YOU ARE NOW AN EMPLOYEE OWNER!

How can you benefit as an Employee owner?

Employee owners have a direct financial investment in the company and may receive benefits above and beyond regular wages. As part of the Employee Stock Ownership Plan, you are basically getting a retirement plan that requires no out-of-pocket contribution. (Unlike a 401(k) Plan which often requires employees to pay into their plan for matching contributions.) The number of shares you hold is directly related to your pay.

You are automatically enrolled, no enrollment form is required. Only a beneficiary form is needed. (Reach out to Patti Dixon or Jenny Havery-HR Department)

You do not contribute your own funds. Contributions are made by Strategies to Empower People.

Each year you will receive a report detailing the accumulation of funds in your ESOP Account.

AS THE COMPANY INCREASES IN VALUE, YOUR STOCK IN THE ESOP ALSO INCREASES IN VALUE!



What it means to be an owner

Strategies to Empower People is now 100% Employee Owned, which means employees own shares in the company that are held in individual accounts. Employees participate in an Employee Stock Ownership Plan, known as ESOP, and receive the rewards of ownership.

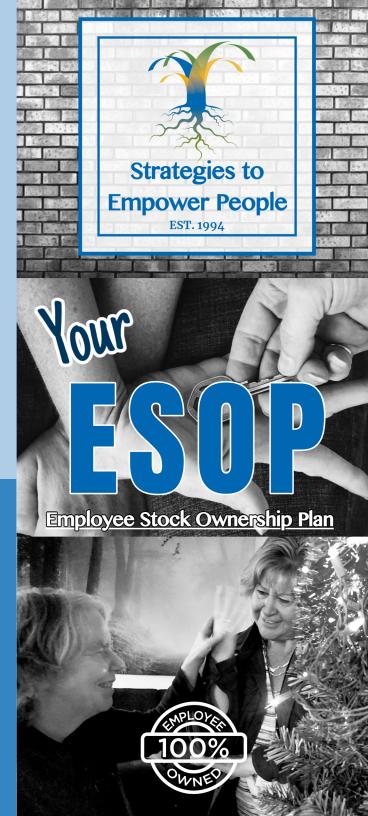
For more information on our ESOP, please contact any of the ESOP Committee Members.

Phone: 916-679-1555 2330 Glendale Lane Sacramento, CA 95825

www.STEPAgency.com

To learn more about Employee Ownership please visit **esopassociation.org** or **certifiedeo.com**.







What determines my annual ESOP contributions?

Employees receive a contribution in stock or cash based on the employee's earnings as a percentage of total eligible payroll.

How does Vesting work?

Vesting is a way to ensure that employees with long- term commitment to the company will gain the most benefit from stock ownership.

When will I receive my benefits?

Once you have met the vesting requirements you may receive your benefits at retirement, disability, death or termination of employment.

What is a plan year?

A plan year is one full year of service, from January 1st to December 31st.

Will I lose my benefits if the plan is terminated?

In the unlikely event that the ESOP is terminated, you will receive you entire vested benefits and vesting will be accelerated to 100%.

Eligibility	You are Eligible to join the plan if you: Completed 1 year of employment from the date of hire Accumulated 1,000 hours Are at least 21 years old
Vesting	Anyone employed on or after January 1st 2018, will vest on the following schedule: Years of Credited Service Less than two years Two years Three years Four years Five years Six or more years Anyone employed on or after January 1st 2018, will vest on the following schedule: Non-Forfeitable Portion 0% 40% 60% Five years 80% 100%
Your Benefit Distribution	If your vested account balance is over \$5000, it will be paid out in substantially equal payments over 5 years. If it exceeds \$1,105,000, it will be over 5 years plus (see SPD for details). If your vested balance is not over \$5000 it will be paid out in a single sum. If your vested balance does not exceed \$1000, it may be paid to you without your consent. If over \$1000 but does not exceed \$5000 and you do not consent to a distribution or instruct the committee with acceptable alternatives, then the Committee will roll it over into an IRA and provide you with that information. Cash or direct rollover to another qualifying plan or IRA.
Valuation	A yearly valuation report will be conducted by an independent third party appraiser. Then you will receive a statement showing the amount of stock and/or cash in your ESOP account.
Forfeitures	All company stock and other investments in which the Employee does not have a vested benefit because she/he/they have not met the hours or years of service worked required by the Plan will be treated as a forfeiture in the plan year after 5 continuous years of separation. All forfeited shares will be allocated among the ESOP accounts of the remaining eligible Employee participants.



Glossary of Terms

ESOP

ESOP is an employee benefit plan that enables employers to own part of the company they work for. Ownership of the company is done by owning shares.

SHARES

A share is a percentage of equity ownership in a company. A portion of a larger amount that is divided among people

VALUATION OF SHARES

An independent appraiser will perform an annual valuation of the plan. This appraisal determines a market price for the employee-owned shares.

CONTRIBUTION

The company sponsoring the ESOP makes retirement contributions to the plan on behalf of the participants, which is normally converted to shares of company stock in their accounts.

SPD

Summary Plan Description describes the Plan in general and may omit many details