

## **NEKTAR THERAPEUTICS FLEXIBLE BENEFIT PLAN**

### **SUMMARY OF MATERIAL MODIFICATIONS**

The purpose of this Summary of Material Modifications is to inform you of a change that has been made to the Nektar Therapeutics Flexible Benefit Plan. This change has affected the information previously provided to you in the Plan's Summary Plan Description. The Summary Plan Description is modified as described below.

### **ELECTIONS**

#### Modification of Elections

Generally speaking, you may only revise your elections as of the start of a Plan Year. However, in certain situations you may modify your elections upon a "change in status". Please contact the Plan Administrator if you have any questions or believe that you may qualify for an election change.

If you have a change in status, you may modify an election in your Health Care Reimbursement Account but your new annual contribution amount may not be less than the amount previously reimbursed at the time of the election change.

You are permitted to revoke an election of coverage under a group health plan due to reduction in hours of service. In order to revoke an election of coverage under a group health plan due to reduction in hours of service, you must have been in an employment status under which you were reasonably expected to average at least 30 hours of service per week and there is a change in your status so that you will reasonably be expected to average less than 30 hours of service per week after the change. In addition, your revocation of the election of coverage under the group health plan must correspond to your intended enrollment (and any related individuals who cease coverage due to the revocation) in another plan that provides minimum essential coverage with the new coverage effective no later than the first day of the second month following the month that includes the date the original coverage is revoked.

You are permitted to revoke an election of coverage under a group health plan due to enrollment in a qualified health plan offered through the Health Insurance Marketplace. In order to revoke an election of coverage under a group health plan due to enrollment in a qualified health plan offered through the Health Insurance Marketplace, you must be eligible for a special enrollment period to enroll in a qualified health plan through the marketplace or during the marketplace's annual enrollment period. In addition, the revocation of the election of coverage under the group health plan must correspond to your intended enrollment (and any related individuals who cease coverage due to the revocation) in a qualified health plan through a marketplace for new coverage that is effective no later than the day immediately following the last day of the original coverage that is revoked.

In addition, your election for your premiums will be automatically adjusted for any change in the cost of contracts as permitted by applicable law.

### **BENEFITS**

Employer Group Medical  
Employer Dental

## Employer Vision

If a contract is offered in conjunction with a Company-sponsored benefit plan, you will be eligible to make contributions to the Premium Conversion Account only if you are also eligible to participate in the applicable Company-sponsored plan, it is described above and you are eligible to participate in this Plan.

In the event of a conflict between the terms of this Plan and the terms of a contract, the terms of the contract (or the benefit plan under which it is established) will control.

## Health Care Reimbursement Account

When you become eligible to participate in the Plan, the Plan will establish a Health Care Reimbursement Account in your name. This Account will be credited with your contributions and will be reduced by any payments made on your behalf. You will be entitled to receive reimbursement from this account for eligible expenses incurred by you, your spouse and dependents, if any. A dependent is generally someone who you may claim as a dependent on your federal tax return and also includes a child who is under the age of 27 through the end of the calendar year. You may receive reimbursement for eligible expenses incurred at a time when you are actively participating in the Plan.

The entire annual amount you elect to contribute for the Plan Year for the Health Care Reimbursement Account less any reimbursements already disbursed will be available for reimbursement. The maximum amount you may contribute each year is the maximum amount permitted (\$2,550 for 2015).

Eligible expenses generally include all medical expenses that you may deduct on your federal income tax return, although health insurance premiums are not an eligible expense for the Health Care Reimbursement Account. Medicines or drugs are eligible expenses only if such medicine or drug is a prescribed drug (determined without regard to whether such drug is available without a prescription) or is insulin (unless otherwise excluded). You will not be reimbursed for any expenses that are (i) not incurred in the Plan Year, (ii) incurred before or after you are eligible to participate in the Plan, (iii) attributable to a tax deduction you take in a prior taxable year, or (iv) covered, paid or reimbursed from any other source.

## **FORFEITURES**

### Plan Year/Termination

Except as provided below, any amounts remaining in your account at the end of the Plan Year will be forfeited after all claims are paid. In addition, except as described below for dependent care expenses, any balance remaining in your account on the date you terminate employment with the Company will be forfeited after all claims are paid.

Any balance remaining in your Health Care Reimbursement Account at the end of any Plan Year up to \$500 will be carried forward and used to fund such benefits in any subsequent Plan Year. This carryover amount will not affect your ability to contribute the maximum amount (2,550) in the subsequent Plan Year.