



BERNARDS HOLDINGS, INC.
EMPLOYEE STOCK OWNERSHIP PLAN
SUMMARY PLAN DESCRIPTION

January 2018

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Introduction

This Summary Plan Description describes the Bernards Holdings, Inc. Employee Stock Ownership Plan (the “ESOP”), which provides you a benefit based on the stock of Bernards Holdings, Inc. (the “Company” or the “Employer”). The ESOP was adopted effective as of January 1, 2017.

This Summary Plan Description (“SPD”) is intended to explain the features of the ESOP. It is important that you understand how your ESOP works for your benefit. The following questions and answers should be helpful. Please remember that these questions and answers simply highlight the basic terms of the ESOP. If you still have questions after reading the SPD, the ESOP documents are available for your review at the Company’s offices. The Company and a Plan Committee (the “Committee”) appointed by the Company’s Board of Directors administer the ESOP and are available to answer your questions. You will receive an annual statement of your ESOP account and from time to time you will also receive announcements about the ESOP and other ESOP communications.

Overview

Each calendar year (the “Plan Year”), the Company may contribute to the ESOP cash or shares of common stock of Bernards Holdings, Inc. (“Company Stock”). The contributions of cash or shares of Company Stock (“Employer Contributions”) are credited to the accounts of participants in proportion to annual Compensation (See “What is My Share of Employer Contributions?” on page 4.) All investments of the ESOP will be held in a trust fund (see “How Is My Interest Held Under the ESOP” on page 4) exclusively for the benefit of participants. Over the years, ESOP participants may gradually acquire more shares of Company Stock as Employer Contributions are made to the ESOP.

The ESOP may use cash contributions to purchase Company Stock from the Company or other shareholders. The price the ESOP pays for Company Stock may not be more than the stock’s fair market value as determined by an independent appraiser engaged by the Trustee. An independent appraiser determines the value using the rules established by the Internal Revenue Service and the Department of Labor.

Your ESOP benefit is provided at no cost to you. Your Company Stock is bought without any contributions from you, and you are not taxed on your ESOP benefit until you receive a distribution. (See “When Will I Receive My Benefit?” on page 6.)

What Is the Purpose of the ESOP?

The Company has adopted the ESOP so you can share in the value, and the growth of the Company and to allow you to build up an ownership interest in the stock of the Company.

The benefits you get from the ESOP will depend, to a great extent, on the Company's profitability and the length of your career with the Company. The value of these benefits will depend on the amount the Company contributes each year to the ESOP and any increase (or decrease) in the value of Company Stock during your participation in the ESOP. The longer you remain with the Company, the greater your interest in the ESOP will generally be. Each year your ESOP account will be increased by your share of that year's Employer Contributions (if any) and your share of forfeitures from the accounts of participants who leave the Company before they are 100% vested.

Why Is Stock Ownership Important?

The ESOP is designed to provide an ownership interest in Company Stock for employees — the people who are primarily responsible for the success of the Company. The ESOP is intended to provide you with a meaningful stake in the Company, future economic security, and an additional source of retirement income. The ESOP gives you a unique opportunity to acquire an interest in Company Stock at no direct cost to you.

The success of the Company depends on the teamwork and performance of all employees. At every level of job responsibility, the efforts and devotion of many individuals have created the Company's success and will continue to help the Company remain successful. Providing employee ownership of shares of Company Stock is an especially appropriate way to recognize your contribution to the Company's success.

But with beneficial stock ownership, you have a special responsibility to your fellow owners and the Company. With beneficial stock ownership, your stake in the Company and its stake in you have significantly increased. Profitability should increase the value of Company Stock; good work habits, efficiency, and cost control will help accomplish this goal.

No one has a stronger interest in caring for and promoting the business of a company than the people who benefit from its growth. That's the whole idea behind the ESOP — as a co-owner, you can see the mutual benefit of doing your best.

Of course, there are never any guarantees that the value of investments, including investments in Company Stock, will increase. However, the ESOP provides you with an opportunity to influence this growth. By working efficiently and effectively, you may help increase the profitability of the Company, which in turn should increase the value of your ESOP account.

Am I Eligible to Participate in the ESOP?

Each eligible Employee who had attained age 21 and completed at least 1,000 Hours of Service during any calendar year prior to January 1, 2017, and who was employed by the Company on January 1, 2017 became a Participant on that date. Thereafter, if you are an eligible Employee you will enter the plan on the June 30th or December 31st coinciding with or next following the date on which you have reached age 21 and are credited with at least 1,000 Hours of Service. The eligibility computation period for determining one year of Service for eligibility will initially

be the period of 12 consecutive months beginning on your initial date of Service (the date you are first credited with an Hour of Service) and thereafter will be each Plan Year beginning after your initial date of Service.

You are not an employee who is eligible to participate in the ESOP if the terms of your Service are covered by a collective bargaining agreement, or if you are a leased employee, or if you are a nonresident alien who receives no earned income from the Company which constitutes income from sources within the United States.

How Long Will My ESOP Participation Continue?

Your participation in the ESOP will continue until your Retirement, death, Disability, or other termination of service. If you return to work on or before the end of an “Approved Absence,” the absence does not interrupt your participation. An “Approved Absence” is a leave of absence granted by the Company according to its established leave policy. Please ask the Company if you want more information about an “Approved Absence.”

You will be eligible for Retirement if you leave the Company on or after the later of the date you (i) attain age 65 or (ii) the fifth anniversary of the date you became a Participant (“Retirement Age”). You are considered Disabled if you have a physical or mental condition that entitles you to disability income benefits under the federal Social Security Act.

Who Contributes to the ESOP?

The Company will make all contributions to the ESOP. The ESOP does not require or permit you to make contributions.

How Much Will the Company Contribute to the ESOP?

Employer Contributions for each Plan Year may be made in cash or in shares of Company Stock, as determined by the Board of Directors. Employer Contributions for each Plan Year may be used by the ESOP to repay current loan obligations incurred to purchase Company Stock.

The Company’s Board of Directors determines the amount of and formula for Employer Contributions for each Plan Year. The Board of Directors may choose not to make a contribution to the ESOP for a particular year after the ESOP loan is repaid.

Will I Share in Employer Contributions?

Once you become an ESOP participant, you will share in any Employer Contributions and forfeitures for a Plan Year in which you are both credited with at least 1,000 Hours of Service during the Plan Year and you are an employee (or on an approved leave of absence) on the last day of the Plan Year (December 31st). You will also share in Employer Contributions and forfeitures for the year you terminate employment on account of your Retirement, death or

Disability, regardless of whether you are credited with 1,000 Hours of Service or are an employee on the last day of the Plan Year.

What Is My Share of Employer Contributions?

Your share of any Employer Contributions will be determined as of December 31st each year. Contributions will be allocated among the accounts of participants based on each participant's Compensation in proportion to the total Compensation of all eligible ESOP participants.

For purposes of the allocation of Employer Contributions, your Compensation is your taxable income as reported on your Wage and Tax Statement (Form W-2) from the Company, plus any deferral contributions made on your behalf to the Company's 401(k) Plan, any amounts contributed on your behalf to the Company's "cafeteria plan" (if any) and to the qualified transportation benefit plan (if any). There is an annual limit on the amount of your Compensation that can be taken into account for purposes of determining your share of Employer Contributions. Effective January 1, 2018, that limit is \$275,000. The IRS adjusts this limit periodically for cost of living increases.

The Internal Revenue Code sets a combined annual limit of \$55,000 (adjusted annually) or 100% of your Compensation, whichever is less, on the total amount of contributions and forfeitures that may be allocated to you under the ESOP and the 401(k) Plan.

How Are ESOP Assets Invested?

The assets of the ESOP are invested primarily in Company Stock. The ESOP assets may also be invested in other investments. Cash contributions may be used to purchase shares of Company Stock from the Company or other shareholders. The Trustee, as directed by the Committee, decides how the ESOP's assets will be invested.

How Is My Interest Held Under the ESOP?

Your interest in the ESOP is held in two accounts: your Company Stock Account and your Other Investments Account.

Your Company Stock Account is invested in shares of Company Stock. Each Plan Year your Company Stock Account will be credited with your share of any Company Stock that is contributed to or purchased by the ESOP, your share of any Company Stock reallocated due to forfeitures by other participants, your share of Company Stock released by a loan payment, and any shares of Company Stock that are distributed as dividends on Company Stock already in your account.

Each Plan Year your Other Investments Account will be credited with your share of any cash contributions that are not used to buy Company Stock, your share of any net income of the Trust, your share of the Other Investments Account balances forfeited by other participants, and any cash dividends on shares held in your Company Stock Account. Your Other Investments

Account will be reduced by your share of the cost of Company Stock purchased by the ESOP and your share of any net loss of the Trust.

The current value of Company Stock and other investments held under the ESOP and the gains and losses from the investment of the ESOP assets will be determined each year as of December 31st by an independent appraiser. The value of Company Stock and other investments will normally change from year to year.

What Is Vesting?

Your vested share is the portion of your account that you are entitled to have distributed after you leave the Company.

No matter how long you have worked for the Company, you will become 100% vested in your accounts if you (a) reach the Plan's Retirement Age while employed by the Company (regardless of whether or not you retire then), or (b) terminate employment because you are Disabled, or (c) die while you are a Company employee, or (d) die while performing USERRA-qualified active military service.

If one of the exceptions above does not apply, your interest in your Company Stock Account and your Other Investments Account will become vested depending on your number of years of Credited Service under the ESOP according to the following schedule:

<u>Years of Credited Service Under the ESOP</u>	<u>Percent of Accounts Vested</u>
Less than Two Years	0%
Two Years	20%
Three Years	40%
Four Years	60%
Five Years	80%
Six Years or More	100%

Your Credited Service is the number of Plan Years in which you are credited with at least 1,000 hours of Service. Your Credited Service does not include Service with the Company prior to January 1, 2017.

If you stop working for the Company before your accounts are vested and are later rehired by the Company, your Credited Service earned before your termination will again be credited to you if you return before you have a five-consecutive-year Break in Service. This means that your

previous Credited Service will be counted towards vesting of your accounts after your rehire date. A one-year Break in Service occurs one year after the date you terminate Service, and a five-consecutive-year Break in Service occurs five years after the date you terminate Service.)

If you stop working for the Company before your accounts are vested and you are rehired by the Company after you have a five-consecutive-year Break in Service, your previous Credited Service will not be counted toward vesting of your accounts after your rehire date. You will need to earn two more years of Credited Service before you will be vested in any portion of your accounts in accordance with the vesting schedule described above.

Generally, an Hour of Service for purposes of the ESOP is each hour for which you are paid or have a right to be paid. This includes actual working periods, paid vacations, holidays, illness, and maternity or paternity leave. If you are absent from work for the Company because of your pregnancy or the birth or adoption of your child, you will be credited with up to 501 Hours of Service (or a lesser number as needed to increase your Credited Service up to 1,000 Hours) during the first Plan Year so that you will not incur a Break in Service for that year. You will not incur a Break in Service on account of qualified military service.

What Are Forfeitures?

If you are not vested when you leave the Company, you will lose your right to (or “forfeit”) your accounts on the last day of the Plan Year (December 31st) in which you have a five-consecutive-year Break in Service. Once these non-vested amounts are forfeited, they will be credited to the accounts of the remaining participants, in the same way as Employer Contributions to the ESOP are credited. Forfeitures are first allocated starting in 2022 for participants who left the Company in 2017. The forfeited amounts will be restored to you if the Company rehires you before you have a five-consecutive-year Break in Service.

Will I Receive a Statement of My Account?

Each year, the Plan Administrator will give you a statement of your ESOP account balance valued as of the previous December 31st. The statement will tell you about your share of the Employer Contributions and forfeitures for that year, your vesting percentage, and the value of your account balance.

When Will I Receive My Benefit?

After you leave the Company, the Trustee will distribute the value of your vested accounts at the time and in the manner determined in accordance with the ESOP’s distribution policy, as established by the Company. Shares of Company Stock in your account are valued at the fair market value as of December 31st of the Plan Year immediately before the distribution date. Your ESOP benefit will be distributed in cash or in shares of Company Stock which will immediately be repurchased by the Company, as long as the Company elects to be treated as an S Corporation.

If you leave the Company after you are Retirement Age, or you die or become Disabled while you are an employee, the Trustee will make a distribution before the end of the Plan Year *following* the Plan Year in which you leave the Company. If you leave the Company for any other reason, distribution will be made no later than the end of the sixth Plan Year *following* the year in which you leave the Company. In some cases, you may choose to delay a distribution until after the date you would otherwise be entitled to receive it.

Your distribution will be made in a lump sum, in annual installments over a period of five or fewer years or in a combination of these methods, as determined by the Company.

The distribution policy for the ESOP currently provides:

- If the value of your vested benefit is \$5,000 or less, your distribution will be paid in one lump sum.
- If the value of your vested benefit is more than \$5,000, your distribution will be paid in substantially equal annual installments over a period of five or fewer years. The minimum annual installment will be the lesser of \$5,000 or your remaining balance.

Large Account Balances: The period over which installments may be distributed may be extended an additional year (up to an additional five years) for each \$220,000 or fraction thereof by which your vested account balance exceeds \$1,105,000 (as adjusted periodically for increases in the cost of living).

Consent Rule: If the value of your vested benefit under the ESOP is more than \$1,000, the Trustee may not distribute any benefit to you before you reach Retirement Age unless you consent in writing. If the value of your benefit under the ESOP is \$1,000 or less, the Trustee will distribute your benefit to you without your consent.

Required Minimum Distributions: Distributions to you must begin by the April 1st after the end of the calendar year in which you reach age 70-1/2 or leave the Company, whichever is later. If you are a 5% owner of the Company, your distributions must begin by April 1st after the calendar year in which you reach age 70-1/2.

Roll Over Distributions: In most circumstances, when you are eligible to receive a distribution you may elect to roll over your benefit directly to an IRA, Roth IRA, or a retirement plan that is sponsored by another employer and is “tax-qualified” under the Internal Revenue Code. Such plans include profit sharing and stock bonus plans, 401(k) plans, pension plans, tax-sheltered annuities and deferred compensation plans sponsored by government employers.

Your designated beneficiary (See “May I Designate a Beneficiary?” on page 9) also may elect to roll over his or her benefit as described in the preceding paragraph, but if your designated beneficiary is not your spouse or surviving spouse, or a former spouse who is an alternate payee under a qualified domestic relations order (a “QDRO”), the rollover must be a direct trustee to trustee transfer from the Plan to an IRA established to hold only the rolled over amounts that is

treated as an inherited individual retirement plan under the Internal Revenue Code. (See “May I Assign or Transfer My Benefit?” on page 9 for a description of QDROs.)

You (or your beneficiary) will receive detailed information regarding rollover of your distribution at the time your account is eligible for a distribution.

What Is Diversification?

Once you are age 55 and have completed at least ten years of participation in the ESOP, you may begin to diversify a portion of the assets in your Company Stock Account, by moving some of those assets into investments other than Company Stock. "Years of Participation" includes all Plan Years during which you are a Participant in the Plan and you have not yet received a complete distribution of your vested account balance. Once eligible to diversify, you will have the right to elect to diversify up to 25% of your Company Stock Account each year for five years, and up to 50% of your Company Stock Account in the sixth year (reduced each year by any previous diversification elections). If you choose to diversify, the ESOP will either distribute to you the amount you wish to diversify in cash or in shares of Company Stock which will immediately be repurchased by the Company, as long as the Company elects to be treated as an S Corporation.

How Are ESOP Assets Held?

A trust has been established to hold the Company Stock and other ESOP assets. The trust is a separate legal entity, and the Trustee has the responsibility to hold and invest the ESOP assets, as directed by the Committee, for the benefit of participants in accordance with the terms of a written trust agreement. The Committee members and the Trustee information is shown on the last page of this SPD.

Who Supervises the ESOP?

The Company and the Committee administer the ESOP for the exclusive benefit of participants and their beneficiaries. The Company's Board of Directors appoints the individual members of the Committee. The Company and the Committee make all rules, regulations, computations and other necessary decisions concerning the administration of the ESOP. The Company and Committee also keep all necessary records and accounts. The Company and the Committee have the sole and exclusive discretion to interpret the terms of the ESOP and their decisions will be conclusive and binding on all persons.

Who Will Vote Company Stock?

The Trustee, as directed by the Committee, usually decides how shares of Company Stock held by the ESOP will be voted. In certain important corporate matters presented to Company shareholders for a vote, however, such as any corporate merger or consolidation, recapitalization, reclassification, liquidation, dissolution, or sale of substantially all assets of a trade or business, you will have the right to decide how shares of Company Stock allocated to your Company Stock Account will be voted.

Your voting instructions will not be disclosed to the Company or the Committee. Any allocated shares of Company Stock with respect to which voting instructions are not received from participants and any shares of Company Stock held by the Trust which are not then allocated to the Company Stock Accounts of participants shall be voted by the Trustee in the manner determined by the Committee.

May I Assign or Transfer My Benefit?

Your ESOP benefit normally cannot be sold, assigned or transferred to another person. This means that you cannot use your ESOP benefit as collateral for a loan and a creditor cannot try to use your ESOP benefit to pay a debt you owe the creditor.

However, your ESOP benefits may be assigned or paid to your spouse, former spouse or child under a “qualified domestic relations order” or “QDRO.” A QDRO is a court order that provides for payment of alimony, child support, or marital property rights from your ESOP account. At your request, the Company will give you a copy of the ESOP’s QDRO procedures.

May I Designate a Beneficiary?

Your beneficiary to receive your ESOP benefit after your death will be your spouse, your designated beneficiary (if you are unmarried), or your estate if no beneficiary is alive following your death or you do not name a beneficiary. You may name a different beneficiary by filing a beneficiary designation form with the Company. If you are married and you name a beneficiary who is not your spouse, your spouse must consent to the designation in writing, and a notary public or Plan representative must witness your spouse signing the consent before your designation is valid. A beneficiary designation will be effective only if it has been received by the Company prior to the Participant's death.

Amendment or Termination of ESOP

The Company’s Board of Directors has the right to amend or terminate the ESOP at any time in the future. No amendment may reduce your rights after they are vested. The Plan Administrator will tell you if there are any material changes made to the ESOP.

If the ESOP is terminated, all participants affected by the termination will become 100% vested in their account balances. If the ESOP is terminated, benefits will be distributed within a reasonable time. However, distributions may be postponed until the Internal Revenue Service approves the termination.

How Do I Claim My Benefit?

Normally, you will not need to file a claim to receive payment of your benefits. However, if you (or your beneficiary) do not receive the full distribution to which you believe you are entitled, you wish to enforce your rights under the terms of the ESOP, or to clarify your rights to future benefits under the terms of the ESOP you may file a claim with the Committee (a "Claim"). The Committee will decide all questions and Claims regarding benefits under the ESOP.

Authorized Representative. You can have an authorized representative act on your behalf during the claims process and the request for review of a denied Claim. To assure identification of your representative you must provide a letter to the Committee. This letter must include the name, address, and telephone number of your authorized representative, along with a statement that the representative is authorized to act on your behalf concerning your Claim, and a review of the denied Claim, if applicable.

Claims. If your Claim is wholly or partially denied, the Committee will notify you in writing of such denial of benefits within 90 days after the Committee initially received your Claim. If more time is needed to process your Claim, the Committee will provide you with a written notice within 90 days after your Claim is filed that an additional 90 days is needed.

Any notice of a denial of benefits will advise you of:

- (a) the specific reason or reasons for the denial;
- (b) the specific provisions of the ESOP on which the denial was based;
- (c) any additional material or information you need to establish your Claim and an explanation of why such material or information is necessary;
- (d) the steps which you must take to have your Claim reviewed; and
- (e) Your right to file a civil action under Section 502(a) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), following the denial of a review of your Claim.

Request for Review of Denied Claim. If your Claim has been denied, you will have the opportunity to file a written request for a full and fair review of your Claim by the Committee. You may review all documents relating to your Claim, other than legally privileged documents, and you may submit a written statement regarding issues relating to your Claim. You must file this written request for review of your Claim within 60 days after you receive written notification from the Committee of the denial of your claim.

You will have the opportunity to submit written comments, documents, records, or other information relating to your Claim, and to be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your Claim. The review of your denied Claim will take into account all materials submitted, even if the materials were not submitted to the Committee with your initial Claim.

The Committee's decision will be made within 60 days after it receives your request for review. If there are special circumstances, which require an extension of time for completing the review, the Committee's decision will be rendered not later than 120 days after receipt of a request for review. The Committee's decision will be given to you in writing. The written notice will state the specific reasons and the ESOP provisions on which the Committee based its decision. This notice will also include a statement that you are entitled to receive, upon request and free of charge, reasonable access to and copies of, all documents, records and other information relevant to your Claim. The Committee's decision upon review of your Claim is conclusive and binding.

You may not file a civil action under ERISA Section 502(a) for benefits under the ESOP unless (i) you have followed the entire claim and appeal procedure described above and your appeal has been denied, or (ii) you have filed a written claim or appeal that has been ignored. Any suit, action or proceeding arising out of or in connection with any Claim may be brought only in the federal courts in the State of California. Any civil action must be filed within three years of the date on which the Participant discovered or should have discovered the alleged error. Any Claim brought after that date will not be considered by the Plan, unless the Plan Administrator decides, based on the facts and circumstances, it will waive the foregoing three-year requirement.

Federal Regulations Require Us to Provide the Following Statement of Rights under ERISA

You Have a Right to Receive Information About Your Plan and Benefits

Examine, without charge, at the Company's office and at other specified locations, such as regional offices, all documents governing the ESOP, including insurance contracts and collective bargaining agreements, a copy of the ESOP's procedures concerning qualified domestic relations orders, and a copy of the latest annual report (Form 5500 Series) filed by the ESOP with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Company, copies of documents governing the operation of the ESOP, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Company may make a reasonable charge for the copies.

Obtain a copy (without charge) of the ESOP's procedures concerning qualified domestic relations orders.

Receive a summary of the ESOP's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Obtain a statement telling you whether you have a right to receive a benefit at normal retirement age and if so, what your benefits would be at normal retirement age if you stop working under the ESOP now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to get a right to a benefit. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The ESOP must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the ESOP and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If your claim for benefits is denied or ignored, in whole or in part, you may file suit in a state or Federal court after you have followed the entire claim and appeal process described above. In addition, if you disagree with the ESOP’s decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the ESOP’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Additional Information

This Summary Plan Description is intended to be an accurate description of the major features of the Bernards Holdings, Inc. Employee Stock Ownership Plan. Please remember, however, that this description does not take the place of the actual ESOP documents, which govern at all times. If you have any questions, please contact the Company.

The benefits provided by the ESOP are not insured by the Pension Benefit Guaranty Corporation under Title IV of ERISA because the ESOP is not the type of retirement plan covered by the pension insurance provisions of ERISA.

Name of plan: Bernards Holdings, Inc.
Employee Stock Ownership Plan

Type of plan: Employee stock ownership plan

Plan sponsor: Bernards Holdings, Inc.
555 First Street
San Fernando, CA 95403

Employer identification
number of Plan sponsor: 81-4725849

Plan number: 002

Plan administrator: Bernards Holdings, Inc.
555 First Street
San Fernando, CA 95403
(818) 898-1521

Committee Members: Ken Menager
Gail Pascua
Christine Philips
555 First Street
San Fernando, CA 95403

Trustee: GreatBanc Trust Company
Trustee of the Bernards Holdings, Inc.
Employee Stock Ownership Plan
801 Warrenville Road
Suite 500
Lisle, IL 60532
Attn: Fred Kaseff
(630) 810-4645

Agent for service

GreatBanc Trust Company
Trustee of the Bernards Holdings, Inc.
Employee Stock Ownership Plan
801 Warrenville Road
Suite 500
Lisle, IL 60532
Attn: Fred Kaseff

In addition, service of legal process may be made upon Bernards Holdings, Inc. as Plan Administrator

SPD based on:

January 1, 2017 ESOP plan and Amendment No. 1