

# ESOP UPDATE

Information about your Employee Stock Ownership Plan (ESOP)

## Five facts about ESOP stock value

Your ESOP statement shows you the price per share, or value, of your stock holdings in the ESOP. Below are five facts that all ESOP participants should know about the stock value in the Company Stock Account (CSA) portion of your statement.

1. **Stock value is determined by an independent professional.** Your ESOP trustee hires an independent professional firm to determine your company's fair market value unless you are a publicly traded company. Generally the price (fair market value) changes only one time a year in privately held companies with an ESOP.
2. **Stock value can go up or it can go down.** Even the most successful companies can see both increases and decreases in stock value. What's important for participants is the long-term trend because the ESOP is a long-term benefit.
3. **Meeting your job-level goals contributes to the growth of ESOP stock value.** While there are some factors outside the company that influence stock value, ESOP participants can directly influence value by doing their individual part to help the company succeed and thrive.
4. **ESOP statements are normally available months after the end of the Plan Year.** Statements in a privately held ESOP are finalized many months after the end of the Plan Year. This is because it takes time to obtain an independent appraisal of the stock and do all proper record keeping and reporting required for an ESOP.
5. **The longer you stay with your employer, the more opportunity you have for growing the value of your account.** While there are never any guarantees with stock value, having more years of service with an ESOP company has advantages. You have more opportunities to receive company contributions and amounts that others forfeit because they left the plan before being vested. In addition, the more years you remain employed with your Company, the more time you have for the stock value to grow.

