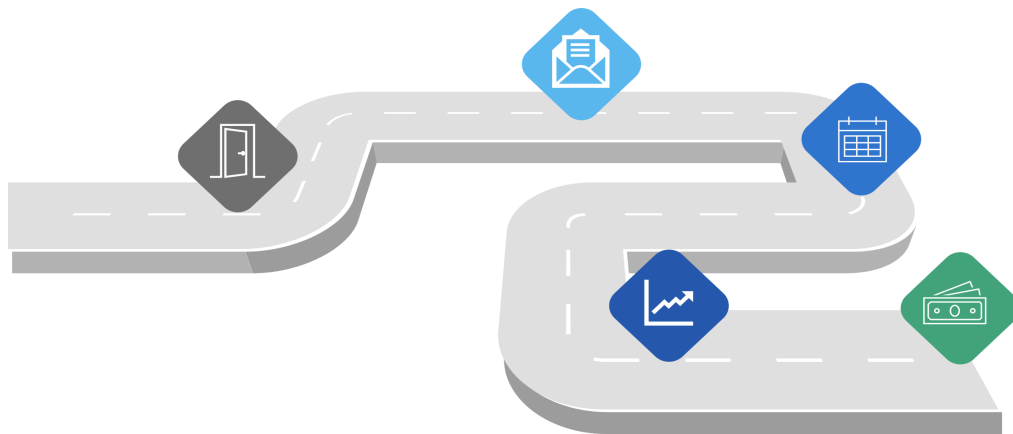


ESOP UPDATE

Information about your Employee Stock Ownership Plan (ESOP)

Roadmap to Building ESOP Rewards



Building ESOP rewards happens over time. You can find the details on each part of the journey in your ESOP's Summary Plan Description (SPD). The ***italicized terms*** below will help you find the specifics terms used in your SPD.

- 1 Enter the plan.** You don't have to sign up for an ESOP, it just happens unless your ESOP comes in the form of a match. You will become a participant after you meet your plan's criteria for ***eligibility/participation***.
- 2 Earn regular contributions.** Your ***share of the contributions*** is determined by the plan's allocation formula. For example, it is common to allocate pro-rata based on compensation. Be aware that there may be a minimum threshold for hours worked in a year and/or employment status needed to be ***eligible to share in the allocation***.
- 3 Become fully vested.** Most ESOPs have a period of years that you must work in order to have a right to take your ESOP value with you after you leave. The years of service required are outlined in your plan's ***vesting*** schedule.
- 4 Grow stock value.** Each year there is an independent ***appraisal*** of the company stock in your ESOP. Here's where each person's job-level actions can impact the long-term health of the business and the ***value*** of your ESOP account.
- 5 Receive a distribution.** ESOP ***benefits are distributed*** after you are no longer working for your ESOP-owned company. You receive the fair market value at the time of your distribution. The timing and payment schedule of your distribution can be impacted by several factors including: when you leave employment, your age and the dollar value of your distribution. ESOP distributions are taxable but like other retirement distributions, they may be rolled over into another qualified retirement plan to defer the taxes.