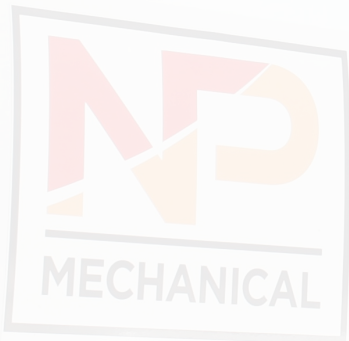




AN EMPLOYEE OWNED COMPANY



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Lic #890694

# Welcome to Employee-Ownership

# What is an Employee Stock Ownership Plan?

Rice Services has been a proud employee-owned company since 2019. The vehicle that allows employee-owners like you to share in the growth and prosperity of Rice Services is our Employee Stock Ownership Plan, or ESOP. We make yearly contributions of stock or cash to the ESOP on behalf of our employee-owners.

**No action is required to join and there is no cost to you, whatsoever.**

You will automatically become a member of the ESOP once you have worked for the company for one year and logged at least 1,000 hours in that 12-month period.

## What is vesting?

Your ESOP account is subject to vesting. Vesting is the percentage of your ESOP account that is yours and cannot be taken back. The longer you stay at Rice Services, the more you vest, and this means that if you leave Rice Services before you are 100% vested, all or part of the balance will be forfeited.

**All ESOP participants at Rice Services have the same vesting schedule:**

Years of Vesting	1	2	3	4	5	6
Percent Vested	0%	20%	40%	60%	80%	100%

Technically, an ESOP is a retirement plan, similar to a 401(k).

However, **unlike** a 401(k):



You pay nothing for your shares; Rice Services makes all the contributions to your ESOP account



Your account balance is tied to the share value of Rice Services, not external securities

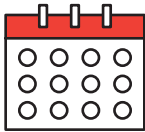


All shares are held in a Trust governed by an administrator, called a Trustee

# What are the Benefits?

Every year, we contribute to your ESOP account. Your account grows from these annual contributions and from the reallocation of any forfeitures (the non-vested balances) of employees who leave Rice Services. The annual contribution is discretionary and is allocated to participants based on a formula which takes into account hours worked, years of service, and compensation.

How will you know what benefits you have earned under the ESOP?



Once a year you will receive an Account Statement.



The Account Statement will show the benefits you have earned and the value of those benefits.



The value of your benefits is determined once per year by an independent appraiser.



That value is what is used to determine the value of your shares.

## How does the company's performance affect your benefits?

The operating financial performance of Rice Services as well as prospects for the future of the company are factors used to determine the value of the stock owned by the ESOP. Your account value is impacted by changes in Rice Services's stock value, and as a result, the value of your account can go up or down, and in an extreme case, could potentially be worth nothing.

Remember, each ESOP member plays an important role in helping the company achieve success.

*The better we do, the more it benefits your ESOP account.*

## Payment of Benefits

### When/how are benefits paid?

The ESOP benefits are for retirement, so you generally cannot be paid your benefit until after employment ends. Keep in mind that:

- You are only paid to the extent you are vested.
- Payment generally will not begin until the sixth (6th) year after employment ends and will generally be paid out in five (5) equal installments.
- The distribution rules are subject to change, and there are some exceptions to the 6th year rule, such as in the case of normal retirement at age 65, disability or death.

### Are you able to keep your stock when you leave the company?

The company is intended to be owned by the current employees, so once you leave, the company has the option (though NOT the requirement) to convert your ESOP account to a cash based investment.

### What happens if you die?

If you die before you receive all of your benefits, your designated beneficiary will receive your ESOP Account.

*For more information about the ESOP, please see the Summary Plan Description. In the event of a discrepancy between information provided herein and the Plan Document, the Plan Document shall prevail.*





# Employee-Owner Rights & Responsibilities

Each employee-owner at our company plays an important role in helping the company achieve success. In turn, the company respects the rights of each employee-owner and invests in their future success.

## Rights

As an employee-owner, you have the right to...

1

Benefit financially from the success of the company. As an owner, each year you will receive shares in the company. Your ownership stake guarantees that you succeed when we succeed.

2

Information that you need to do your job.

3

Form great professional relationships at work.

4

Professional development, growth, and opportunities for internal promotion.

5

Have a voice and openly discuss workplace issues that affect you and the company.

## Responsibilities

And you have the responsibility to...

Understand your role in our success and contribute to that success by being a good steward of our resources.

Help find solutions to our problems and share ideas for improvement.

Be a supportive team member and help us create a positive work environment for everyone.

Create positive experiences for our customers and the people we come in contact with.

Support management decisions and initiatives, consistent with our vision and values.



# Employee-Owner Frequently Asked Questions

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**Q: What does it mean to be employee-owned?**

**A:** It means that everyone who works at the company has the opportunity to become an owner! Employee ownership ensures that everyone builds wealth when the company succeeds.

**Q: What is an ESOP?**

**A:** An ESOP is an Employee Stock Ownership Plan. Technically it is a retirement plan. Your ESOP account is funded by annual contributions made by the company and the value of your account tracks closely with our success. You pay nothing for your shares and do not have to contribute to your ESOP account.

**Q: Is the ESOP open to all employees?**

**A:** It is open to all employees who are over the age of 21 and have worked at least 1,000 hours in the last 12 months.

**Q: Does this cost me anything?**

**A:** It does not cost you anything!

**Q: What is vesting?**

**A:** Vesting is the percentage of your ESOP account that is yours and cannot be taken back. The longer you work here, the more you vest. If you leave before you are 100% vested, the non-vested portion of the balance will be forfeited.



# Employee-Owner Frequently Asked Questions

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## **Q: When do I get the money?**

**A:** The goal of the ESOP is to give current employees an ownership stake in our company. As a result, distribution of the benefit in your ESOP account begins when you leave the company or retire.

## **Q: Does this mean I can set my own schedule?**

**A:** There is a difference between ownership and control. Ownership is about having a monetary stake in and an ability to have a positive impact on the success of the company. Control is about decision making. Just because you own shares of Coke doesn't mean you get to pick the next flavor. We are still professionally managed and many of the normal rules of business still apply.

## **Q: What can I do to help increase our share price?**

**A:** As a team of owners, we all have a role to play in our success. Anything you can do to increase output or save us money will help raise our share price (and the value of our ESOP accounts). Even small ideas add up to big increases when we all do our part.

## **Q: How do I learn more?**

**A:** Ask your supervisor or email Maria Diaz at [maria.diaz@riceservicesinc.com](mailto:maria.diaz@riceservicesinc.com).



# When Do I Become an Owner?

While every employee at Rice Services has the opportunity to become an owner, it doesn't happen on Day 1. Our eligibility requirements lay out the criteria that employees must meet to qualify for ownership.

## Why do we have eligibility requirements?

Ownership is a big commitment. Our eligibility requirements are intended to be broadly inclusive while also ensuring that ownership is held by employees who are committed to our company. Not everyone is the right fit for our ownership culture. A short waiting period helps us gauge this fit.

## What are our eligibility requirements?



You must be an employee for 12 months.



You must work at least 1,000 hours in a plan year.



You must be at least 21 years old.

## When are our entry periods?

You will automatically enter the plan on the first of the month after you meet the eligibility requirements above.

## How long after I enter the plan will I receive my first shares?

Each year, our board of directors will decide how much to contribute to the plan. This amount comes directly from company profits and will be allocated at the end of the plan year (December 31). You will receive your annual allocation as long as you meet the eligibility requirements (above), and are employed on the last day of the plan year.

## When does my vesting start?

All ESOP participants have the same 6-year vesting schedule based on your work anniversaries (or years of service). Our vesting schedule begins on your hire date. Every year that you work at least 1,000 hours in that 12-month period counts as one year of service. After six years of service, you will be 100% fully vested.

Years of Service	< 2	2	3	4	5	6+
Percent Vested	0%	20%	40%	60%	80%	100%



# Common Misconceptions About Employee Ownership

WHAT IT IS

VS

WHAT IT ISN'T

Stock ownership paid for with company profits. See your annual statement for the value of your most recent annual stock allocation



Ownership vs Control



Control over company strategic or business decisions. We are still professionally managed and that's in your best interest as an owner

Making the best decisions within your position that will make our company successful



Leadership



Being your own boss

Recommending ideas to leadership (e.g. efficiencies, time savings, new customers)



Information



Having access to sensitive business information

Great relationships that come from being a team of owners



Expectations



Setting your own schedule

Having very limited company risk



Risk & Liability



Responsibility for loan repayments or company liability

Mutual employment agreement (at will)



Employment Status



Guaranteed employment

Shared financial success with real long-term wealth potential



Financial Benefit



Additional daily or monthly income to your paycheck



# Meet the ESOP Communication Committee

## *Keeping You Connected to WeOwn*

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### **We Own This- Together**

The ESOP Communication Committee helps employees understand what it means to be an owner at Rice Services. Our purpose is to share clear, accurate, and timely information about the Employee Stock Ownership Plan (ESOP) and to support a strong culture of ownership across the company.

We work to make ESOP information easy to understand, relevant, and meaningful so every employee-owner can see how their work contributes to our shared success.

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### **What We Do**

The ESOP Communication Committee focuses on:

- Educating employees about how the ESOP works
  - Sharing ESOP updates, milestones, and key information
  - Supporting WeOwn ownership initiatives and activities
  - Serving as a communication link between employees and leadership
  - Listening to ESOP-related questions and feedback
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### **Committee Members**

#### **Chair:**

Jaime Pineda- Warehouse Clerk Phone: (951) 532-5934, Email: [jaime.pineda@riceservicesinc.com](mailto:jaime.pineda@riceservicesinc.com)

#### **Vice Chair:**

Hillary Couron- Estimator/Multifamily HVAC Phone: (951) 667-4220 xt. 178  
Email: [hillary.couron@riceservicesinc.com](mailto:hillary.couron@riceservicesinc.com)

#### **Members:**

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Angel A. Bran- Quality Control/ Customer Service Phone: (951) 836-5144 Email: [angel.bran@riceservicesinc.com](mailto:angel.bran@riceservicesinc.com)

Daniel Peralta- Foreman/ Multifamily HVAC Phone: (951) 987-9276 Email: [daniel.peralta@riceservicesinc.com](mailto:daniel.peralta@riceservicesinc.com)

Carlos Vazquez- HR Generalist/Brass2Copper Cell: (702) 539-7440 Email: [carlos.vazquez@riceservicesinc.com](mailto:carlos.vazquez@riceservicesinc.com)

**Questions? Suggestions?**

***Contact any committee member above***

