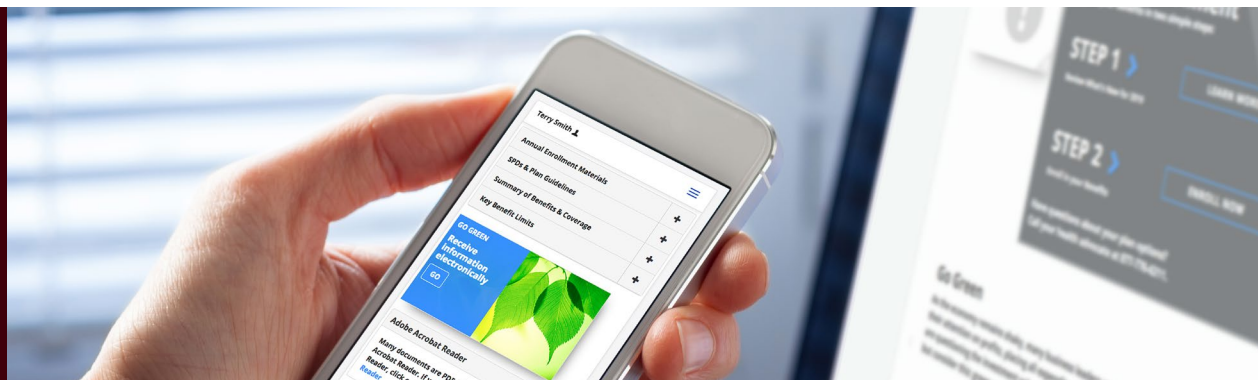


Mr. Daniel Ziegler

717.374.6861

Senior Sourcing Specialist, Indirect Sourcing



Dear Dan:

I speak on behalf of the entire Conduent team in saying how thrilled we are to have the opportunity to deliver an outstanding health & welfare administration solution for The Hershey Company. We look forward to working with your Hershey team to fine-tune our solution to meet your objectives and begin a long-term strategic relationship.

Choosing a partner who is focused on delivery of an “Amazon-like” employee experience—that utilizes voice, chat, mobile, web and people interactions driven by AI, robotics and machine learning—will create the type of sweet employee experience to spread happiness throughout your workforce.

We are proposing a people-first journey powered by next-generation digital technology. We will deliver an improved employee experience that embraces the intrinsic Happiness Quotient of your employee’s benefit experience.

**Putting the Employee First:** Continuous focus on improving employee experience by providing individual, immediate and intelligent interactions that meet the need of every individual employee.

**Keep it Simple:** Using the right ingredients of intelligent technology that will provide information in digestible bites so as Hershey employee healthcare needs change, they can make confident decisions. Conduent provides intelligent insights for the moments that matter. Conduent makes the complex simple.

**Stay one Step Ahead:** Decrease cost and drive value through AI, Automation, and Process Simplification. Select a proven partner that will keep up with your employee’s evolving expectations. We continue to innovate by leveraging development across all Conduent’s lines of business and work being done in our multiple innovation labs.

Conduent has been delivering Benefit Outsourcing services to large, complex corporations like Hershey for over 30 years. Discovery, Implement and Execute is the process used to migrate clients to go-live on time and under budget. Our client retention is very high with the average client relationship over 10 years.

Our proposal goes into more detail about how exactly we’ll create these results and what you can expect along the way. Thank you for the incredible opportunity to serve The Hershey Company.

Sincerely:

*Elizabeth Bufo*

Elizabeth Bufo

Client Partner, The Hershey Company

Conduent

# EXECUTIVE SUMMARY

## Our Understanding

More than 120 years after Milton Hershey began his vision of a company centered on an entire community that would enrich the lives of everyone around it, Hershey continues that vision by seeking to create a sweeter employee benefits experience. The remarkable Hershey workforce has catapulted Hershey to one of the most trusted and valued global brands on the planet. It's a great place to work and play, and your employees deserve a meaningful, best-in-class experience that will keep them happy and healthy while increasing productivity and innovation.

Conduent believes that the employee should have access to world-class tools, content, products and services to help adapt to our changing world, navigate its challenges and opportunities and ultimately retain remarkable employees.

As we know, benefits decisions can be confusing and overwhelming to employees and their dependents. This is why our Conduent Life@Work Employee Experience layer has been designed as an integrated benefits delivery system with a focus on simplification, cost management and employee engagement. Conduent streamlines benefits design and administration while amplifying your strategic voice, employee value proposition, and reflecting your Hershey culture.

We believe aligning your business needs with the needs of your employees is critical to improving engagement and as a result, the overall success of your business. We examine your needs across the *health*, *wealth* and *career* spectrum because that is how your employees view their personal success and your commitment to them.

We will help you ensure your HR budget is applied wisely and leads to good outcomes for your people and your business—regardless of your level of investment.



# Making a Difference: World Class Expertise

## Hershey:

While much has changed in America since the days of Milton Hershey, the power of building connections with those around us—from consumers and shareholders, to our partners and employees—remains vital to the future of our children, our communities, and our business.

## Conduent:

Touching and impacting the lives of millions. Everything we do is in service of our client. Everything we build grows out of our client's needs.



## It's All About the Sweet Partnership: Conduent's Value Proposition to Hershey



"The help-the-other-fellow principle is the only one that will succeed in modern business."

MILTON S. HERSHEY

If there is a singular truth about today's economy, it's that you can't go it alone. Organizations must identify and focus on their strengths, then carefully select best-in-class service partners to handle the rest. Currently, there is an abundance of choices. Yet fewer and fewer service providers are investing in centers of scientific and engineering excellence like Conduent to assist customers in engaging employees to take ownership and responsibility for their total health and financial well-being.



## The Finest Ingredients Available

Just as Hershey has perfected the chocolate that the world has come to know and love, so Conduent has perfected benefits administration, freeing our clients to focus on what they do best. Our investment and commitment to help Hershey meet your current strategic objectives includes:

**New Technology** – Conduent's Life@Work solution will engage Hershey employees with a single access point to the web, call center, and administration center for health and welfare, pension, voluntary benefits, spending accounts and total rewards. Our integrated solution will focus on retirement readiness, providing employees with enhanced online education, decision support and the ability to calculate unlimited pension estimates, in addition to commencing benefit elections online.

**Experienced Team** – In Conduent's client-first service delivery model, our seasoned veteran Mark Little, with over 30 years of HRS experience will be leading the Hershey client operations team. Mark's teams have consistently

exceeded quality and service targets in all areas. Mark will be responsible for all operational deliverables related to your plans and will ensure that service level agreements are met and maintained by the Conduent service delivery team. Tony Puciaty will be part of our implementation team, working closely with the Hershey team throughout the 2020 implementation.

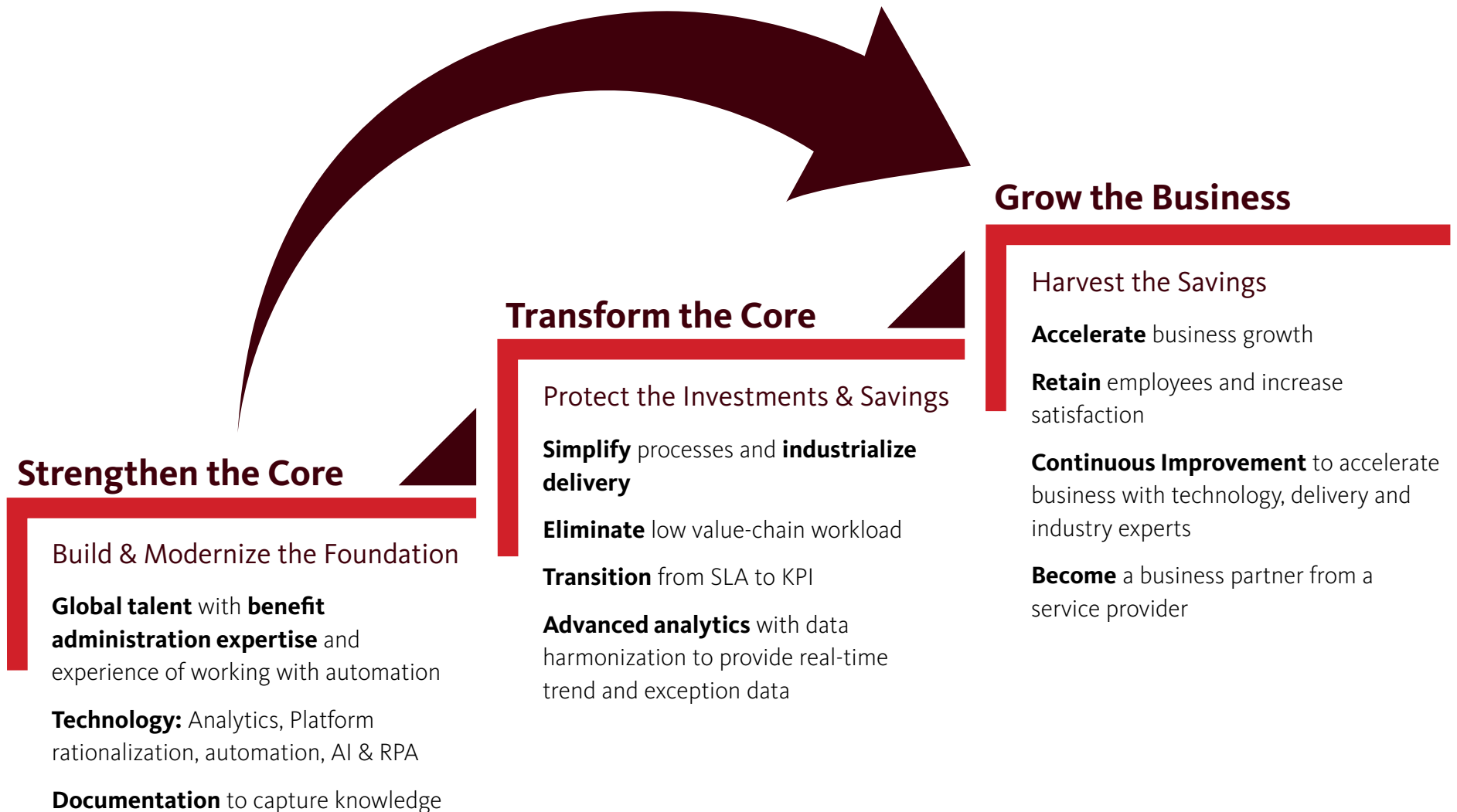
**Financial Flexibility** – Conduent's flexible pricing model allows Hershey the ability to pay for core benefits administration services on a per benefit eligible participant per month (PPPM) fee. Conduent HR Services has a robust Voluntary Benefits offering and if we were to become broker of record on the current line-up of voluntary and life/disability benefits, we have the financial flexibility to offset core benefit and administration fees. Conduent is fully transparent regarding all commissions received on voluntary, life and disability products. We currently interface with all of Hershey vendors and can ensure a high degree of integration in the enrollment, payroll deduction and direct bill process.





# Our Approach

## People First Journey Powered by Next-Gen Digital Technology





# Our Solution

Conduent’s solution will **deliver an employee experience that is individualized, immediate and intelligent**, fueled by real transformation through accelerated technology delivery and will minimize risk through a culturally sensitive approach. We will serve both your U.S. and Canadian workforces with Conduent staff, regardless of the service delivery location, leveraging our innovative Conduent technology. Core tenets of our solution are Quality, Agility and Value.

**CONDUENT**

**QUALITY**

Drive Process Excellence and Innovation

- ▶ Quality, Process and Controls
- ▶ Improved experience for Employees and Administrators

**AGILITY**

Enable Employees to Accelerate Business

- ▶ Capacity and Scalability
- ▶ Improved speed of delivery
- ▶ Increased Automation

**HERSHEY**

**VALUE**

Be Hershey’s trusted partner to Unlock Value

- ▶ Committed year-over-year productivity improvements
- ▶ Transformation through Innovation



**SEAMLESS EXPERIENCE** – deliver exceptional employee experience through voice, mobile, portal



**EDUCATION** – a wealth of resources for every employee, regardless of where they are in their healthcare and wellness journey



**ENGAGEMENT** – through micro-personalization, an easy-to-navigate portal and decision support solutions both at time of enrollment and throughout the year



**TRANSFORMATION** – drive real transformation through collaboration, partnership and innovation, solving for strategic employee outcomes and cost savings



**CUSTOMER SERVICE** – we offer a flexible service delivery model, which serves your members’ needs wherever they are on the support continuum: engaging self-service tools, superior call center support and attentive, high-touch service for complex issues







# Creating Connections: An Optimized Hershey Experience through Life@Work

Conduent will help Hershey employees achieve overall health and financial well-being through a combination of our enhanced Life@Work and our experienced service center team. These are both supported by technologies that streamline and personalize the caller's experience and shorten the time required to achieve any change. Our commitment to you is to continue to evolve and improve participant-facing tools.

At the heart of Conduent's delivery model is our innovative Employee Experience layer, Life@Work<sup>®</sup>, which enables employees with a single click to access enrollment, decision support/wellness tools, spending accounts, voluntary benefits, pension modeling, retirement planning and a total rewards statement.

**HERSHEY**

HOME HEALTH LIFE EVENTS TOTAL REWARDS VOLUNTARY BENEFITS LIBRARY

Alerts & Opportunities

**Don't miss Benefits Enrollment**  
Enroll in your Benefits in 2 simple steps:

**STEP 1**  
Review What's New for 2020  
[LEARN MORE](#)

**STEP 2**  
Enroll in your Benefits  
[ENROLL NOW](#)

Have questions about your plan options? Call your health advocate at 877-976-6215.

**IDEOS**  
To improve your health? Whether it's eating clean, or learning how to better deal with a chronic condition, WellConnect has resources and [learn more](#)

**GO GREEN**  
As the economy remains in focus most of their attention microscope. Some leaders environmental responsibility [learn more](#)

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**HERSHEY**

HOME HEALTH LIFE EVENTS TOTAL REWARDS VOLUNTARY BENEFITS LIBRARY

Decision Support Tools

Retirement & Long-Term Savings Income Protection Financial & Legal

**Tools & Resources**

- Total Retirement Planner**  
Use our Retirement Planner to get the most accurate picture of your income in retirement.
- Financial Modeling Guide**  
Are you getting your variable income on the correct things to maximize your financial well-being?
- Income Replacement**  
Do you have replacement you will need when you retire?
- Roth 401(k) vs. Traditional 401(k)**  
Which is better for you? Compare how to the Roth 401(k) or the Traditional 401(k)?
- 401(k) Loan**  
Is it smart to take a loan from your 401(k)?
- CRAT**  
Charitable Remainder Annuity Trust
- CRUT**  
Charitable Remainder Unitrust

**HERSHEY**

HOME HEALTH LIFE EVENTS TOTAL REWARDS VOLUNTARY BENEFITS LIBRARY

Health Savings & Spending

Health Savings Flexible Spending

As of June 28, 2019

Account	Election	Balance
2019 Plan Year (01/01/2019 - 12/31/2019)		
Health Care FSA	\$3,000	\$100.00
Dependent Care FSA	\$5,000	\$204.00
2018 Plan Year (01/01/2018 - 12/31/2018)		
Health Reimbursement Arrangement	\$2,000	\$100.00
Dependent Care FSA	\$3,000	\$36.00

**Important!** You have until June 15, 2019 to submit your 2018 claims.

**HERSHEY**

HOME HEALTH LIFE EVENTS TOTAL REWARDS VOLUNTARY BENEFITS LIBRARY

Pension

Overview My Plan Election Loans Beneficiaries More...

**Model Pension Estimate**

When do you want to stop working?  
 Retire at age 65  Retire at age 67  Retire at age 70

When do you want to stop working?  
 Retire at age 65  Retire at age 67  Retire at age 70

Your pension estimate if your last day of work is at age 65

Retire at age 65	Retire at age 67	Retire at age 70
\$3,000	\$2,643.09	\$0
\$2,000		
\$1,000		

Note: Use the inputs above to compare another estimate.

**HERSHEY**

HOME HEALTH LIFE EVENTS TOTAL REWARDS VOLUNTARY BENEFITS LIBRARY

Benefits

Additional Options Employee Discounts

Plan Name	Provider	Service
Self-Funded	Altoona 1-866-428-8320	Critical illness pays a specific dollar amount based on the type of illness or condition.
Self-Funded Indemnity Coverage	Altoona 1-866-428-8320	Hospital-Indemnity Insurance pays daily cash benefits for every day you are hospitalized.
Life/Death Coverage	TruistProtect 1-800-555-0123	Protect yourself and your finances in the event of death benefits.
Disability	TruistProtect 1-800-555-0123	You can add or drop coverage at any time.

**HERSHEY**

HOME HEALTH LIFE EVENTS TOTAL REWARDS VOLUNTARY BENEFITS LIBRARY

Total Rewards

Overview Compensation Retirement Health Other Benefits More...

HERSHEY is proud to provide you with a competitive, comprehensive compensation and benefits program. Total Rewards reflects Hershey's commitment to supporting your health and well-being. Read more

Component	Amount
My Total Rewards	\$129,802
Compensation	\$86,086
Health	\$33,528
Other Benefits	\$10,188
Total	\$129,802

Year: Total Rewards Statement: 2019

The total value you receive from the Company or other benefits depends on your plan and the benefits and programs.

**HERSHEY**

HOME HEALTH LIFE EVENTS TOTAL REWARDS VOLUNTARY BENEFITS LIBRARY

Retirement Planning

Overview

Based upon your current inputs and assumptions, you can model your Pension or make changes to your Contributions and Investments.

Your expenses will exceed your income at age: **75**

Income Display Balance Display

What age do you want to retire?  
 Retire at age 65  Retire at age 67  Retire at age 70

What % of your income will you need at retirement?  
 10%  15%  20%

Life Expectancy (in years)  
 20  25  30

How much can you afford to contribute?  
 \$100  \$200  \$300

What is your expected rate of return?  
 5%  6%  7%

Save Inputs





## Creating Connections: An Optimized Hershey Experience through Life@Work

Conduent's Employee Experience layer will integrate all activity and drive Hershey's people goals by achieving focused outcomes through simple, intuitive and individualized engagement. These outcomes are guided by several important criteria:

- ▲ **Understand the audience** – Delivering targeted and meaningful information via preferred channels selected by the employee (e.g., print, email, text, push-messaging, etc.) which helps promote desired behaviors.
- ▲ **Make it simple** – We make every effort to simplify complex topics and eliminate acronyms, avoiding confusion and empowering employees to make optimal decisions regarding their health & welfare and retirement benefits.
- ▲ **Make it efficient** – Our goal is to allow employees to complete a desired action during a single point of contact with the fewest required steps.
- ▲ **Make it personally relevant** – Engaging communications must be personal and pertinent. We will engage your workforce and their families with purpose.





# Creating Connections: An Optimized Hershey Experience through Life@Work

**Core Components** – Hershey’s focused outcomes will be achieved through a combination of persuasive communications and predictive analytics to motivate personal engagement. Conduent’s approach incorporates mobile, electronic, print, and both virtual and face-to-face education in order to ensure participant engagement is not limited by medium. In addition, our system can be used as an aggregator for other benefits or can be easily linked to other providers. Key elements include:

▲ **Mobile Access** – Conduent believes that engagement happens not only through highly personalized information, but also by meeting participants where they are – whether they are tech-savvy or less familiar or comfortable with high-tech service. Accordingly, our delivery model is multi-channel in nature – from high-touch contact center service to HTML5 mobile capability, optimized for all major phone and tablet browsers.

▲ **Integration** – With integration as a Conduent core competency, our portal is designed to be scalable and highly configurable. Our portal has the capability to launch a seamless total rewards experience and aggregates and integrates all vendor/carrier partners through Single Sign-On (SSO), deep links and serves as a central hub of information for employees.

▲ **Modeling** – Our personalized portal Optimizer tool will help your employees make informed decisions regarding their benefits, thus allowing them to take responsibility for their health and financial well-being.

▲ **Automation** – To avoid the inaction and lost opportunity caused by manual processes, our portal automates transactions with appropriate participant decision points. This “immediate gratification” increases decision execution. For example, participants can complete their distribution elections, including adding rollover information and setting up direct deposit.

▲ **Data Analytics** – Conduent’s analytics capabilities have evolved beyond operational analytics – that is constantly reviewing our performance and making changes to optimize operational efficiency and enhance the user experience. Conduent has the ability to aggregate data and use diagnostics to quickly identify trends and take proactive measures.

The seamless integration of process, technology and people are always evolving. Conduent is dedicated to delivering an engaging employee experience that enhances loyalty and trust for all Hershey employees. Innovation and partnership will drive value to The Hershey Company year after year.





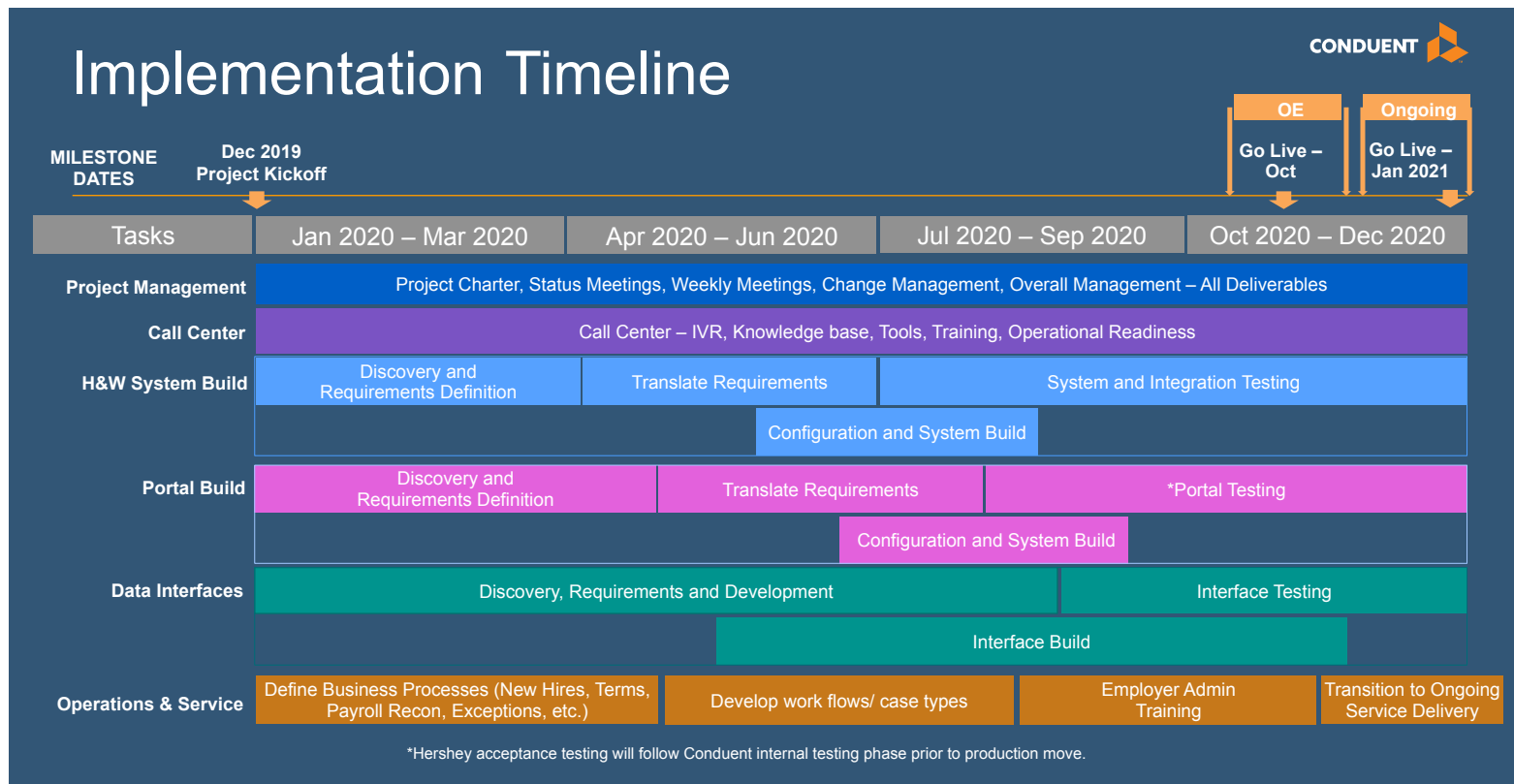


# Our Value During Transition

Change can be daunting. Our dedicated transition team will work side-by-side with Hershey to ensure that the implementation has no “surprises” and that program objectives are achieved with minimal disruption. Conduent will implement our agreed-upon solution and administer a customer-centric delivery model mirrored to your specific needs for the entire lifecycle of the contract. We will collaborate with key stakeholders to identify transition risks and come up with a detailed and thorough risk mitigation strategy. Our experts will leverage our significant experience and expertise transitioning clients from your current insourced model – while guiding Hershey through the challenges of a high-impact, high-visibility transition.

Every client is unique and each implementation comes with its own set of challenges and opportunities. However, the clients making these transitions (and the projects themselves) have many factors in common that Conduent has analyzed, addressed and learned from over time – so Hershey can be assured that Conduent is not “reinventing the wheel” with each implementation.

We will leverage our experience to deliver higher quality and greater efficiencies to Hershey and apply our industry-leading best practices and technology to drive employee satisfaction and a seamless transition. During the transition, we run conversion data through an exhaustive series of integrity tests. This allows us to identify gaps or accuracy concerns and enables our teams to true-up the database, thereby reducing the amount of manual activity that is required for steady-state administration.





## Pricing

In the spirit of achieving Hershey's overall goals beyond the immediate RFP, we are recommending alternatives to lower cost nearshore participant service center delivery option that will drive additional cost savings. Conduent has tremendous flexibility and global reach to meet Hershey's needs.

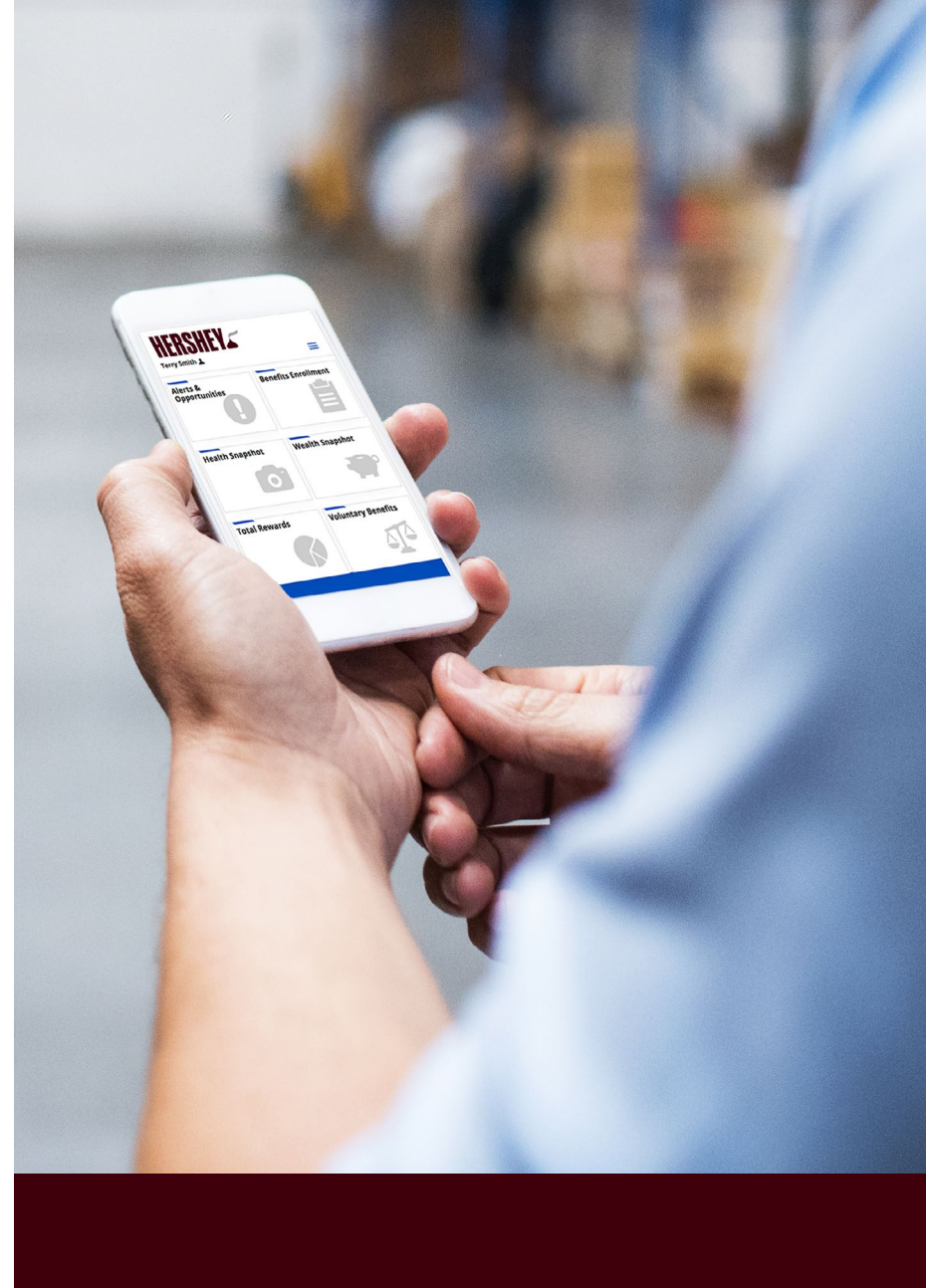
The Per Person Per Year (PPPY) price for the eligible participant population is:

### 5-year Health and Welfare PPPY:

- a. On Shore location: Chesapeake, VA \$88.56
- b. Near shore location Montego Bay Jamaica \$76.80
- c. Offshore Manila Philippines location \$63.84

The PPPY price above does not include the ancillary services included in RFP which we have priced transitionally per the Hershey Pricing & Fees Schedule Separately Priced Ongoing Services, FS/HAS/HRA Administration, COBRA, Direct Bill, QMCSO, PPACA, Eligibility and Enrollment Appeal, Vendor Remittance and Dependent Verification.

In the spirit of achieving Hershey's overall goals beyond the immediate RFP, we are recommending alternatives to lower cost offshore and nearshore participant service center delivery options that will drive additional cost savings. Conduent has tremendous flexibility and global reach to meet Hershey's needs today and in the future.





## Conduent Innovative Benefits Administration Future

Innovation is in our Conduent DNA. Our innovation centers, Conduent Labs, take innovative ideas and technology and create practical solutions to enhance our client solutions and internal operations. We have a world-class team of scientists and researchers in our two Conduent Labs facilities (U.S. and India), focused on areas such as platform modernization, automation, data and process analytics, cloud, mobility, machine learning, and personalization. The teams deliver Human Resource solutions that take advantage of new technology, our deep client expertise and global best practices. Conduent is focused on core product upgrades are those that are foundational to the platform and may include such enhancements as refreshed portal designs, embedded workflow/process automation for tasks and events, integration of new standard partner services, packaged communications tools, underlying technology optimization, or front-end browser support.

Production releases are typically scheduled quarterly with, on some occasions, a release occurring more frequently. Your Conduent Technology Program Manager will work with you to define how this roadmap would be scheduled for your specific availability and also continuously inform you of more frequent minor upgrade releases.

Product and Service priorities are determined by Hershey Quarterly Management Reviews, monthly and weekly reviews by Client Technology/Product IT, and Center of Excellence leaders. Conduent's HR services / benefits administration product roadmap is prioritized based on our clients' needs and the landscape of the competitive market.






Life@Work® is Conduent's Employee Experience layer and mobile platform focused on delivering simple and intuitive outcomes for participants. Life@Work® is designed to simplify self-service through user-tested intuitive design. Our completely personalized experience engages participants to make confident decisions, provides interactive guidance and answers to anticipated questions, and offers easy to access educational tools, models, calculators, and resources at the point of need. Life@Work® helps transform novice users into engaged and informed plan members, which in turn promotes year-round self-service usage.

Our design approach begins with these guiding principles:

- **Simple** – intuitive, mobile-first design.
  - **Personal** – user-centric, supports both frequent and infrequent visitors.
  - **Flexible** – promote client brand, messages and campaigns.
- The Life@Work® portal uses a standard, configurable approach for rapid deployment. The portal integrates with Conduent back-end administration and specialty services.

## HRS Innovation Roadmap Key Investment Areas –Life@Work 6



All Channels



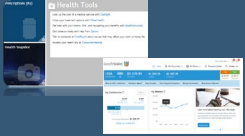
Consumer-driven user experiences: personalized, relevant, guided, collaborative, secure

FOCUS ANALYTICS



Workforce insight that drives strategic HR and Benefits program changes and actions

BENEFITWALLET  
INTEGRATED HEALTH



Benefit Wallet, educated health consumers: decisions, behaviors and utilization

FINANCIAL WELLBEING




Event-based, targeted planning, advice, guidance, education and communications for total wellbeing

TOTAL REWARDS



Data visualization for all compensation and benefits

HRaaS



Process automation, integration and workflow across the HR and Talent lifecycle

DIGITAL WORKPLACE



Automated job and work events that increase productivity, engagement and satisfaction

NEXT GEN CARE



Machine learning to deliver best content via digital and live channels



# About Conduent

While we are focused on the future with Hershey, we are proud of our past. Our capabilities have been tested and refined by more than 30 years of benefit administration experience, administering Health, DC, and DB benefits for millions of participants annually. Our reputation for service delivery excellence is among the very best in the industry, and we continue to receive high marks from both the analyst community and our clients. We were recognized as a Leader in the Nelson Hall index for Benefits Administration, have been named a “Leader” in Everest Group’s PEAK Matrix™ assessment for Health and Welfare Benefits Administration Outsourcing, and we’ve been ranked in Gartner’s Leaders Quadrant for contact center services since 2012. More than 100 benefits administration clients have been with us for our entire 30 years in the business, and we are honored to have one of the highest renewal rates in the industry.

Conduent employs the best talent with deep HR and benefits administration experience. Our collective experience will be especially helpful to Hershey because we have successfully navigated mergers, acquisitions, divestitures, benefit plan changes, and vendor integrations. We have a strong foundation to deliver outstanding Health and Welfare administration, and the comprehensive breadth of HRS service to support Hershey’s growth.

Conduent is the world’s largest provider of diversified business services, with \$5.B in revenue, 68,000 global employees, serving 65 of Fortune 100 companies, and a passion for digital transformation and delivering continuous value. Whether it’s digital payments, claims processing, benefit administration, automated tolling, customer care or distributed learning – Conduent manages and modernizes these interactions to create value for both our clients and their constituents.

\$5B Rev

NYSE: CNDT

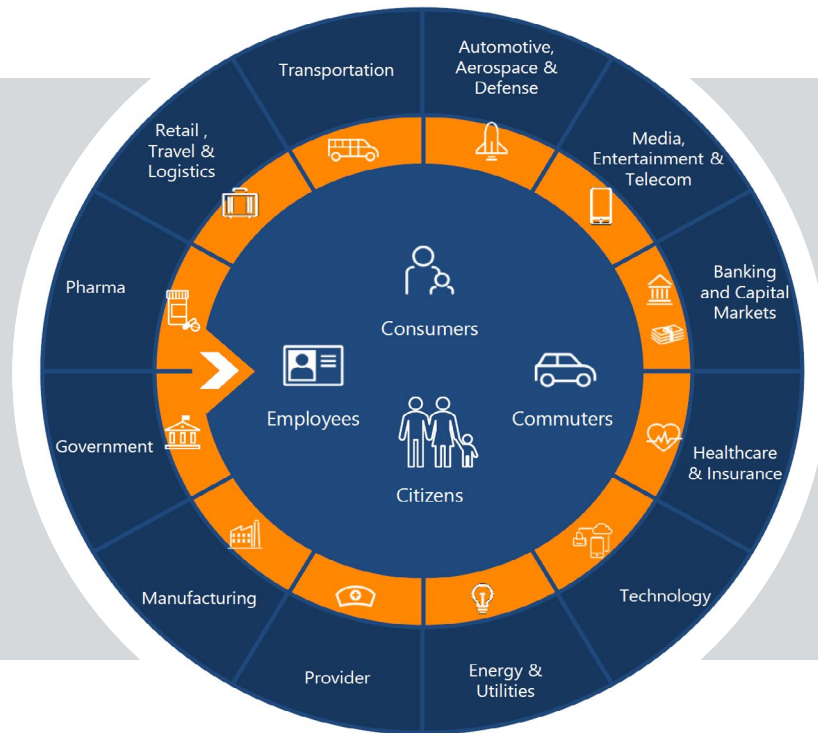
68,000 Employees

30+ Years of History

65 of Fortune 100 Clients

500+ Government Entities

Digital Interactions Company



## Benefits Administration Experience

11M+ Participants

250+ clients

80 Countries

30 Languages

Lean Six Sigma Culture





## Summary

Thank you again for the opportunity to participate in the RFP process. We value this opportunity to establish a relationship with Hershey. Conduent is dedicated to delivering an engaging employee experience that enhances loyalty and trust at Hershey's. Innovation and partnership will drive value to The Hershey Company year after year. Please let us know what else we can do to earn the right to your business.

**NAME:**

Elizabeth Bufo

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**POSITION:**

Client Partner, The Hershey Company

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**TELEPHONE:**

484-793-5431

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**EMAIL:**

Elizabeth.Bufo@conduent.com

Thank you for your consideration.

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