

HYPERTHERM

2016 New Hire Benefits Summary

Who Is Eligible for Benefits?

After one month of employment, all full time, regularly scheduled Associates who work 30 hours or more per week are eligible for the benefits described in this summary, unless otherwise noted. To be eligible, a dependent must be a legal spouse. An eligible dependent child for all benefits is defined as a child under the age of 26 that was born to you or legally adopted by you. It also includes a step child who lives with you. Eligibility is not contingent upon full-time student status, marital status or dependency.

You have one month from your date of hire to make your coverage elections. If you do not enroll in your benefits during this election period, you will be automatically enrolled in the Single High Deductible Medical Plan and the Single Low Dental Plan. You will not have the opportunity to change your benefits until the next Open Enrollment period unless you experience a life event. If you waive medical coverage during your benefit enrollment, you will be required to complete an attestation confirming that you have medical coverage elsewhere.

Pre-Existing Conditions

Please read the section below which identifies the Hypertherm programs that have a pre-existing condition limitation. There are no pre-existing condition limitations in the medical, dental, vision, short term disability, international medical or life insurance programs.

- Long Term Disability - If you were diagnosed or treated within 3 months prior to becoming eligible and become disabled in the first 12 months of coverage, your disability will not be covered.
- Long Term Care - diagnosis or treatment 6 months prior to the effective date of coverage will not be covered until 6 months after the effective date of coverage.
- Critical Illness - diagnosis or treatment 30 days after effective date of coverage and/or 90 days after effective date of coverage for invasive or in-situ cancer.

PHYSICAL Health

Medical Coverage Options

	High Deductible Plan		Open Access Plus Plan (OAP)			
			In-Network		Out of Network	
	Annual Salary Less than \$65,000	Annual Salary \$65,000 or higher	Annual Salary Less than \$65,000	Annual Salary \$65,000 or higher	Annual Salary Less than \$65,000	Annual Salary \$65,000 or higher
Deductible (does not include co-pays)						
Single	\$1,500	\$3,000	\$500	\$500	\$1,000	\$1,000
Dual	\$2,000	\$4,000	\$1,000	\$1,000	\$2,000	\$2,000
Family	\$2,500	\$5,000	\$1,500	\$1,500	\$3,000	\$3,000
Co-insurance %	100%	100%	85%	85%	65%	65%
Out-of-Pocket Maximum (includes calendar year deductible, co-insurance, and medical/Rx copays)						
Single	\$1,750	\$3,000	\$2,000	\$3,000	\$4,000	\$6,000
Dual	\$3,000	\$5,500	\$4,000	\$6,000	\$8,000	\$12,000
Family	\$4,250	\$8,000	\$6,000	\$9,000	\$12,000	\$18,000
Preventative Care	100%	100%	100%	100%	100%	100%
Hospital Inpatient Co-Pay	Deductible applies; Associate pays full cost of all services except preventive care until deductible has been met. Plan then pays 100%.		\$200	\$200	35% of charges	35% of charges
Day Surgery Co-Pay			\$100	\$100	35% of charges	35% of charges
Emergency Room Co-Pay			\$100	\$100	\$100	\$100
Non-Specialist Office Visits			\$20 co-pay	\$20 co-pay	35% of charges	35% of charges
Specialist Visits			\$35 co-pay	\$35 co-pay	35% of charges	35% of charges
CT/MRI/PET Scans			\$35 co-pay	\$35 co-pay	35% of charges	35% of charges
Prescription Drugs	Retail	Mail Order	Retail	Mail Order	There is no out-of-network coverage for prescriptions	
	One month supply	Three month supply	One month supply	Three month supply		
Generic	\$10 co-pay	\$20 co-pay	\$10 co-pay	\$20 co-pay		
Brand	\$30 co-pay	\$60 co-pay	\$30 co-pay	\$60 co-pay		
Non-Preferred Brand	\$45 co-pay	\$90 co-pay	\$45 co-pay	\$90 co-pay		

PHYSICAL Health

Vision Care (EyeMed) - Included with Dental Plan

In-Network

- Vision coverage is included for all Associates and family members electing dental coverage.
- Exam (dilation as necessary): \$10 co-pay.
- Frames (any frame available at provider location): no co-pay; \$130 allowance.
- Standard plastic lenses: single vision, bifocal and trifocal, \$20 co-pay.
- Contact lenses: \$105 allowance.
- Additional discounts on services and materials after the funded benefit has been used.



Dental Coverage Options (Northeast Delta Dental)

- Enrollees in the High Option Plan may accumulate \$250 a year in additional benefits for use in future coverage periods.



	Low Option Plan	High Option Plan
Deductible: Individual	\$50	\$50
Family	\$100	\$100
Preventative Care (subject to Reasonable & Customary limits)	100%	100%
Basic restorative procedures	60%	80%
Major restorative procedures	30%	50%
Yearly maximum benefit per family member	\$1,200	\$1,500
Orthodontia (adults and children)	n/a	50% (\$2,000 lifetime max)

If you choose to enroll in the Low Option Plan, you cannot change to the High Option Plan for two years.

Bi-Weekly Associate Contributions

2016 Medical Payroll Deductions					
OAP Plan	Tier I <\$40,000	Tier II \$40,000 to \$64,999	Tier III \$65,000 to \$89,999	Tier IV \$90,000 to \$114,999	Tier V \$115,000+
Individual	\$48.47	\$54.18	\$59.88	\$65.57	\$74.11
Dual	\$96.93	\$108.38	\$119.75	\$131.14	\$148.22
Family	\$164.63	\$184.06	\$203.39	\$222.73	\$251.73

2016 Dental & Vision Payroll Deductions					
Dental High Plan & Vision	Tier I <\$40,000	Tier II \$40,000 to \$64,999	Tier III \$65,000 to \$89,999	Tier IV \$90,000 to \$114,999	Tier V \$115,000+
Individual	\$4.15	\$4.62	\$5.10	\$5.57	\$6.28
Dual	\$8.28	\$9.22	\$10.17	\$11.12	\$12.54
Family	\$14.56	\$16.23	\$17.89	\$19.56	\$22.05

2016 Medical Payroll Deductions					
High Deductible Health Plan	Tier I <\$40,000	Tier II \$40,000 to \$64,999	Tier III \$65,000 to \$89,999	Tier IV \$90,000 to \$114,999	Tier V \$115,000+
Individual	\$26.61	\$30.41	\$34.21	\$38.01	\$43.71
Dual	\$53.24	\$60.85	\$68.46	\$76.07	\$87.47
Family	\$90.52	\$103.46	\$116.38	\$129.30	\$148.71

2016 Dental & Vision Payroll Deductions					
Dental Low Plan & Vision	Tier I <\$40,000	Tier II \$40,000 to \$64,999	Tier III \$65,000 to \$89,999	Tier IV \$90,000 to \$114,999	Tier V \$115,000+
Individual	\$3.02	\$3.36	\$3.71	\$4.05	\$4.47
Dual	\$6.04	\$6.73	\$7.42	\$8.11	\$9.14
Family	\$10.77	\$12.00	\$13.23	\$14.46	\$16.31

Self Funding 101

What is self funding?

Self funding means Hypertherm pays for the cost of your medical and/or dental claims. Though the benefits are administered by CIGNA and Northeast Delta Dental, all claims are paid by Hypertherm.

Why does Hypertherm choose to self insure its medical and dental programs?

Self insuring allows Hypertherm to offer the same benefits to all Hypertherm Associates around the country; it provides flexibility in plan design to meet Hypertherm's culture; it reduces fixed costs; and allows Hypertherm and our Associates to benefit from favorable claim experience.

FINANCIAL Health

Flexible Spending Accounts

Health Care Reimbursement Account

- Reimbursement for deductibles, co-insurance payments and other expenses allowed by the IRS.
- \$2,550 annual limit per federal healthcare reform.
- Roll over up to \$500 of your end of year balance to the next year.

Dependent Care Reimbursement Account

- Reimbursement for child care expenses or care for disabled dependents.
- \$5,000 annual limit.
- Dependent children are eligible up to age 13.



Retirement Benefits



Retirement Savings Plan—401(k)

- Associates can rollover funds from a 401(k) plan from former employers. Instructions are included in your new hire book.
- Associate's pre-tax contribution up to I.R.S. limits of 60% of base salary or \$18,000 per year (\$24,000 age 50 or older).
- Hypertherm matching contribution of 25% (on up to 6% of Associate's compensation).
- Eligible for automatic enrollment upon date of hire.
- 100% immediate vesting in company match.
- Administered by The Principal. Visit their website at www.principal.com.

Hypertherm Associate Stock Ownership Plan (HSOP)

- The HSOP was established in 2001 to share ownership of the corporation with Associates.
- The HSOP is a legal structure under IRS guidelines, and it has significant benefits to Associates.
- You will become a participant in the HSOP on the day you complete one year of service. A year of service is a 12-month period in which you have at least 1,000 hours of service with Hypertherm.
- You will receive your first allocation of stock at the end of the Plan year you become a Participant (assuming 1,000 hours). This is reflected in the HSOP Certificate that is given to Associates after the stock price is announced, usually April or May of the following year.
- Designed as a retirement program, the HSOP provides that your stock or cash (if in an alternative investment) will be distributed in the year following valuation coinciding with the year of normal retirement at age 65, death or disability. If you leave Hypertherm for any other reason, distribution will be in accordance with the Summary Plan Description.

Hypertherm's Optional Benefits

Hypertherm offers Associates several optional programs from which to choose. Many of these programs offer guaranteed coverage if you elect them as soon as you are eligible.

- **Legal Plan.** Hypertherm offers Associates a legal plan which can be paid for through payroll deduction. Associates are eligible the first of the month following one month of employment. The cost is \$8.27 bi-weekly. If you elect the Legal Plan, you may also elect the Optional Info Armour Identity Theft Plan at a bi-weekly cost of \$4.38.
- **Additional Life Insurance.** Associates can elect additional amounts of life insurance on themselves and their spouse and child (ren). The Spouse Life insurance amount cannot exceed 100% of the Associate's base and supplemental life insurance amounts combined.
- **Critical Illness Coverage.** If you are diagnosed with a covered medical condition, this program will provide you with a lump sum payment to help you defray costs. The benefit is paid directly to you and can be used for any purpose. You are eligible for this program on the first day of the first quarter following one (1) month of service. If you apply for coverage on yourself, you can also apply for coverage on your spouse/children.
- **Accident Insurance.** Colonial's Accident Insurance provides benefits to help you and your family when you experience unexpected injuries. You may elect family coverage to include your spouse and dependent children. Your benefits are paid directly to you, unless you specify otherwise. This plan is portable; you can take it with you if you change jobs or retire. You are eligible for this program on the first day of the first quarter following one (1) month of service.
- **Pet Insurance.** Veterinary Pet Insurance covers dogs, cats, birds, ferrets, reptiles and pocket pets. There are a variety of medical plan options to choose from and a wide range of available coverage. Participants can also select their preferred deductible amount: \$100/\$250/\$500/\$1,000. All policies are individually underwritten and monthly rates are subject to animal breed, age, state of residence and plan type. Premium is directly billed to you from VPI and can be paid monthly or annually.
- **Accidental Death & Dismemberment.** As an addition to your regular life insurance, AD&D insurance can cover major expenses like funeral costs and lost income for family members. If you are severely injured in an accident, you may have expenses that are not covered by other insurance, like special equipment and the cost of renovating your home to make it accessible.

PERSONAL Health

Life and Disability Benefits

Hypertherm knows that in the event you become disabled, your bills, including those for housing, food, children's education, clothing, electricity, phone and car expenses, all continue. Hypertherm's life and disability programs help to continue paying for the necessities of life if you incur significant expenses or become disabled and unable to work.

All Associates receive:

- Life Insurance benefit of one (1) times annual base earnings. The benefit for Associates with sales incentives includes base earnings plus incentives. This benefit is paid 100% by Hypertherm.
- Short Term Disability and Long Term Disability programs which provide a partial replacement of earnings in the event of a disability at 60% of base earnings. Associates pay tax on the premium so that in the event of a disability, the benefits are tax-free.
- Long Term Care Plan. Long term care is the type of care received either at home or in a facility, when someone needs assistance with activities of daily living, such as bathing and dressing, due to an accident, illness or advancing age. Hypertherm provides a \$1,000 per month benefit for 3 years at no cost to you. You may purchase additional coverage on yourself as well as coverage on your spouse, your parents, siblings and in-laws at group rates.



Time Off Benefits

Earned Time

Associates begin to accrue time off as of their date of hire. ETO is available for vacations, illness or other personal reasons. Eligible for use after 90 days of service. Can be accumulated up to 400 hours.

1-5 years of service = 120 hours (15 days)

6-10 years of service = 160 hours (20 days)

After 10 years of service = 200 hours (25 days)

Community Service Time

Hypertherm is committed to making a difference in the community through philanthropic activities.

After 90 days of employment, Associates are eligible to use up to 24 paid hours for volunteering.

Community Service Time is paid only for volunteer service that replaces normal working hours. If you work on the third shift and volunteer during the day, you can take time off from your shift at night.

Holidays

10 paid scheduled or floating holidays

Time off benefits are pro-rated if you are scheduled to work on a part-time basis.

Hypertherm's Additional Benefits

- Associate Assistance Program (Ulliance)
- Two subsidized in-house cafeterias, offering three full meals per day
- Discounts from many Upper Valley merchants
- Athletic teams—i.e., basketball and indoor soccer
- On-site exercise facilities and classes at many Hypertherm facilities

- On-site wellness & PCP clinic (HAWC)
- Wellness rewards based on Virgin Pulse status up to \$800 per year: \$35 Level I, \$45 Level II, \$55 Level III and \$65 Level IV (quarterly).

Live Life Well

Hypertherm Associate Wellness Center

In partnership with:
Dartmouth-Hitchcock Medical Center

Virgin Pulse Wellness Program

All Associates and their spouses are encouraged to participate in the Virgin Pulse online wellness program. Earn points for engaging in healthy activities and receive rewards. Imagine being REWARDED for engaging in healthy activities that lead to optimal health!

Commuting Benefits

- Incentives paid per carpooling day to the driver and passenger of a carpool of one or more commuting passenger;
- Free tokens for using public transportation.
- Claremont commuter vanpools, 2nd and 3rd shifts
- \$5 per day or \$2.50 per one way trip for walking or riding a bicycle to work;
- \$300 reimbursement for the purchase or lease of a new or used vehicle with a greencars.org rating of 48 or higher, which will be the Associate's primary means of commuting throughout the year.

International Travel Medical

Hypertherm offers an international travel medical policy for an Associate's emergency medical needs while traveling on business outside their home country.

Education

Associates are eligible for Degree Program assistance (dependent on documented criteria) after one year of employment.

Adoption Assistance Program

Hypertherm provides eligible Associates with adoption benefits - including financial reimbursement, paid time off, adoption leave of absence, and resource and referral services.

Maternity Leave

Hypertherm provides maternity leave at 100% of salary for six (6) weeks. This maternity leave runs concurrently with short term disability.

Paternity Leave

5 days paid time off.

Bereavement

If there is a death in your immediate family, you may arrange for up to five days off with pay.

Profit Sharing

- Eligible if hired on or before Monday, July 5, 2016
- Determined annually based on Hypertherm's profitability.
- (Last 5 years, average payment = 21% of base pay.)

The information outlined is a general summary of Hypertherm's Benefit Program. It does not contain all the limitations, exclusions or caveats pertaining to coverages which are outlined in the Summary Plan Description (SPD) available to all Associates. It is an Associate's responsibility to review the SPD for answers to specific questions. While it is Hypertherm's intention to continue a comprehensive benefit program, any or all of the above programs may be modified or terminated at Hypertherm's discretion.