



Welcome to Employee Ownership



## What is an Employee Stock Ownership Plan?

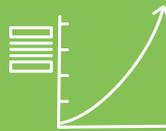
Pinnacle Solutions has been a proud employee-owned company since 2016. The vehicle that allows employee-owners like you to share in the growth and prosperity of Pinnacle Solutions is our Employee Stock Ownership Plan, or ESOP. We make yearly contributions of stock or cash to the ESOP on behalf of our employee-owners.

**No action is required to join and there is no cost to you, whatsoever.** You will automatically become a member of the ESOP once you have logged at least 1,000 hours in the current year. You must also be at least 21 years old. CBA (Collective Bargaining Agreement) employees are not included in the ESOP.

Technically, an ESOP is a retirement plan, similar to a 401(k). However, **unlike** a 401(k):



You pay nothing for your shares; Pinnacle Solutions makes all the contributions to your ESOP account



Your account balance is tied to the share value of Pinnacle Solutions, not external securities



All shares are held in a Trust governed by an administrator, called a Trustee

Your ESOP account is subject to vesting. Vesting is the percentage of your ESOP account that is yours and cannot be taken back. The longer you stay at Pinnacle Solutions, the more you vest, and this means that if you leave Pinnacle Solutions before you are 100% vested, all or part of the balance will be forfeited.

**All ESOP participants at Pinnacle Solutions have the same vesting schedule:**

YEARS OF VESTING	1	2	3	4	5
PERCENT VESTED	20%	40%	60%	80%	100%



# What are the Benefits?

Every year, we contribute to your ESOP account. Your account grows from these annual contributions and from the reallocation of any forfeitures (the non-vested balances) of employees who leave Pinnacle Solutions. The annual contribution is discretionary and is a certain % of pay (which is the same % for all ESOP participants).

## How will you know what benefits you have earned under the ESOP?



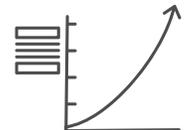
Once a year you will receive an Account Statement - usually in May.



The Account Statement will show the benefits you have earned and the value of those benefits.



The value of your benefits is determined once-a-year by an independent appraiser.



That value is what is used to determine the value of your shares.

## How does the company's performance affect your benefits?

The operating financial performance of Pinnacle Solutions as well as prospects for the future of the company are factors used to determine the value of the stock owned by the ESOP. Your account value is impacted by changes in Pinnacle Solutions' stock value, and as a result, the value of your account can go up or down, and in an extreme case, could potentially be worth nothing.

Remember, each ESOP member plays an important role in helping the company achieve success. *The better we do, the more it benefits your ESOP account.*

# Payment of Benefits

## When/how are benefits paid?

The ESOP benefits are for retirement, so you generally cannot be paid your benefit until after employment ends. Keep in mind that:

- You are only paid to the extent vested.
- Payment generally will not begin until the sixth (6<sup>th</sup>) year after employment ends and will generally be paid out in five (5) equal installments.
- The distribution is subject to change, and there are some exceptions, such as in the case of normal retirement at age 65, disability or death.

## Are you able to keep your stock when you leave the company?

When you leave the company, the "vested" portion of your ESOP account is yours. However, in order to keep the company employee-owned, and to pay you for your stock, the company buys shares back from former employees on a set schedule.

## What happens if you die?

If you die before you receive all of your benefits, your designated beneficiary will receive your ESOP Account.



# Employee-Owner Rights & Responsibilities

Each employee-owner at our company plays an important role in helping the company achieve success. In turn, the company respects the rights of each employee-owner and invests in their future success.

## Rights

As an employee-owner, you have the right to...

1

Benefit financially from the success of the company. As an owner, each year you will receive shares in the company. Your ownership stake guarantees that you succeed when we succeed.

2

Information that you need to do your job.

3

Form great professional relationships at work.

4

Professional development, growth, and opportunities for internal promotion.

5

Have a voice and openly discuss workplace issues that affect you and the company.

## Responsibilities

And you have the responsibility to...

Understand your role in our success and contribute to that success by being a good steward of our resources.

Help find solutions to our problems and share ideas for improvement.

Be a supportive team member and help us create a positive work environment for everyone.

Create positive experiences for our customers and the people we come in contact with.

Support management decisions and initiatives, consistent with our vision and values.



## Employee-Ownership Frequently Asked Questions

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**Q: What does it mean to be employee-owned?**

**A:** It means that everyone who works at the company is an owner! Ownership ensures that everyone builds wealth when the company succeeds.

**Q: What is an ESOP?**

**A:** An ESOP is an Employee Stock Ownership Plan. Technically it is a retirement plan. The company makes annual contributions and the value of your account tracks closely with our success. You pay nothing for your shares and do not have to contribute to your ESOP account.

**Q: Is the ESOP open to all employees?**

**A:** It is open to all employees who are over the age of 21 and have worked at least 1,000 hours in the last 12 months. CBA (Collective Bargaining Agreement) employees are not included in the ESOP.

**Q: Does this cost me anything?**

**A:** It does not cost you anything!

**Q: What is vesting?**

**A:** Vesting is the percentage of your ESOP Account that is yours and cannot be taken back. The longer you stay at the company, the more you vest, and this means that if you leave before you are 100% vested, all or part of the balance will be forfeited.



## Employee-Ownership Frequently Asked Questions

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### **Q: When do I get the money?**

**A:** Distribution of the benefit in your ESOP account begins when you retire. If you leave the company before retirement, payment generally will not begin until the sixth (6th) year after employment ends and will generally be paid out in five (5) equal installments.

### **Q: But really, what does this cost me?**

**A:** Really - it does not cost you anything.

### **Q: Does this mean I can set my own schedule?**

**A:** We are professionally managed, just like any business, and being an owner doesn't necessarily mean you have control. Ownership is about having a monetary stake in and an ability to have a positive impact on the success of the company. Control is about decision making.

### **Q: If I don't reach 1,000 hours, why should I care about the ESOP?**

**A:** You are part of a team of owners that care about doing high-quality, efficient work and keeping the well-being and success of all their fellow employee-owners at the forefront.

### **Q: How do I learn more?**

**A:** Ask your supervisor or an ESOP Communications Committee member.

