

# ESOP UPDATE

*Information about your Employee Stock Ownership Plan (ESOP)*

## What makes my ESOP account grow?

ESOPs can be a great addition to retirement savings. There are two ways your account can grow: annual additions and changes in the value of the investments.

1) **New annual additions** These typically come from company-paid contributions. Your account can also receive “forfeitures,” which are amounts added to your account because other participants left employment before they were fully vested. Your annual ESOP statement outlines all of the new additions to your individual account in the prior year.

2) **Changes in value**  
One time a year an independent appraiser is hired to determine the current value of the Company Stock held in your ESOP. Stock value may fluctuate up or down. Fortunately, the ESOP is a long-term benefit so a change in one year is not as important as the cumulative direction of all the changes over many years. The



appraisal takes into consideration a variety of factors including economic conditions, company obligations, and the current and future potential performance of our business. Simply put, when your company is successful over time your ESOP account will grow.