

## COMPENSATION AND INCENTIVE PAY

**Compensation.** The company offers employees competitive base salaries and annual salary reviews based on performance.

**PrinPay.** Eligible employees participate in an annual incentive program that is based on individual and company performance.

## HEALTH AND WELLNESS BENEFITS

**Medical benefits.** A number of innovative health plans are offered and subsidized by the company. Employees can customize the health plan of their choice to best meet their needs and the needs of their families.

**Dental benefits.** Dental coverage provides benefits for preventive care; basic services, like fillings; major services, like crowns; and orthodontia for dependent children.

**Vision coverage.** Two programs are offered to give employees choice.

**Flexible spending accounts.** Employees can participate in the flexible spending accounts for eligible dependent care and medical expenses.

**Wellness programs.** Health screenings, fitness centers, resources and general wellness support focus on health and productivity. The combination of programs provides employees the tools they need to enhance their quality of life by enjoying the advantages of good health.

## DEVELOPMENT PROGRAMS

Mentoring, networking, educational assistance, computer/web-based programs, leadership curriculum



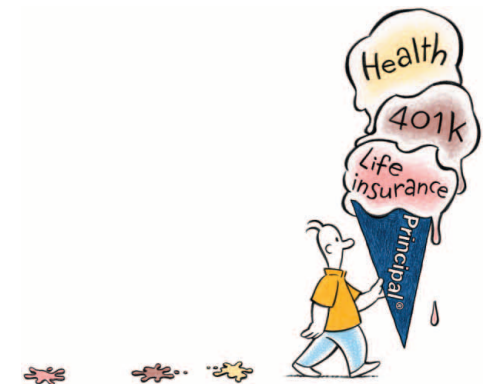
WE'LL GIVE YOU AN EDGE®

Principal Life Insurance Company, Des Moines, Iowa 50392-0001, [www.principal.com](http://www.principal.com)

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The Principal Financial Group®  
Benefits in every flavor.



Most employers provide benefits, but few can compete with the Principal Financial Group®. After all, we champion financial well-being. We help other companies provide great benefits for their employees. So it only makes sense we'd do the same for our own. We ask our employees what's important to them and have designed a benefits program that considers their health, time, family situations, professional growth and financial futures.

Our pay and benefits give our employees choices and help them balance life at and outside of work. And, it doesn't stop there. Once you're here, you'll find many ways to give your career an edge. Mentoring, networking and on-the-job training are only a few examples of opportunities to keep you and your career challenged and growing.

Our customer focus, culture, total compensation, approach to diversity and commitment to our communities is a winning combination. And, that's what makes The Principal a great place to work.

### Our approach to total compensation

We think of our total compensation as more than just salary and benefits. It's everything employees receive in return for working at The Principal. This includes health and wellness benefits, time off, retirement programs, work perks, development opportunities and more.

The Principal total compensation approach focuses on providing competitive pay that rewards exceptional results. And, we recognize that benefits don't come in a one-size-fits-all package, so we provide choice with our benefits at a cost employees and the company can afford.

## FINANCIAL SECURITY BENEFITS

### Retirement program.

- The Principal Select Savings 401(k) Plan provides a company match of 75% on the first 8% you defer, per pay period. Employees are immediately eligible to participate in the plan. Participants can also make Roth 401(k) after tax contributions. Roth contributions are subject to the same limitations as pre-tax contributions. A participant can make pre-tax, Roth, or a combination of both, up to 85% of compensation.
- The Principal Pension Plan provides retirement savings at no cost to the employee. Each year three to seven percent of the employee's pay is credited to this account, which earns interest.

**Employee Stock Purchase Plan (ESPP).** Eligible employees can purchase stock at a 15% discount through lump-sum or payroll deductions during quarterly purchase periods.

**Short-term Disability (STD) and Long-term Disability (LTD).** The company provides STD and LTD coverage at no charge to employees.

**Company-provided Life Insurance.** The company provides Member Life Insurance, accidental death and dismemberment and Business Travel Accident insurance at no cost to employees.

## TIME OFF BENEFITS

**Personal Time Off (PTO).** PTO hours are deposited into a "PTO bank" and additional hours are earned each pay period. Unlike traditional vacation plans, employees don't "lose" their PTO at the end of the calendar year.

**Bought Time Off.** Once each year, eligible employees have the opportunity to purchase up to 40 hours of time off that can be used during the next calendar year.

**Holidays.** The Principal observes nine paid holidays a year.

**Volunteer Time Off.** Employees are given eight hours of time off to use toward volunteer activities, plus time during the United Way Day of Caring.

**Leave of absence programs.** Several leaves of absence are offered, including Working Caregiver Leave, which allows employees to work part-time for up to 12 weeks to care for a family member, while still receiving full-time benefits.

## OTHER BENEFITS, PROGRAMS AND WORK PERKS

### Work perks

- Cafeterias
- Parking
- Jeans Days
- Free Drink Monday
- No Meeting Friday
- Personal travel benefits
- Diversity resource groups
- Rewards and celebrations
- Employee discounts on goods and services from community businesses, on-site DVD rentals, dry cleaning and pharmacy

### Family benefits

- Lactation Centers
- Prenatal Care Program
- Adoption Reimbursement Program
- On-site childcare center (coming in 2008)

### Community benefits

- Matching gifts
- Volunteer Time Off program
- Dollars for Denim
- United Way Day of Caring

### The Principal Employee Financial Center

- Online banking
- Banking products
- Retirement planning
- College education funding
- Income protection
- Mutual funds