

**STERLING CHEMICALS, INC.
SALARIED BENEFIT HIGHLIGHTS**

| <i>Benefit Programs</i> | <i>Eligibility Date</i> | <i>Who Pays</i> |
|-----------------------------|---------------------------------------|--------------------|
| Medical | Date of hire | Employee & Company |
| Dental | Date of hire | Employee & Company |
| Disability | Date of hire | Company |
| Life and AD&D | Date of hire | Company |
| Optional Life (Term) | Date of hire | Employee |
| Optional Life (Whole Life) | May 1st following one year of service | Employee |
| Flexible Spending Accounts | Date of hire | Employee |
| Savings and Investment Plan | Date of hire | Employee & Company |
| Holidays | Date of hire | Company |
| Vacation Accrual | Date of hire | Company |

Medical

Sterling offers two medical programs for you and your eligible dependents - a PPO (Preferred Provider Organization) and an HMO (Health Maintenance Organization). The programs differ in their cost, their level of reimbursement and, to a lesser extent, the benefits provided.

PPO (POS): This program is fully insured and administered by Aetna. You may cover your dependent children up to age 25. You may only cover your spouse if he/she is not employed or if he/she is employed but the employer does not provide health coverage. You may use any medical providers whether they are part of the Aetna network or not. However, the plan will pay a larger portion of your expenses if you use network providers. The plan is as follows:

| | PPO Expenses | Non-PPO Expenses |
|----------------------------------|--------------|-------------------------------|
| Individual Deductible | \$250 | \$500 |
| Family Deductible | \$500 | \$1,000 |
| Individual Maximum Out-of-Pocket | \$1,200* | \$2,400* |
| Family Maximum Out-of-Pocket | \$2,400* | \$4,800* |
| Employee Co-pay % | 10% | 40% of reasonable & customary |

* Excludes deductible

Additional limitations apply to psychiatric and substance abuse treatment. Lifetime benefits are limited to \$2,000,000.

Aetna also provides prescription drug coverage. Drug coverage cost is based on the tier (1, 2, or 3) in which your drug falls in the Aetna Formulary. You pay 10% of the cost for Tier 1, 20% of the cost for Tier 2, and 40% of the cost for Tier 3 drugs.

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HMO: Sterling offers an Aetna fully insured HMO. You may cover your dependent children up to age 25. You may only cover your spouse if he/she is not employed or if he/she is employed but the employer does not provide health coverage. Generally, you pay \$20 for primary care office visits, \$35 for specialists, and \$500 for most hospital admissions. However, to receive any benefits under the program, you must use HMO contracted providers (except in life threatening emergencies). You are not required to select a Primary Care Physician (PCP) and may see other providers without referrals from a PCP. Prescription drugs have co-pays of \$10, \$25 or \$40, depending on the formulary tier of the drug prescribed.

Dental

You may elect to purchase dental coverage for you and your eligible dependents. This benefit is self-insured by Sterling. You may cover your dependent children up to age 19 or age 25 if a full-time student. You may only cover your spouse if he/she is not employed or if he/she is employed but the employer does not provide dental coverage. There is no deductible for dental benefits. The plan pays 100% of reasonable and customary charges for preventative and diagnostic procedures and 80% for basic and major restorative procedures. Maximum annual benefit for each covered person is \$2,000. The plan also provides up to \$1,500 of orthodontia benefits over the lifetime of each covered participant (children and adults).

Sick Pay and Disability

The Company provides disability benefits as follows:

| <u>Months of Disability</u> | <u>% of Pay</u> |
|---------------------------------|-----------------|
| 0-6 | 100% |
| 7-12 | 90% |
| 13-18 | 80% |
| 19-30 | 70% |
| 30 or more months | 65% |

For the first 30 months of disability, you must be totally disabled and unable to perform the duties of your own occupation to qualify for benefits. After 30 months, you must be totally disabled and unable to perform the duties of any occupation to qualify.

Basic Life and AD&D

The Company provides a life insurance benefit equal to 2 1/2 times your annual base pay to a maximum of \$1,000,000. The Accidental Death & Dismemberment (AD&D) benefit is equal to two times your annual base salary, with a minimum of \$100,000 and a maximum of \$600,000.

Optional Life Coverage

You may elect to purchase several different types of group term and/or whole life insurance coverage for you and/or your dependents. Premiums are paid through payroll deduction. There is no medical exam at your first enrollment opportunity.

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Flex Spending Accounts

Flex Spending Accounts (Dependent Care FSA and Health Care FSA) allow you to set aside money on a pre-tax basis to pay for qualifying health care and/or dependent care expenses. As you incur eligible expenses, you make claims for reimbursement from the funds you have set aside. The maximum amount that can be contributed to each flexible spending account is \$5,000.

Savings and Investment Plan

The Savings and Investment Plan (SIP) is a 401(k) plan in which you may elect to contribute up to 100% of your pay (net of deductions) on a pre-tax and/or after-tax basis. Employees will be automatically enrolled at 3% of pay on a pre-tax basis unless they elect otherwise. If you do not make another election, this automatic enrollment rate will increase 1% annually on the anniversary of your hire until it reaches 6%. The Company will match up to 6% of your contributions per pay period from your eligible pay in an amount equal to 100% of those contributions. The matching contributions are 100% vested after two years. Catch up contributions are also allowed for those employees 50 and older. Loans and in-service withdrawals are available. Contributions may be invested in a diverse selection of investment funds.

Holidays

Sterling employees have 11 paid holidays each year:

| | |
|---------------------------|---------------------|
| New Years Day | Presidents' Day |
| Good Friday | Monday after Easter |
| Memorial Day | Independence Day |
| Labor Day | Thanksgiving Day |
| Friday after Thanksgiving | Christmas Eve |
| Christmas Day | |

Vacation

January 1 is the beginning of the vacation year at Sterling. Vacations may be taken any time from January 1 to December 31.

Vacation may be negotiable for new exempt hires.

Generally, new employees will receive a prorated amount of vacation for their first full vacation year. Thereafter, vacation is as follows:

Exempt

| Completed Years of Service | Vacation Days |
|---------------------------------------|----------------------|
| 1-19 | 20 |
| 20-29 | 25 |
| 30 or more | 30 |

Non-exempt

| Completed Years of Service | Vacation Days |
|---------------------------------------|----------------------|
| 1-4 | 10 |
| 5-9 | 15 |
| 10-19 | 20 |
| 20-29 | 25 |
| 30 or more | 30 |