



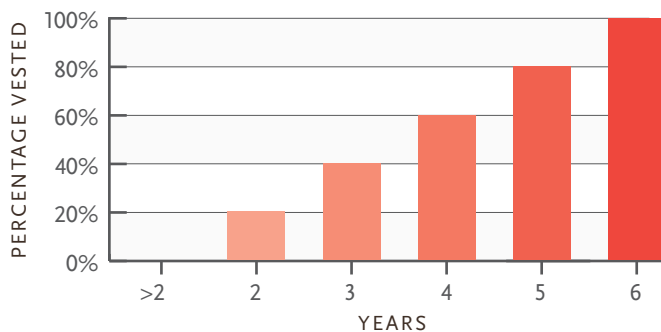
The Cycle of Ownership: Vesting and Distributions

Your ESOP share balance grows each year you're at Ames, but when do those shares truly become yours, and how do you receive their value? Two key concepts answer that: **vesting** and **distribution**.

Vesting: How ownership becomes yours

Vesting means the portion of your ESOP shares that belong to you if you leave Ames.

The Ames ESOP follows a 6-year vesting schedule:



You are automatically 100% vested if you retire at age 65 and with five years of service in the plan, or if you die or become totally and permanently disabled while employed.

Each year you work at least 1,000 hours, you earn a year of service toward vesting.

Distributions: When ownership pays out

You receive your ESOP balance when you retire or leave Ames. How and when it's paid depends on your situation and account size:

- At retirement (65+): You're fully vested, and distributions typically begin after the plan year ends, once administratively feasible.
- If you leave before retirement: You're entitled to the portion of your account that is vested.
- Account balance of \$7,000 or less: You'll receive a lump sum in the next plan year.
- Account balance over \$7,000: paid in installments over time, beginning in the next plan year in the event of normal retirement, disability or death. (For separation from the plan for reasons other than retirement, disability or death, installments begin in the 6th plan year after separation or once the company shares are fully released, whichever comes first.)

How distributions are paid

- Distributions are made in cash installments over five years or can be rolled into another qualified retirement account.
- Value is based on the price of Ames shares at the time of distribution.

Why this matters

- Vesting protects your ownership. Each year of service moves you closer to 100%.
- Distributions turn ownership into financial security.
- Together they complete the ownership cycle:



Looking ahead

October is National ESOP month, a time to celebrate employee ownership. In our next update, we'll share stories of how ownership is taking shape here at Ames, and what it means for the families who fuel us.

Resources

- [Previous ESOP newsletters](#)
- [Benefits page](#)

- ESOP Announcement - Town Hall Recording