

There was this dream, of a place to work where all are treated with respect and consideration, a career with constant challenge and a chance to learn and grow, a Corporation with good benefits and wages and good people to work with on products that mattered, that made the world a better place.

The dream had a group of self-directed, enthusiastic co-workers, pleasant to be around, in a workplace where initiative and engagement was appreciated, where we did other activities together, adventures inside and outside, where we could have more than a “job,” and more of a life.

The dream Corporation could not be found, so I created it. The Warm Corporation is that dream. We aspire to be the employer of choice, a legendary workspace, a warm supportive enterprise which is a thriving demonstration that good people doing good work can make a good living. Welcome to Warm.

Michael Luttrell, Founder and President



Warm Corporation Benefits and Opportunities, a Program for Recruitment and Retention



The employment philosophy of the Warm Corporation can be wrapped in a single concept: **Share exchange.**

- We will share with you an opportunity to be part of our dream and destiny, a Corporation unlike anywhere you have ever worked, with generous benefits and grand opportunities and driving desire.
- In exchange, you will share more than you have ever given to a work commitment; you will simply give us the very best you have—and more, as we all learn and grow and share more than we thought we ever could.
- We will share with you the rare chance to own part of the business where you work, and you will share with us the drive and commitment that only comes from employee-owners.
- It's a fair and rare exchange. Together, we will build a future; we will realize the dream and shape our destiny. This is different and extraordinary. **Welcome to Warm.**



 **WARM CORPORATION**

Warm Floors™—The most comfortable, clean, quiet, healthy,
invisible and efficient heating system in the world today!

Recruitment and Retention

There are two purposes to this brochure- to serve as a recruitment offer and retention encouragement. The people we want to attract and keep are those who fit an ambitious and capable profile and are looking for a challenging career.

We have people who have been here for 15 years; they understand that they have a career, not a job; they recognize opportunity. We are not simply “hiring” or “employing.” We are not offering “jobs” or filling “positions.” On the contrary, we are recruiting talent and commitment and offering a career. We have an unusual Corporation and a specific ambitious future, and it’s not for everyone.

Words are cheap; promises are vague, lofty claims are common and mostly fluff. The only way to judge the truth of these grand visions is to investigate the Warm Corporation; read this brochure, go to our website www.warmfloors.com, explore, and if interested, apply.

This brochure will help you decide if you want to work here, if you are willing to exchange your energy and engagement for a piece of the opportunity and challenge.

Warm Benefit Programs

We believe that we offer benefits unmatched in our industry. And there is more coming. We have every intention of making the Warm Corporation one of the best places to work in the world; these are lofty goals filled with challenge and change. We are the art of the possible. The enterprise is the canvas; you are the artist.

The best of current benefits is the chance to work for a Corporation which is growing and expanding, with others who are energized and enabled, a place where we work hard and smart and enjoy ourselves at the same time. We offer flexible work schedules, competitive wages, generous leave, contributions to Medical and Dental Insurance, a Section 125 Benefits Plan, a 401(k) Retirement Plan, a rich variety of Corporation sponsored events, plus incentives, bonuses, and considerable training, on-the-job and at seminars. A brief description of current benefits follows.

The best—by-far—is yet to come. We are implementing an Employee-Stock Ownership Plan (ESOP), which will give employees a stake in the business and profits, and create an employee-owned enterprise. You could own a piece of the action, a generous retirement or the funds to put your children through college or buy a retirement home on a beach.

Four-Day Week and Flex-Time Work Schedule

One of the most appreciated benefits of working at the Warm Corporation is the ten hour/day, four-day workweek. Our typical workday is 10 hours, from 7 a.m. to 5:30 p.m., with a 30-minute lunch and (2) 10-minute paid work breaks per day, mid-morning and mid-afternoon. You and your manager will decide whether to work Monday through Thursday, or Tuesday through Friday.

We also offer flextime, so if you have a class, child-care obligations, or appointments, you are welcome to be flexible in your work time, as long as you complete a regular 40 hours per week. For those who don’t want to work full time, we also consider part time work with a minimum of 30 hours per week.

Warm Leave

After a three-month trial period, new employees at the Warm Corporation get 9% of hours worked in paid Warm Leave. For a maximum 2080-hour work year, this is 187.2 hours, or 4.7 weeks per year. Additional leave hours for overtime are earned at the same rate of 9% of hours worked.

Warm Leave is not divided into vacation, holidays or sick leave. It can be used for whatever you wish. Warm Leave accumulates without limit and never expires. Up to half of leave can be cashed in for a dollar equivalent, which can be done once per year. The Warm Corporation is closed on New Year’s Day, Independence Day, Thanksgiving and Christmas.

After five years, paid Warm Leave increases to 10% of hours worked or 208 hours (5.2 weeks per year). At the ten year anniversary, paid Warm Leave increases to 11% or 228.8 hours (5.7 weeks per year), and after 15 years working at the Warm Corporation, paid Warm Leave increases to 12% or 249.6 hours (6.24 weeks per year).

Warm Medical-Dental Benefits

Everyone receives the same medical-dental benefit, \$150 per month applied to our medical plan, (currently Kaiser Medical and Delta Dental), or you can use it for your own insurance plan. If you have medical-dental benefits through another source, such as spousal employment, or as part of military or government retirement, you can receive the same \$150 per month as an addition to your paycheck. As a condition of employment, and as part of our commitment to your health, we insist you have a medical insurance plan, either yours or ours, no exceptions. We provide insurance only for employees. You are welcome to add family members at your additional cost.



Section 125

(Pre-Tax “Cafeteria” Benefits Plan)

The Section 125 Plan is a special federal program which allows certain personal expenditures to be made using pretax dollars. For example, if you pay an additional \$200 per month for medical insurance for your family, above and beyond our \$150 contribution, that expense will qualify for a Section 125 eligibility, which could save you as much as \$600 in income tax obligations/year. Many other expenses can qualify for this plan, such as child and elder care and prescriptions. For example, if you have childcare expenses of \$500/month (or \$6,000/year), and are in a 25% tax bracket, you can save as much as \$1,500 per year on income tax obligations by using this Section 125 Program.

Warm Events and Experiences

Every year, the Warm Corporation hosts a variety of special experiences and events for our staff and their families. These have included dinners, parties, ski trips, annual picnics, caving and hiking trips, river rafting, theater performances, sailing adventures, and much more. Typically, we hold 3-5 such events per year. Having fun inside and outside the work environment is important.

In-House, On-the-Job Training

The Warm Corporation is a different kind of business with unique procedures, programs, technology and structure. We are exclusive in our philosophy and product. For that reason, the best training for success at the Warm Corporation is our internal programs. Radiant heating is a

rapidly growing industry, and we need you to be prepared for the many challenges ahead. We will insure that you have the opportunities to keep learning, hone your skills, and get rewarded for your increased contributions. Besides our internal ongoing programs, we encourage you to ask for the training you need, and to help us identify the areas you need to know more about. We will all learn together.



Educational Assistance

At times we will invite you to attend factory training, special classes, seminars or conferences that are related to our work. Most of the time, the Warm Corporation will cover

all expenses, including travel and accommodations, books and materials. For optional events such as the annual Radiant Panel Conference, special events or East Coast training, we will cover the main expenses and negotiate remaining details. If there are local college classes that will help improve your work, the Warm Corporation will pay for most of the materials, books and tuition depending on your grade, as a reimbursement. Courses must be pre-approved by the company and you must finish with passing or above average grades.

Bi-Annual Reviews and Raises

We have reviews and opportunity for a raise twice each year, on January 1st and July 1st. Raises are based on a performance review by your leaders, supervisors and managers, to rate how valuable you are to the Corporation. We consider productivity and attitude, and do not focus on longevity or personality, though it helps. Assignments and challenges are also based on your capacity for learning and solving problems. The more you learn the more you can earn, and the more challenging and interesting assignments you receive.

After the end of the trial period, by a combination of performance raises, promotions, and special bonuses and incentives, it is possible (though not guaranteed!) to increase your income at a rate of 10-12% per year. A raise of 12%/year, compounded annually, will double your income in six years and triple it in ten years. Since there are practical limits on income levels, raises will be a smaller percentage as your wages increase. If you focus on increasing your value and contributions to the Warm Corporation, your income will keep increasing as you help create higher productivity and profits.

Money-Saving Opportunities

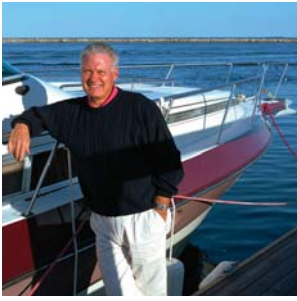
It is not how much you make in life that counts, it's how much you spend and save for the future! We are committed to helping you conserve capital and spend less. There are several ways we can do that. If you are working on your home and need materials, you are welcome to use our wholesale resources to buy materials for your house at a 10-20% savings. This can be radiant heating equipment, and includes other building material.

We maintain a corporate membership at Costco®, and split the cost of membership with our employees. We encourage you and you family to take advantage of this opportunity and buy at Costco® for substantial savings. If we can identify other savings ideas, we will pass them on. Spending less is as important as making more.

Big Purchase Assistance

There are times when we all need a financial helping hand for big purchases. Over the years, we have helped our associates with large items such as a car or truck or buying a home. We are especially eager that everyone has the opportunity to own a home. We cannot make it happen for you, but we will try to help. A great way to put money aside for a house is to contribute the maximum to the 401(k) plan. You do not pay taxes on contributions, and when it comes time to buy your home, you can borrow that money back from the Plan for the down payment.

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401(k) Retirement Plan

The advantage of a tax-deferred 401(k) program is that you can set aside and invest money and not pay income tax on it until you withdraw. The goal is to build a retirement nest egg and let it grow. The plan is optional and available to everyone who has at least one-year of service at the Warm Corporation. We match part of your contribution!

Here's how it works. Suppose you put 5% of income in the plan. We provide partial matching. We will match the first 3%, by 50%, and then the next 2% at 25%. Let's say you make \$30,000 per year, gross income. If you put \$900 (3%) into the plan, we will add \$ 450, and you will have \$1,350 in your account! If you put in another \$600 (2%) we'll contribute an additional \$ 150. In other words, by investing \$1,500 for the year, the 5% maximum in this example, you will have \$2,100 in your 401(k) retirement account!

And it's even better: since you don't pay income tax on that \$1500. Your pay is reduced by (in a 25% tax bracket) \$1,125 (\$46.88 per pay period) to get \$2,100 in retirement savings, plus interest! The purpose of this 401(k) plan is to our mutual benefit. We want you to retire in comfort. We want to provide the best possible benefits at the Warm Corporation, which will enhance our recruitment program and help in the retention of great people. We both win. In today's economic climate very few companies offer matching funds retirement program—we hope you take advantage of this “free” money.

Employee to Associate

In general, it takes about a year to reach your stride at this business. There are three important time terms which we use for your employment at the Warm Corporation:

Trial Employment: This three-month period allows for no benefits and provides a short time period in which you can assess the Warm Corporation and we can evaluate you. It insures that we only engage people who fit our corporate culture and are as committed and concerned as we are in building the right kind of Corporation and warm work place.

Regular Employment: At the conclusion of the trial period, employees are invited to become regular full-time employees. At this time, Benefits are available, with the exception of the 401(k) which require one year of service.

Associate: After One Year: At the one-year mark, we no longer consider the people here as employees, but rather as “associates.” They are then eligible for the rest of the benefits, including the generous 401(k) plan. The definition as “associate” is more significant than it sounds, since we are engaged in an important venture, building a Corporation of choice for our customers and ourselves. As associates, we really are working together, as a ‘team.’ Associates are eligible for the 401(k) Retirement Plan.

ESOP-Employee Stock Ownership Plan

An ESOP is a program under ERISA (Employee Retirement Income Security Act) the same laws that govern other retirement benefit programs. Congress has passed several bills that create tax advantages for companies who establish an ESOP program. The essence of the program is that it allows employees to purchase the Corporation at little cost, and both the company and the owner get tax advantages. Perhaps best of all, the Corporation continues to function under the guidance, and for the benefit of the new employee-owners.

In 2004, we formed an ESOP. For the next few years, we will be prefunding a Trust Fund which will allow leverage to start transferring ownership to employees. It's complicated. You can learn more by going to www.nceo.org or www.esopassociation.org web sites. We are members of both organizations.

Open-Book Management (OBM)

OBM is not exactly a benefit, except that it allows everyone here to have an effect on profitability. Once the ESOP is in place, it means that everyone has a chance to build their own income, increase the value of their stock and be treated as an owner-employee, not just a cog in a machine. Open Book Management teaches associates the basic principles of finance and business, skills that can translate to their personal life and be useful in the future in their own business, should that be their path.

Ownership Culture

Ownership Culture describes the process of education and development of a corporate culture, which makes decisions as if they were owners. This is a natural outcome of Open-Book Management, and a necessary and essential progression towards a successful ESOP.

About Warm Names

You will hear this business referred to in a number of ways, but they are all “Warm.” Our official name for the past 20 years has been “The Warm Company.” In January of 2004, we incorporated as Warm Corporation West. There will also be a Warm Corporation East in the future, covering the east coast.

We are most often referred to by a trade name or dba (“doing business as”) Warm Floors™. There are also Warm Pools™ (solar in-deck pool heating systems), Warm Crete™ (Hacker GypSpan™ over radiant heated floors), Warm Snow™ (snow and ice melting) and more warm products in the pipeline.

Summary

We go to great lengths to recruit the right people, and once they are here, we go to great lengths to keep them. We offer the best benefits possible and unusually generous opportunities. In exchange, we expect a lot; we want the very best you have to share with us; your talent, energy and engagement.

Thanks for your interest. We look forward to meeting you and involving you in our wonderful adventure in business and life.
Welcome to Warm.

