
Benefits Overview

Prime Therapeutics (Prime) is pleased to offer employees a wide range of benefits. Each benefits-eligible employee has the flexibility to select the benefits that best meet his or her needs. To be eligible for benefits an employee must be scheduled to work at least 20 hours per week.

The core benefits are mandatory. Health and Dental coverage may be waived if an employee shows proof of other existing coverage. Supplemental benefits are optional.

All benefits except 401(k), which is effective immediately, become effective on the next first of the month from the employee's hire date. All employees have 30 days from their benefit eligibility date to enroll in benefits.

Description of Core Benefits

Health plan

Prime offers two PPO health plan options: Consumer-driven health plan/health savings account (HSA) option, and Traditional option. The plan is administered by Blue Cross and Blue Shield of Minnesota.

Prime provides each benefits eligible employee who participates in the HSA with money to be used towards the HSA account. The benefit is calculated on a semiannual basis. Employees starting after the first of the year will receive a proportional amount.

Dental plan

Prime participates in DeltaUSA, allowing employees access to their national network of providers.

Core life and accidental death and dismemberment

This insurance provides the employee coverage equal to 2 times their salary up to a maximum of \$750,000. The premium on the coverage is paid for by Prime. The premium on the portion of coverage over \$50,000 is imputed income and taxable to the employee.

Short-term disability (STD)

This benefit provides 60 percent of an employee's basic weekly earnings with a maximum weekly payout of \$1,750. Coverage may continue up to a maximum of 12 weeks of approved total or partial disability after an elimination period of 7 consecutive days of total disability for a total of 13 weeks of disability.

Short-term disability is paid by Prime.

Long-term disability (LTD)

This benefit provides 60 percent of an employee's basic monthly salary with a maximum of \$10,000 per month. Coverage begins after 90 days of continuous disability, when STD coverage ends.

Long-term disability is paid by Prime.

Description of Supplemental Benefits

Health care flexible spending account

This benefit reimburses employees (with pre-tax dollars) for certain medical and dental expenses that are not covered by an insurance plan. A further explanation of qualifying expenses is available. Participating employees may contribute a minimum of \$260 and a maximum of \$3,000 per year.

Dependent care flexible spending account

This benefit reimburses employees (with pre-tax dollars) for certain dependent/day care expenses. A further explanation of qualifying expenses is available.

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Participating employees may contribute a minimum of \$260 and a maximum of \$5,000 per year.

Dependent group term life insurance

Annual cost is \$15 per family unit.

Coverage amounts are:

- Spouse: \$10,000
- Each child: \$5,000
- Infant child – \$500 (15 days – 6 months)

This coverage is discontinued when an employee terminates.

Portable term life insurance

A variety of portable term life products are available from USABLE Life.

Employee voluntary term life insurance

Additional term life may be purchased in increments of \$10,000 up to \$750,000. New employees interested in purchasing this coverage within 30 days of their start date will get a guarantee issue of up to \$300,000 (or \$100,000 if age 66-70). Employees requesting over \$300,000 will be required to provide a health history to USABLE Life. This coverage can be converted into an individual policy upon leaving the company if employee has been covered for at least 12 months, not disabled, and meets certain age requirements.

Spouse voluntary term life insurance

Spouse term life is available in increments of \$10,000 up to \$500,000 — spouses of new employees interested in purchasing this coverage within 30 days of the new employee's start date will get a guarantee issue of up to \$50,000. Employees requesting over \$50,000 in spousal coverage will be required to have their spouse provide a health history to USABLE Life. This coverage can only be converted into an individual policy upon leaving the company if the insured employee's life coverage is continued.

Child voluntary term life insurance

Dependent children (age 15 days to 19 years, or to age 25 if a full time student) may be covered for \$10,000,

\$15,000 or \$25,000. Child coverage is guaranteed and must be purchased for each child. This coverage can be converted into an individual policy once the child turns age 19 and/or when the employee leaves the company.

Vision plan

Prime participates in VSP vision plan. With VSP doctors, you'll enjoy quality, personalized care. Your benefits are easy to use; no ID cards or filling out claim forms.

Additional Benefits from Prime Therapeutics

Paid time off (PTO)

PTO allows flexibility and responsiveness to individual needs. This program allows employees to manage their own time off for vacation and occasional absences from the scheduled workday while protecting the employee's income. PTO may be used for the following reasons: vacation; personal or family illness, including family and medical leave; observance of religious holidays; and military leaves extending beyond 10 working days. PTO is accrued for all employees on a bi-weekly basis.

Holidays and Payroll

- Holidays – there are seven paid holidays per calendar year: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the following Friday, and Winter Holiday.
- Payroll – employees are paid bi-weekly and Prime offers a direct-deposit option.

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401(k) Retirement Savings Plan

- Employees may participate immediately. Employees can contribute one percent to 50 percent up to a maximum annual contribution set by the IRS.
- Prime matches 50 percent of the first six percent of the employee's contribution; the vesting schedule is 34 percent after one year, 67 percent after two years and 100 percent after three years; a vested year is reached after an employee is paid for 1,000 hours in a calendar year.
- Prime contributes into each employee's 401(k) three percent of their bi-weekly salary regardless of the employee's participation; this money is immediately vested.
- There are over 10 investment options ranging from conservative to aggressive; in addition, there are rollover provisions and a loan program that lets employees borrow up to half of their vested balance.

Education/training

Prime encourages employees to pursue professional development opportunities.

Undergraduate/graduate programs

- The company will reimburse employees who successfully complete educational programs which are part of a formal degree program and are directly related to their jobs or the company's business activity.

Prime provides reimbursement for both undergraduate and graduate level course work. Employees attending undergraduate classes are eligible to be reimbursed a maximum of \$3,000 per calendar year; for those attending graduate level classes, the maximum is \$5,250 per calendar year. Certain restrictions apply.

General training

- Reimbursement for other training courses and employee travel may be provided when the course is directly related to his/her job or the company's business activity.

Employee incentive plan

Prime's Incentive Plan is designed to encourage the achievement of company goals. All employees are eligible for incentive pay, but the criteria will differ based on unique departmental goals and individual performance. Employees hired before October 1 are eligible in the current year.

Pay raises

Employees are eligible to receive yearly salary increases based on performance. (Employees hired before October 1 are eligible for an increase based on performance in their first year.) All changes are effective the pay period in which February 1 occurs.

Prime also offers

- Employee Assistance and Work-Life Program
- Flex time — subject to department approval
- Free parking
- Leaves of absence
- Three-day paid funeral leave
- Pay during jury duty
- Ten-day paid military leave