

COMPENSATION AND BENEFITS

The *isoterix* Company offers a comprehensive and competitive benefits program for employees and their families. From medical coverage to profit sharing and from vacation days to tuition reimbursement, the Company provides an array of benefit choices and services. These benefits can both address your health and retirement needs and help you meet the challenges in balancing the demands of work with your personal life. In designing our benefits, we chose comprehensive yet cost-effective plans that offer flexibility, group rates and pre-tax advantages.

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MEDICAL/DENTAL BENEFITS

Medical Plan (elective)

Employees are eligible to enroll in the medical care plan- 30 days after their date of hire. *isoterix* offers Anthem KeyCare for medical care. The Anthem KeyCare plan has the benefits, alternative medicine programs and wellness resources to help you live the healthiest life possible. Anthem KeyCare Members have the option of seeing any provider. They pay less when using a Preferred Provider Organization (PPO) network provider, but have the flexibility to use an out-of-network health care provider while shouldering a greater share of the cost.

Members may also take advantage of additional services, including prenatal and disease management services, as well as discounts for vision care and alternative medicine services.

Prescription Drug Coverage - Your prescription drug plan is a plan you can count on. The three-tier design covers nearly any prescription medication, and it makes your out-of-pocket expenses predictable and easier to manage. Using your drug benefits is simple when you visit a participating pharmacist.

Please look at your brochure or go on-line at www.anthem.com for specific prescription plan details.

Preventive Vision Care - It's easy to use the Anthem KeyCare Vision benefits and discounts.

Please look at your brochure or go on-line at www.anthem.com for specific plan details.

Traveling Coverage - The Cross, the Shield and the PPO symbols on an Anthem KeyCare ID card expand the doctors, hospitals and other health care professionals in the network from your local area to across the country - even around the world! With over 700,000 participating health care professionals, there's a good chance that one will be near you.

The doctors, hospitals and other health care professionals that serve Blue Cross and Blue Shield plans across 240 countries join together to make the [BlueCard® PPO network](#). To receive



medical care from a health care professional in this expanded network, you would just show your ID card.

Website - www.anthem.com. Please visit the website for updated information. You will find a section called "Frequently Asked Questions" (FAQ's) that will provide you general information for each section.

DeltaUSA Dental Plan Benefits (Premiere)

Employees are eligible to enroll in the dental plan- 30 days after their date of hire. *isoterix* offers the DeltaUSA Dental Plan. DeltaUSA currently provides dental benefits to over 5,000 groups nationwide.

Please look at your brochure or go on-line for specific plan details at www.deltadental.com.

TUITION REIMBURSEMENT

The Tuition Reimbursement Program was designed to assist full-time salaried *isoterix* employees in their career development for future positions within *isoterix*. *isoterix* offers reimbursement for courses of study that support both the business plans and future objectives of the Company and meet the individual aspirations of the employee. The reimbursement applies only to development programs that will lead to a degree and that support the Company's business objectives. While successful completion of a course of study improves educational background, it does not obligate the Company to reward such completion through promotion, transfer, reassignment or wage or salary increase.

Amount of Reimbursement

The amount of reimbursement available to the employee is based on IRS guidelines. The current limit is \$1,500 per semester not to exceed \$4,500 per the calendar year in which the tuition reimbursement was paid. This applies to graduate courses only. In accordance with current IRS regulations, applicable taxes may be withheld at the time of payment. Because tax law continues to change, program participants should consult a tax specialist or financial planner for the latest information about the personal tax implications of tuition reimbursement.

The amount of reimbursement will be as follows:

- 100% reimbursement of eligible costs for grade A or numerical equivalent.
- 75% reimbursement for eligible costs for grade B or a numerical equivalent.
- 45% reimbursement for eligible costs for grade C or a numerical equivalent.
- 0% reimbursement for grade D or lower.

If employees are receiving financial assistance through the Veterans Administration, grants or scholarships, *isoterix* will deduct the amount received and will reimburse the remaining balance based on the employee attaining grade levels stipulated under "Amount of Reimbursement." Documentation of such financial assistance must be submitted with the Application for Tuition Reimbursement. Misrepresentation of other educational assistance may result in the employee being barred from future participation in the program, repayment of funds expended by the Company and disciplinary action, up to and including, termination.

VACATION

Salaried, full-time employees accrue vacation time from the date of their hire. However, they are not eligible to be paid for vacation benefits until they have successfully completed the three (3)



months initial probationary period. Part-time and temporary employees are not eligible to earn or to be paid for vacation benefits.

Vacation Accrual

Eligible employees accrue vacation in accordance with completed years of service, outlined as follows:

Length of Service	Days Per Year
First 2 years of continuous service	10
3rd and 4th years of continuous service	15
5th year and thereafter of continuous service	22

Accrued vacation may not be used until three full calendar months of employment have been completed. If time is taken away from work during the first 3 months, it will be time without pay, floating holiday or personal time.

HOLIDAYS

isoterix provides eligible employees with paid time off for Company-designated holidays. The Company also provides a floating holiday to eligible full-time salaried employees to meet their personal needs and beliefs.

Employee Eligibility

Full-time, salaried employees may receive pay for Company designated holidays.

Company-Designated Holidays (*Please see Figure 1. isoterix Holidays*):

1. New Year's Day
2. Martin Luther King, Jr. and Lee, Jackson Day
3. President's Day
4. Memorial Day
5. Independence Day
6. Labor Day
7. Veterans Day or Thanksgiving Friday
8. Thanksgiving Day
9. Christmas Eve (1/2 day)
10. Christmas Day
11. One (1) floating holiday (i.e. Birthday)

The Company may designate alternate holidays for certain business units due to unique needs. Additionally, some business units may require that employees work on certain Company-designated holidays. All employees should be aware that the holiday schedule may change from year to year depending on the dates which the holiday fall. If a designated holiday falls on a normally scheduled day off, another workday may be designated as the holiday observance.

Floating Holiday

In addition to the designated Company holidays, each eligible, full-time, salaried employee will accrue one (1) floating holiday every calendar year. An employee may schedule a floating holiday at any time during the year (i.e.: Birthday) with prior approval from the employee's

manager. Floating holidays may not be carried over to the next calendar year, unless required by state law.

Religious Accommodations

It is the practice of the Company to make reasonable accommodations for an employee's request for time off to observe religious holidays. Eligible employees may ask to take vacation, floating holidays or unpaid time off for religious holidays. Employees should request time off for religious observances in advance to allow for appropriate scheduling.

RETIRMENT PLAN

A profit sharing plan will be implemented in Fiscal Year 2004. More information will be provided once the plan is established.

OTHER BENEFITS

- Employee Referral Program Bonus Awards
- Flexible Work Arrangement (where feasible)
- Casual Dress Policy
- Automatic Payroll Deposit Feature (option for direct deposit in up to three different banking accounts)
- Credit Union Affiliation (*TBD*)