

# WinCo Employee Stock Ownership Plan ("ESOP") Highlights

This informational sheet is summarized to address frequently asked questions. Other details may apply and can be found in the Summary Plan Description ("SPD") and Plan Document, which can be found by logging into [newportgroup.com](http://newportgroup.com).

<b>ESOP Plan Year</b>	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 3/31/2024 ends 3/29/2025.)																			
<b>Participation Date</b>	You are eligible to participate in the Plan if you are at least 19 years old and have been paid 500 hours in the first six months of hire, 1,000 hours in the first year of hire, or 1,000 hours in any Plan Year.																			
<b>Contributions to the ESOP</b>	<p>To receive a new allocation (addition) of stock, participants must:</p> <ul style="list-style-type: none"> <li>Be paid 1,000 hours in a Plan Year <b>AND</b></li> <li>Be employed on the last day of the Plan Year, unless age 62 or older, disabled, or deceased when employment separation occurs.</li> <li>Earnings start counting toward the allocation of stock <i>after</i> a participation date is earned.</li> </ul>																			
<b>Vesting in ESOP</b>	<ul style="list-style-type: none"> <li>Participants receive one year of vesting after being paid 1,000 hours in a Plan Year.</li> <li>At the second year of vesting, participants earn a right to 20% of their balance in the ESOP. Vesting increases 20% each Plan Year participants are paid 1,000 hours.</li> <li>Active employees age 62+, or who become disabled or deceased, are 100% vested.</li> </ul> <table border="1" style="width: 100%; text-align: center;"> <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><b>% Vested</b></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	<b>% Vested</b>	0%	20%	40%	60%	80%	100%
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<b>Non-Vested Shares</b>	<ul style="list-style-type: none"> <li>Participants less than 100% vested at separation from WinCo lose ("forfeit") unvested shares.</li> <li>If a participant is rehired within five Plan Years, forfeited shares may be restored.</li> </ul>																			
<b>Payments from the ESOP</b>	<table border="1" style="width: 100%; text-align: center;"> <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 or over, due to qualified disability, or due to death</td> <td>After Plan Year End</td> </tr> <tr> <td>Separation and vested balance is less than \$1,000</td> <td>After Plan Year End</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>Distributions are always paid at the new share value.</li> <li><b>Distributions are paid during the distribution window, which opens mid-July and closes on September 15th.</b> <ul style="list-style-type: none"> <li>Requests must be received during this window to process payment.</li> <li>After submitting your online request, you can expect payment by the end of October.</li> </ul> </li> </ul>						Reason	Payment May Occur	Separation/Retirement at less than age 62	After Plan Year, 58 months from separation	Separation/Retirement at age 62 or over, due to qualified disability, or due to death	After Plan Year End	Separation and vested balance is less than \$1,000	After Plan Year End						
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<b>Diversification Payments (Age 55 and Older and in ESOP for 10 Years)</b>	<ul style="list-style-type: none"> <li>Participants (active or separated) can diversify <i>after</i> the Plan Year when they have reached age 55 <b>AND</b> participated in ESOP for 10 years. For 2024, participants must be age 55 by March 30, 2024. Participation date can be found on your ESOP statement.</li> <li>Diversification is a six-year period, begins the first year of eligibility, and ends the sixth year.</li> </ul> <table border="1" style="width: 100%; text-align: center;"> <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 <b>25%</b> of <b>eligible</b> shares</td> <td>Up to <b>50 %</b> of <b>eligible</b> shares (minus shares diversified in years 1-5)</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>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.)</li> </ul>						Diversification Percentages		Years 1 through 5	Year 6	Up to <b>25%</b> of <b>eligible</b> shares	Up to <b>50 %</b> of <b>eligible</b> shares (minus shares diversified in years 1-5)								
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**In the event of a conflict between this WinCo ESOP informational handout and the WinCo Employee Stock Ownership Plan, the terms of the WinCo Employee Stock Ownership Plan shall control.**

# WinCo Employee Stock Ownership Plan ("ESOP") Highlights

	<ul style="list-style-type: none"> <li>▪ Separated participants can diversify even if they are receiving installment payments.</li> </ul>
<p><b>In-Service Payments (Age 62 or Older)</b></p>	<ul style="list-style-type: none"> <li>▪ When an active employee is age 62 or older by September 30, an in-service distribution may be requested during the distribution window.</li> <li>▪ The minimum request is \$1,000, the ESOP Committee sets the maximum in-service amount each year. (For 2024, the limit is \$1,000,000.)</li> <li>▪ Eligible participants may go online to <a href="http://newportgroup.com">newportgroup.com</a> to request an in-service payment when the distribution window opens in mid-July.</li> <li>▪ <b>The deadline for entering a distribution request is September 15th.</b></li> </ul>
<p><b>Timing of Payments (Separated Employees and Diversification)</b></p>	<p>Participants will automatically be supplied with distribution instructions in mid-July for the following.</p> <ul style="list-style-type: none"> <li>▪ 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.)</li> <li>▪ Separating from employment and reaching age 62 or greater.</li> <li>▪ Separating from employment in a prior Plan Year and having an account balance of \$1,000 or less.</li> </ul> <p>Participants should contact the WinCo ESOP department to schedule their distribution when:</p> <ul style="list-style-type: none"> <li>▪ Applying for disability, or</li> <li>▪ Planning retirement after the end of the Plan Year but before September 30<sup>th</sup></li> </ul>
<p><b>Distribution Limits (Excluding Diversification or In-Service)</b></p>	<p>Distribution after separation from service for any reason.</p> <ul style="list-style-type: none"> <li>▪ One lump-sum payment if account is \$1,000 or less.</li> <li>▪ For 2024, five annual installments of an equal number of shares if account is less than \$1,380,000 with one additional installment for each \$275,000, but not to exceed 10 installments. The IRS annually establishes these amounts.</li> <li>▪ Distribution options for participants reaching a new distribution event in the Plan Year ending 3/30/2024 (i.e., the participants had not previously deferred payment):             <ul style="list-style-type: none"> <li>▪ Accounts valued at \$1,000,000 or less will have:                 <ul style="list-style-type: none"> <li>– A lump-sum payment option or</li> <li>– Choice of two to 10 equal annual installments</li> </ul> </li> <li>▪ Accounts valued at over \$1,000,000:                 <ul style="list-style-type: none"> <li>– Choice of five to 10 equal annual installments</li> </ul> </li> </ul> </li> </ul>
<p><b>Financial Hardships and Loans</b></p>	<p>These types of distributions are <b>not</b> available from the WinCo ESOP.</p>
<p><b>Beneficiary Designations</b></p>	<ul style="list-style-type: none"> <li>▪ The rules of the Plan, not a will or trust document, determine who will be the beneficiary of an account.</li> <li>▪ Update beneficiary designations by logging into the <a href="http://newportgroup.com">newportgroup.com</a> website.</li> </ul>
<p><b>Updating Your Contact Information</b></p>	<ul style="list-style-type: none"> <li>▪ <b>Active employees:</b> Notify the Store Personnel Clerk "SPC" or on-site HR representative to update changes.</li> <li>▪ <b>Former employees, alternate payees, and beneficiaries:</b> Enter changes at <a href="http://newportgroup.com">newportgroup.com</a> or call the WinCo ESOP Dept. at 1-800-341- 6543, option 3.</li> </ul>

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