

WinCo Employee Stock Ownership Plan ("ESOP") Highlights

Newport is the record-keeper for the ESOP. For questions on any of the following, call 844-749-9981, visit newportgroup.com, or refer to the Summary Plan Description ("SPD").

ESOP Plan Year	The ESOP Plan Year is the same as the WinCo fiscal year, which ends on the Saturday closest to March 31. (The Plan Year beginning 4/2/2023 ends 3/30/2024.)														
Contributions to ESOP	To receive a new allocation of stock, participants must: <ul style="list-style-type: none"> • Work 1,000 hours in a Plan Year AND • Be employed on the last day of the Plan Year, unless age 62 or older, disabled, or deceased when employment separation occurs. 														
Vesting in ESOP	<ul style="list-style-type: none"> • A participant gains one year of vesting after attaining 1,000 hours in a Plan Year. • At the second year of vesting, a participant earns a non-forfeitable right to 20% of his/her balance in the ESOP. Vesting increases 20% each Plan Year the participant attains 1,000 hours. • Active employees who reach age 62, or who become disabled or deceased, are 100% vested. <table border="1"> <thead> <tr> <th>Year</th> <th>1</th> <th>2</th> <th>3</th> <th>4</th> <th>5</th> <th>6</th> </tr> </thead> <tbody> <tr> <td>% Vested</td> <td>0%</td> <td>20%</td> <td>40%</td> <td>60%</td> <td>80%</td> <td>100%</td> </tr> </tbody> </table>	Year	1	2	3	4	5	6	% Vested	0%	20%	40%	60%	80%	100%
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Forfeiting Non-Vested Shares	<ul style="list-style-type: none"> • Participants less than 100% vested upon separation of employment forfeit the unvested portion of their account. • If a participant is rehired within five Plan Years, forfeited shares may be reinstated. 														
Payments from ESOP	<table border="1"> <thead> <tr> <th>Reason</th> <th>Payment May Occur</th> </tr> </thead> <tbody> <tr> <td>Separation/Retirement at less than age 62</td> <td>After Plan Year, 58 months from separation</td> </tr> <tr> <td>Separation/Retirement at age 62 (by Sept. 30) or over</td> <td>After Plan Year end</td> </tr> <tr> <td>Separation due to qualified disability</td> <td>After Plan Year end</td> </tr> <tr> <td>Separation due to death</td> <td>After Plan Year end</td> </tr> <tr> <td>Separation and vested account balance is less than \$1,000</td> <td>After Plan Year end</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Distributions are always paid at the new share value. • Distributions are paid during the distribution window, which opens mid-July and closes mid-September. <ul style="list-style-type: none"> • Requests must be received during this window in order to process payment. • After submitting your online request, you can expect payment by the end of October. 	Reason	Payment May Occur	Separation/Retirement at less than age 62	After Plan Year, 58 months from separation	Separation/Retirement at age 62 (by Sept. 30) or over	After Plan Year end	Separation due to qualified disability	After Plan Year end	Separation due to death	After Plan Year end	Separation and vested account balance is less than \$1,000	After Plan Year end		
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Diversification Payments (Age 55 and Older, in ESOP for 10 Years)	<ul style="list-style-type: none"> • Participants (active or separated) can diversify after the Plan Year when they have reached age 55 AND participated in ESOP for 10 years. For 2023, participants must be 55 by 4/1/2023. ESOP participation date can be found on ESOP statement. • Diversification is a six-year period, begins the first year of eligibility, and ends the sixth year. <table border="1"> <thead> <tr> <th colspan="2">Diversification Percentages</th> </tr> <tr> <th>Years 1 through 5</th> <th>Year 6</th> </tr> </thead> <tbody> <tr> <td>Up to 25% of eligible shares</td> <td>Up to 50 % of eligible shares (minus shares diversified in years 1-5)</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Shares acquired by the plan prior to 12/31/1986 cannot be diversified. (If there are "Pre-86 shares" noted on your annual ESOP statement, they are ineligible for diversification but will be paid with other types of distribution.) • Separated participants can diversify even if they are receiving installment payments. 	Diversification Percentages		Years 1 through 5	Year 6	Up to 25% of eligible shares	Up to 50 % of eligible shares (minus shares diversified in years 1-5)								
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<p>In-Service Payments (Age 62 or Older)</p>	<ul style="list-style-type: none"> • When an active employee is age 62 or older by September 30, an in-service distribution may be requested. • The minimum request is \$1,000, the maximum in-service amount is set by the ESOP Committee each year. (For 2023, the limit is \$1,000,000.) • Eligible participants may go online to newportgroup.com to request an in-service payment when the distribution window opens in mid-July. • The deadline for entering a distribution request is September 15, 2023. • Additional information can be found on the in-service distribution info sheet available in the <i>Forms</i> section under <i>Plans</i> on the website at newportgroup.com.
<p>Timing of Payments (Separated Employees and Diversification)</p>	<p>Participants will automatically be supplied with distribution instructions in mid-July for the following.</p> <ul style="list-style-type: none"> • Reaching the Plan Year of the 58th month after separation from employment. (To calculate the year distribution instructions will be sent: if separation was January through November, add five years to the separation year; if separation was in December, add six years to the separation year.) • Separating from employment and reaching age 62 or greater. • Separating from employment in a prior Plan Year and having an account balance of \$1,000 or less. <p>Participants should contact the WinCo ESOP department to schedule their distribution when:</p> <ul style="list-style-type: none"> • Applying for disability, or • Planning retirement after the end of the Plan Year but before September 30th
<p>Distribution Limits (Excluding Diversification or In-Service)</p>	<p>Distribution after separation from service for any reason.</p> <ul style="list-style-type: none"> • One lump-sum payment if account is \$1,000 or less. • For 2023, five annual installments of an equal number of shares if account is less than \$1,330,000 with one additional installment for each \$265,000, but not to exceed 10 installments. These amounts are established annually by the IRS. • Distribution options for participants reaching a new distribution event in the Plan Year ending 4/1/2023 (i.e., the participants hadn't previously deferred payment): <ul style="list-style-type: none"> • Accounts valued at \$1,000,000 or less will have: <ul style="list-style-type: none"> – A lump-sum payment option or – Choice of two to 10 equal annual installments • Accounts valued at over \$1,000,000: <ul style="list-style-type: none"> – Choice of five to 10 equal annual installments
<p>Distribution for Financial Hardships and Loans</p>	<p>These types of payments are not available from the WinCo ESOP.</p>
<p>Beneficiary Designations</p>	<ul style="list-style-type: none"> • The rules of the Plan, not a will or trust document, determine who will be the beneficiary of an account. • Update beneficiary designations by logging into the newportgroup.com website.
<p>Updating Your Contact Information</p>	<ul style="list-style-type: none"> • Active employees: Notify the Store Personnel Clerk "SPC" or on-site HR representative to update changes. • Former employees: Enter changes at newportgroup.com or call the WinCo ESOP Dept. at 1-800-341- 6543, option 3.