

Employee Ownership Basics

What does it mean to be “employee-owned”?

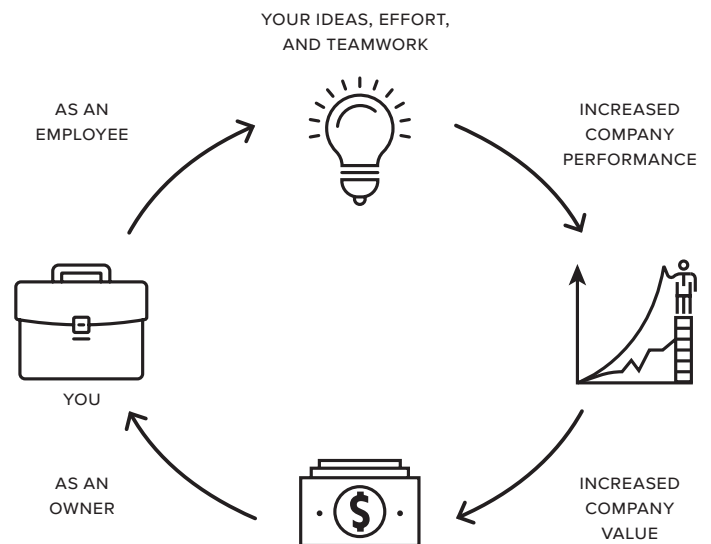
Just what it says — that our employees are the owners of [COMPANY]. Every full-time employee and many part-time employees have a direct path to ownership of company stock at no cost to them. __ % of our stock is held by employees and that sets us apart (only about 1 out of 200 businesses in America can say that).

The Ownership Advantage

Employee ownership closes the loop between the company’s success and your financial success.

As an employee, you contribute your ideas, effort, and teamwork. Your work, combined with the work of your fellow employee- owners, drives better company performance.

This increases the value of our business, which flows back to you as an owner in the form of shares and ultimately dollars in the bank.



Here's how it works:

- 1** You automatically become an owner after working at least half-time (1,000 hours) for one year. You must be 18 years or older to become an owner.
- 2** Each year as an owner:
 - You receive a grant of DMH ELectric, shares. You don't pay for these shares because you earn them with your ideas, effort, and teamwork.
 - DMH Electric gets a valuation to determine how much our shares are worth. As we grow and become more successful, our share price should increase, which means your shares will be worth more and more.
 - Your annual statement shows you: how many new shares you got this year, the total number of shares you have, and our new share price.
- 3** When you retire or leave DMH Electric we will buy your shares back so that we can distribute them to other employee-owners.

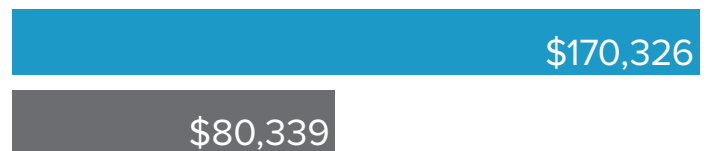
We're a team of owners

We're all in this together and we all have a role to play in DMH Electric's success. Not only do you benefit directly from your effort, ideas, and teamwork, but so does everyone else around you. Being a team of owners means that we all benefit and succeed together.

Long-term wealth building

ESOP participants have more than twice the average total retirement balance of Americans nationally:

\$170,326 versus \$80,339.



Wiefek, Nancy, Nicholson, Nathan.(December, 2018). *ESOPs and Retirement Security*.

