

INVESTING IN YOUR FUTURE



Proud to be 100%
Employee Owned



WHAT IS ESOP?

ESOP is an Employee Stock Ownership Plan. CHC employees are employee-owners, meaning they are allocated shares in the company, which are held in the ESOP trust account.

The amount of shares allocated to an employee is determined by his/her pay.

As the company increases in value, your ESOP shares increase in value, too. Similarly, if the value of the company decreases, then your ESOP shares may also fall in value.

Employees do not put their own money into the ESOP; the company profits fund the ESOP trust account.

Each year the stock is valued by an independent appraiser. The plan administrator will provide employees with statements describing their updated account value.

After six years of participation, employees are 100% vested.

How can You Benefit as an Employee Owner?

As an employee owner:

- you can take pride in knowing that your personal efforts can provide you with benefits above and beyond your regular wages.
- you have a greater stake in the company and a greater opportunity to reap the rewards of ownership!

SUMMARY OF ESOP

Eligibility and Entry

Employees are eligible to join the plan upon:

- Completion of 1,000 hours of service within a calendar year.

New Hire Example:

- Date of hire: 3/20/23.
- Worked 1,000 hours in 2023
- Eligible: 01/01/23.

How to Enroll

You are automatically enrolled; no enrollment form is required. However, you do need to contact HR to complete a beneficiary form.

Contributions

Employee: No contributions are required.

CHC: Contributions will be made based on your eligible compensation at the end of the plan year if you:

- Completed 1,000 hours of employment OR
- Left the company during the year as a result of disability, death, or retirement.

Vesting

You begin vesting after your second year of employment. Vesting accrues at 20% per year. You will be fully vested after six years. Credit is granted for years prior to the ESOP.

Distributions

Employees who retire, die, become disabled, or leave the company for any other reason will begin to be paid out no later than 12/31 beginning the year after retirement, death, or disability.

The value of your ESOP account may be paid to you in a lump sum, or in annual installments over a period of no more than five years.

SUMMARY, CONT'D

Loans, Rollovers, and Hardships

Loans, rollovers, and hardship withdrawals are not available from the plan.

Forms of Distributions

Distributions may be in cash or direct rollover to another qualified plan or IRA.

Valuation

Valuations are conducted annually by an independent third-party appraiser.

Statements

Statements will be distributed in April or May of the year following the effective plan year.

Forfeitures

Forfeitures are reallocated to eligible participants at plan year end.

Eligible Participants Receive

ESOP Summary Plan Description: If you did not receive a copy, please contact HR or go to the Benefits tab on the HR Intranet page.

Annual Statement of Benefits: shows the number of shares allocated to you and the current value.

Summary Annual Report: describes the plan's annual financial activity.

No Guarantees

- The ESOP owns 100% of CHC.
- There are no guarantees of any kind for the future value of the company's shares.
- The ESOP is a reward for the continuing success of the business.

FAQ

What determines my annual ESOP contribution?

Employees receive a contribution of ESOP shares based on their earnings as a percentage of total payroll. The amount contributed may vary from year to year.

Why does the ESOP have a vesting schedule?

With vesting employees gain a non-forfeitable right to their ESOP shares after a certain amount of time. It ensures that those employees with a long-term commitment to the company will gain the most benefit.

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.

How do I know the value of my ESOP allocation?

Each year you will receive a statement showing the value of ESOP allocated to you.

Will I lose my benefits if the plan is terminated?

In the unlikely event that the ESOP is terminated, you will receive your entire vested benefits.

Does the ESOP guarantee my benefit?

No. ESOP is an ownership plan and carries the risk that the company might decline in value.

Do I have any legal protection for my benefits?

Yes. ERISA provides extensive protection that is detailed in the Summary Plan Document. The ESOP must be operated at all times for the "exclusive benefit" of the employees and their beneficiaries.

CHC

Hayward, CA
Rocklin, CA
Santa Jose, CA
Vancouver, WA
Tukwila, WA
Spokane, WA
Reno, NV
Las Vegas, NV
Mesa, AZ
Anchorage, AK

For more information on the Employee Stock Ownership Plan, please contact:

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