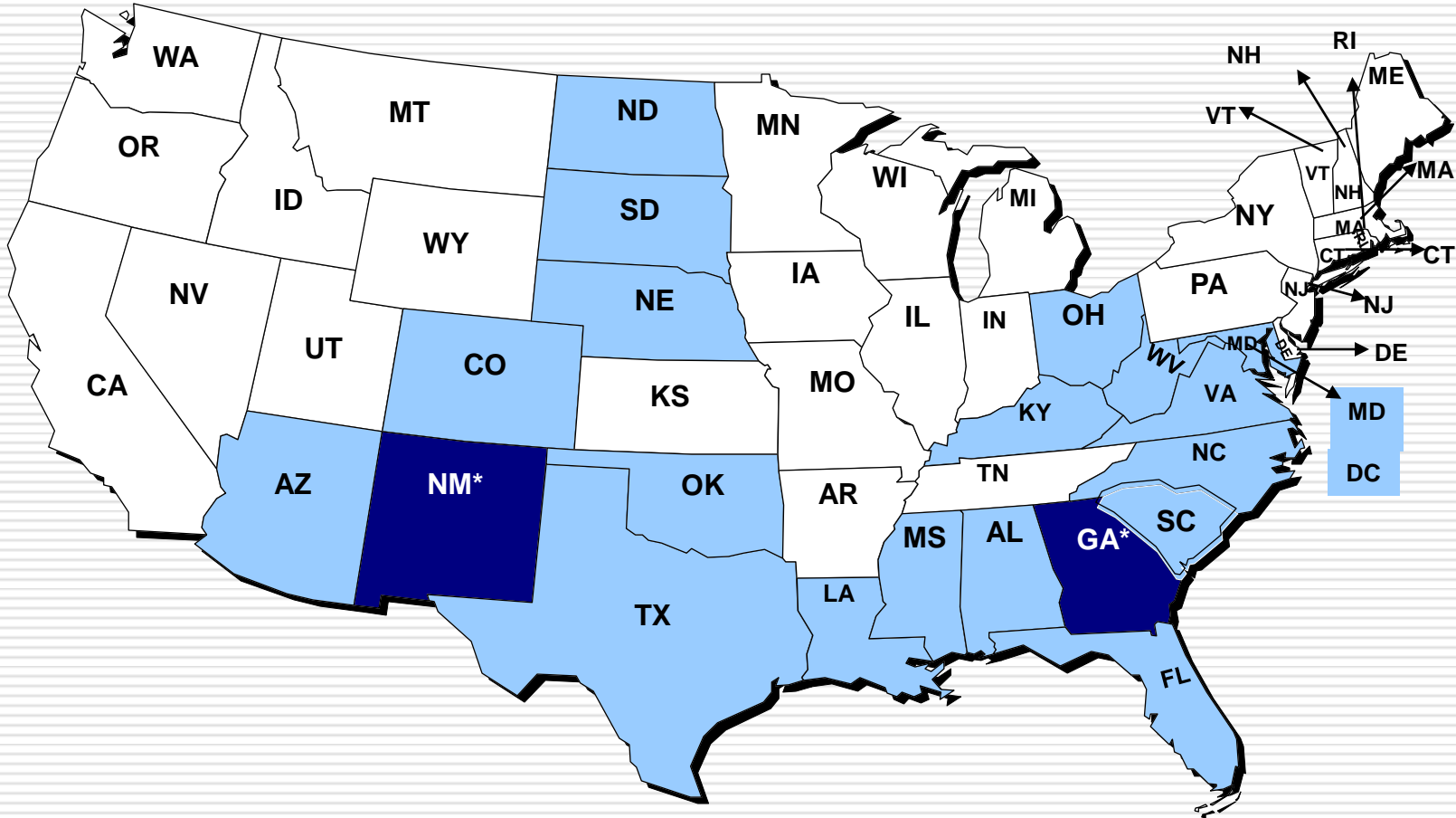
Company History

- ❑ A family owned company and culture
 - ❑ Origins date back to 1898
 - ❑ Second largest beverage alcohol distributor of premium wine and spirits in the U.S.
-



REPUBLIC
NATIONAL
DISTRIBUTING COMPANY

RNDC States



**Georgia and New Mexico are wholly-owned subsidiaries of NDC.*



REPUBLIC
NATIONAL
DISTRIBUTING COMPANY

Beverage Alcohol and the 3-Tier System

- ❑ Prohibition
 - ❑ The twenty-first amendment
 - ❑ Three-tier state-based system established
-



REPUBLIC
NATIONAL
DISTRIBUTING COMPANY

Why the 3-Tier System is Important

- ❑ Properly licensed beverage distributors and wholesalers sell to properly licensed retailers (ex. restaurants, grocery stores, etc) who then sell alcohol to the consumer
 - ❑ Provides “checks and balances” to ensure the safe distribution and sale of alcoholic beverages to retailers and consumers
 - ❑ Ensures that minors do not have access to alcohol
 - ❑ The collection and remittance of proper taxes back to state and local governments for important public services such as health care, roads, and other government programs that benefit citizens of the community
 - ❑ Ensures a level playing field between small and large retailers, promoting competitiveness, and supporting small businesses
-



REPUBLIC
NATIONAL
DISTRIBUTING COMPANY

Benefit Plans

- High Deductable Health Plan (HDHP)**
- Wellness Delivered***
- Health Savings Accounts (HSA)**
- Flexible Spending Accounts (FSA)
- Dental Plan
- Accidental Death (AD&D)
- Short-Term Disability (STD)
- Long-Term Disability (LTD)
- Long Term Disability(LTD)
- Employee Assistance Plan (EAP)
- Paid Time Off
- Executive Physical Program
- 401(k) Plan
- Voluntary Executive Deferred Compensation Contribution Plan**
- Pension Plans (selected locations only)
- Annual Associate Dependant College Scholarships

New for 2012 Benefits in Bold



REPUBLIC
NATIONAL
DISTRIBUTING COMPANY

Benefit Provider Partners

- Medical – United HealthCare
 - FSA – Optum Health Bank
 - Wellness – HealthyRoads/American Specialty Health
 - Dental – Delta Dental
 - Vision – United HealthCare Vision
 - Life and Disability – Liberty Mutual
 - Flexible Spending Accounts (FSA) – TaxSaver
 - 401(k) Plan – J.P. Morgan
 - Employee Assistance Program (EAP) – MHN
-



REPUBLIC
NATIONAL
DISTRIBUTING COMPANY

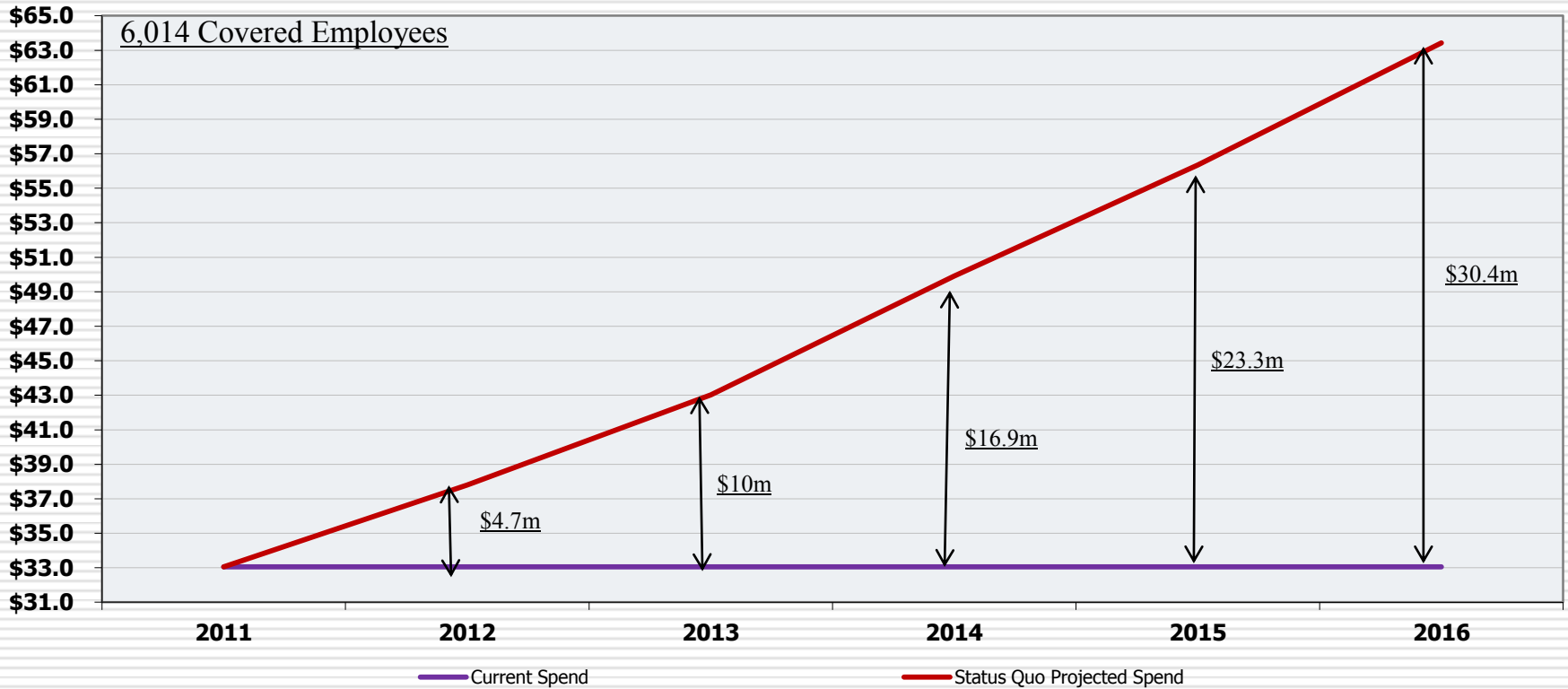
RNDC's Corporate Benefits Strategy

- ❑ Be able to continue to offer benefits to associates, post Health Care Reform
 - ❑ Lower rate of increase in overall cost of medical, disability and related expenses
 - ❑ Develop a common culture of wellness throughout the organization
 - ❑ Cultivate a healthier and more productive workforce
 - ❑ Promote Consumerism values
 - ❑ Stress a greater responsibility for one's health status
 - ❑ More cost-effective purchase of medical care
-



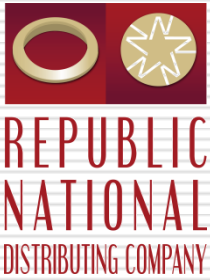
**REPUBLIC
NATIONAL**
DISTRIBUTING COMPANY

5 Year Status Quo Benefit Plan Cost Projection - No Change in Strategy

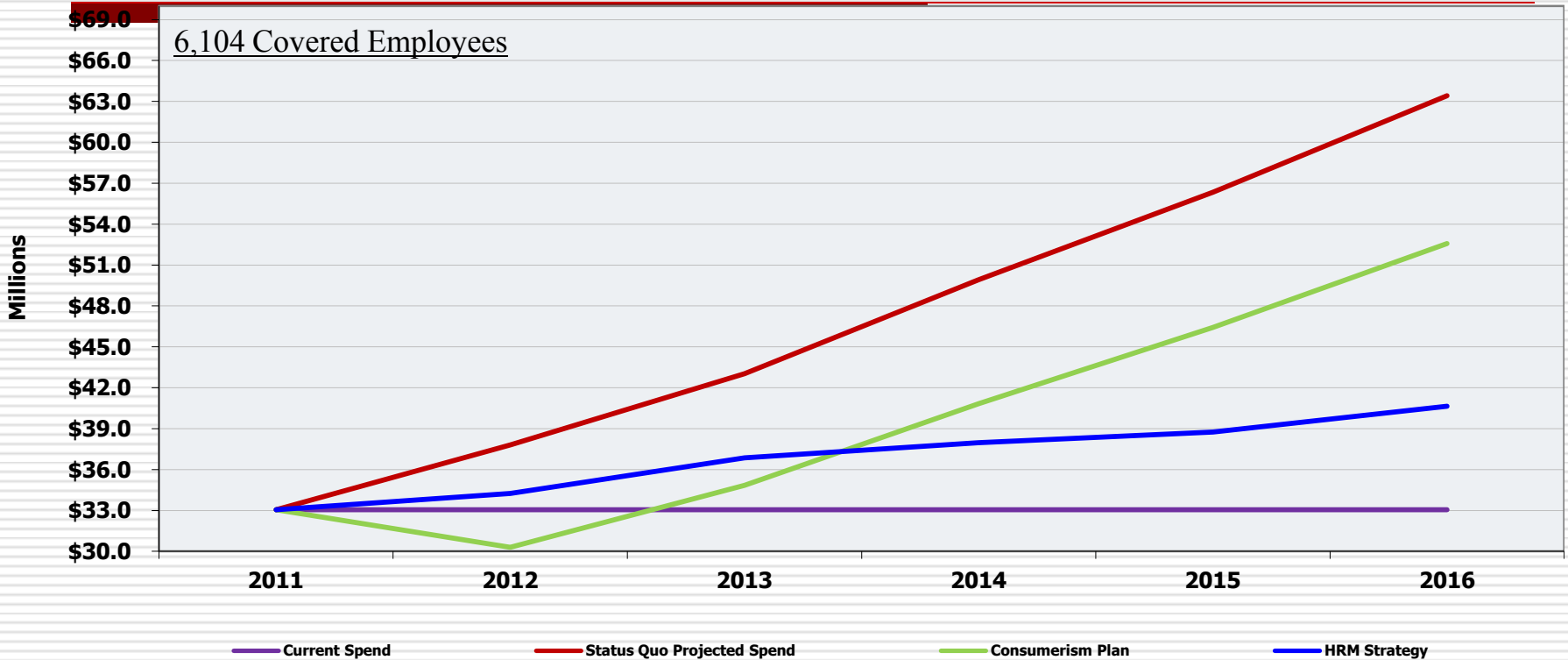


	2011	2012	2013	2014	2015	2016	Cumulative
Projected Net Spend Status Quo	\$33,055,000	\$37,802,000	\$43,024,000	\$49,916,000	\$56,349,000	\$63,426,000	\$283,572,000
Cost Increase Over Current		\$4,747,000	\$9,969,000	\$16,861,000	\$23,294,000	\$30,371,000	\$85,242,000

Cost projection is based on current funding rates projected forward by 10% for 2011-13, 12% for 2014 and 10% for 2015-16 assuming no change in current employee contributions



5 Year Benefit Plan Cost Projection Value of Consumerism and Health Risk Management



	2011	2012	2013	2014	2015	2016	Cumulative
Projected Net Spend Status Quo	\$33,055,000	\$37,802,000	\$43,024,000	\$49,916,000	\$56,349,000	\$63,426,000	\$283,572,000
Projected Net Spend HRM Strategy	\$33,055,000	\$34,239,000	\$36,852,000	\$37,968,000	\$38,750,000	\$40,643,000	\$221,507,000
HRM Cost Savings Over Status Quo		(\$3,563,000)	(\$6,172,000)	(\$11,948,000)	(\$17,599,000)	(\$22,783,000)	(\$62,065,000)



REPUBLIC
NATIONAL
DISTRIBUTING COMPANY

401(k) Plan

- ❑ Eligible at the beginning of the month following one full month of employment
 - ❑ All employees are automatically enrolled at a 2% contribution level
 - ❑ For every \$1 deferred, RNDC contributes \$0.50 up to 8% of salary
 - ❑ Overall participation rate is high at 88.1% versus the national average of 77% for similarly sized Plans
 - ❑ We are attempting to link “financial wellness” to *Wellness Delivered*
 - ❑ New Voluntary Executive Deferred Compensation Contribution Plan
-