Prudent Fiduciary Services

How does our ESOP work?

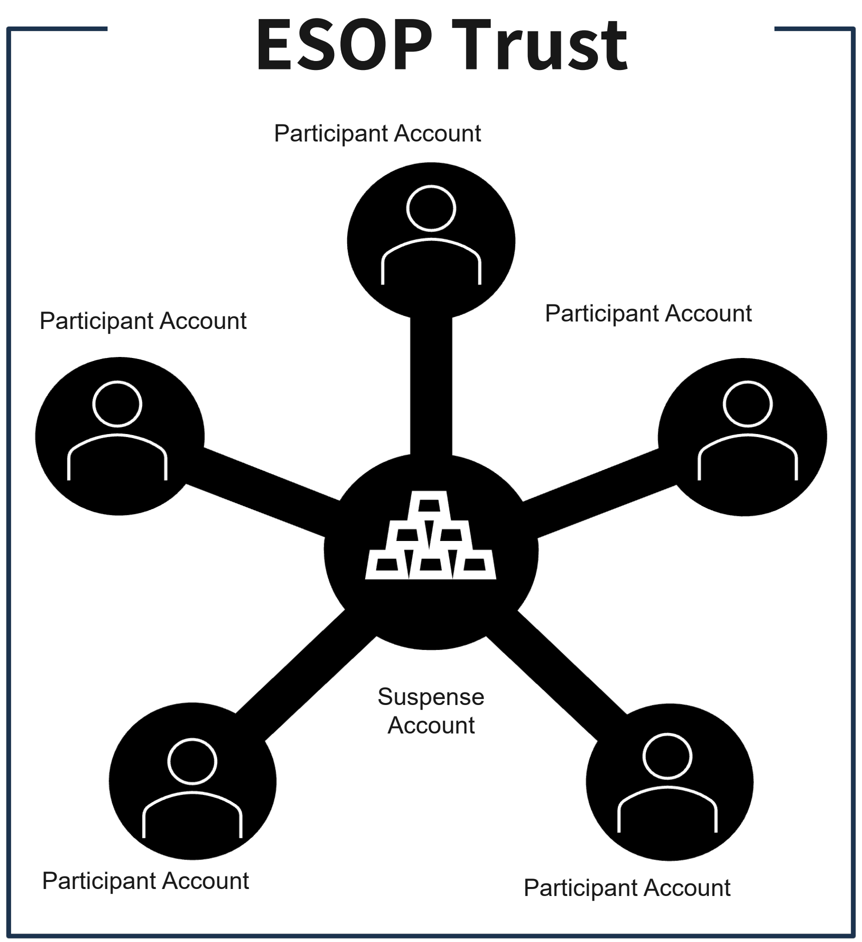
American Pacific Mortgage

October 21, 2025

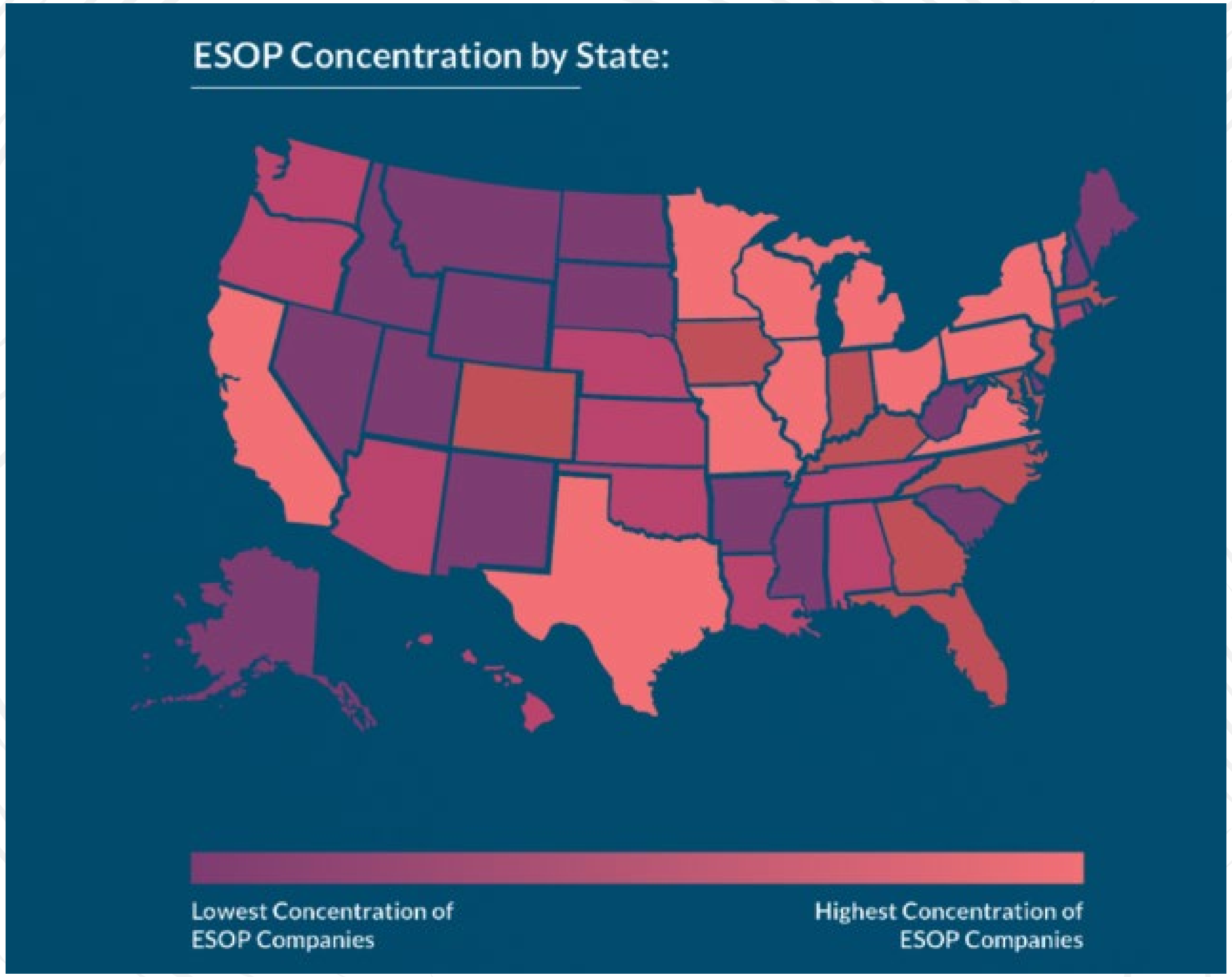
Review: What is an ESOP?

Employee **S**tock **O**wnership **P**lan

- A trust that holds 49% of APM Corp. stock for the benefit of eligible employees
- Transitions ownership of company stock to employees over time
- Funded ENTIRELY by the company **at no cost to you**



Take advantage of this unique opportunity!



- 6,300 ESOPs across the country
- Only 1.5-2 mil. workers in private companies

Review: How does the ESOP work?

Join

Join the ESOP after you attain age 21 and work 12 months with at least 1,000 hours on the following 10/1 or 4/1.

Get Shares

Receive shares each year when you are employed on 9/30 and work at least 1,000 hours during the year. The amount of shares you receive is based on your compensation.

Vesting

Earn the value of your account over a period of six years. Once you are fully vested, you are entitled to 100% of the value of your account when you leave the company.

Valuation

Receive a statement each year that tells you the value of our company stock that year and details about your ESOP account.

Get Value

Receive the vested value of your shares (your distribution) after you leave starting the year after retirement or the sixth year after you leave for another reason. Value is paid in a lump sum or installments over 5 years.

Working for an ESOP has huge advantages

Employees with ESOPs have more wealth

- 2.5 times as much in retirement savings than employees at non-ESOP companies
- ESOP accounts 3-5 times higher than an average 401(k) payout without having to make any deferrals

ESOPs grow faster

- ESOPs grow an average of 2.4% faster than non-ESOP companies and an average of 8-11% when employees are highly engaged
- Over a 10-year period, ESOPs have 25% higher job growth than non-ESOP companies

ESOPs are more stable companies

- During COVID-19 and Great Recession, ESOPs were more likely to maintain wages, benefits, jobs, and implement health & safety measures

Remember…

Long-term benefit

How can we grow value in the next 5 years or longer!?

No ceiling on growth

This is a huge opportunity – we all benefit if we succeed

Think like an owner

Think like an owner

You're not just an employee, you're a shareholder!

Happy ESOP Month!