



Employee Stock Ownership Plan

Features and Benefits



There is a light at the end of the tunnel

Welcome to the Turn-Key Tunneling ESOP!

We're excited to introduce our new Employee Stock Ownership Plan (ESOP) and the benefits it provides to you and to our company. With our ESOP, as the company succeeds by serving our customers, we all benefit together. It helps secure our future by keeping Turn-Key Tunneling a locally owned and operated business. We believe that when you have all the information about the plan, you'll better understand its potential.

The ESOP complements our core belief that people are our most important asset. As employee owners, we all benefit even more now from our commitment to customer service and providing quality work that meets and exceeds customer expectations.



In fact, our ESOP enables you to share in the financial and operational success of Turn-Key Tunneling in ways that employees at few other firms do. While there are no guarantees in life, implementing our ESOP is a great positive step for all of us and for our company.

As with any benefit program, we know you will have questions about how the ESOP affects you, your family and the company. We've prepared this ESOP Features and Benefits handout to answer your questions. If you have others not covered here, please contact Angie Parker at aparker@tunnelit.net or 740-564-3598.

Sincerely,

Brian Froehlich
President, Turn-Key Tunneling

This handout is designed for participant education and communication purposes. Every effort has been made to ensure its factual accuracy. If there are any conflicts between the answers in this handout and the plan documents, the plan documents will govern. Published December 2020.

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1) What is Turn-Key Tunneling's ESOP?

Our Employee Stock Ownership Plan (ESOP) is a long-term, wealth-building plan. It holds the company's stock and provides you with benefits when you retire or leave the company. By law, the ESOP invests primarily in Turn-Key Tunneling stock.

2) What is the purpose of our ESOP?

We have it for four important reasons:

- 1) To share the company's long-term success with all employees
- 2) To maintain our independence and local ownership
- 3) To enhance our culture and facilitate succession planning
- 4) To provide you with a long-term, wealth-building benefit

3) How do I join our ESOP?

If you were an active employee on December 20, 2019 and at least 21 years old, you are already a member of our ESOP.

If you didn't meet both of the requirements above on December 20, 2019, you need to meet three criteria to join our ESOP plan.

- 1) Be at least age 21.
- 2) Work here for one year.
- 3) Work at least 1,000 hours during that year.

Once you meet those requirements, you automatically join our ESOP on January 1st of the year you meet the criteria.

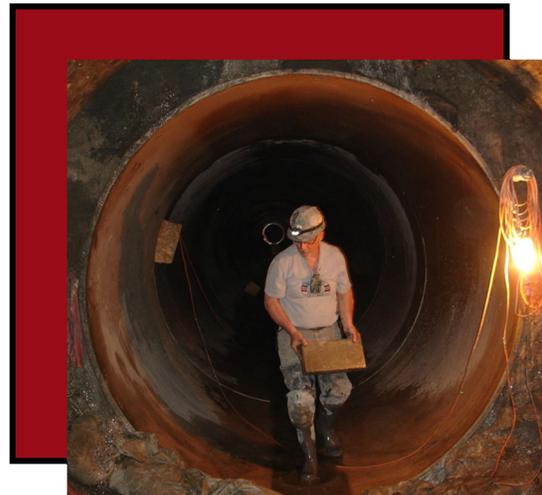
4) What's in my ESOP account?

As an ESOP participant, you receive an allocation each year. To receive it, you must work 1,000 hours during the plan year and be an employee on December 31.

Your ESOP statement shows the shares or cash you received, what the shares are worth, your total account value and your current vesting percentage. While our goal is to make an annual ESOP contribution to employees' accounts, please remember that the firm's ESOP contributions are not guaranteed. We all must work together to serve our customers and earn the ESOP benefit.

5) How often do I receive an ESOP statement?

You receive it once a year.



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6) Do I have to pay anything for the ESOP benefit?

No, the company puts the stock or cash in your ESOP account. Your ESOP benefit is completely funded by Turn-Key Tunneling. It costs you nothing beyond your hard work and dedication to your job and our business's success.

7) Can I borrow from my ESOP account?

No, you cannot borrow from your ESOP account.

8) Who oversees our ESOP?

Turn-Key Tunneling's Board of Directors appointed an outside third party as our ESOP trustee. The trustee, Apex Pension Strategies, oversees the ESOP's assets, acting in all employees' best interests as plan participants.

9) How does vesting affect my account?

Vesting is ownership of your ESOP account. Being fully vested (100%) means the value of your ESOP account is completely yours if you leave the company. You become 100% vested over a six-year period.

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



Please note that your years of service since the ESOP started count for ESOP vesting (the plan started on January 1, 2019). Once you become fully vested, you always remain 100% vested in our ESOP.

10) How many hours do I need to work to earn a year of vesting credit?

You need to work 1,000 hours during the plan year (1/1-12/31) to earn a year of vesting credit. Please keep in mind that full-time employment is 2,080 hours.

11) Are we traded on the public stock markets now?

No, we are a still privately held firm. Turn-Key Tunneling is not traded on any public stock market, like the New York Stock Exchange or NASDAQ.

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12) How is stock value determined?

The ESOP trustee has hired a third-party appraiser, HDH Advisors, to help determine the value of our stock. The appraiser, by law, must be independent and qualified. To determine the annual stock value, they look at a number of factors, the most important being our business performance.

13) How often does the appraiser value our stock?

Our stock is valued once a year.

14) When do I receive my benefit?

At normal retirement (age 65) with at least five years of plan participation, you begin receiving the value of your account during the year after you retire.

15) What happens if I separate from service before age 65?

You begin receiving a distribution of the value of your vested ESOP account after a five-year waiting period.

16) What happens if I die?

Your ESOP account becomes fully vested (regardless of your years of service) and your beneficiary receives the value of your account.

17) Is my spouse automatically my beneficiary?

Yes, unless both you and your spouse agree in writing to another beneficiary. Please remember to update your beneficiary form when your life circumstances change.

18) Can I lose my ESOP account?

If you leave the firm before becoming fully vested, you will lose (forfeit) part or all of your ESOP account's value. Forfeitures are reallocated within the ESOP trust to employees who stay with our company.

19) Does 100% ESOP ownership change our firm's operations?

No. Management still is responsible for running the business and setting our future direction and growth strategy. All employees are still responsible for providing exceptional customer service, producing quality products and making a difference every day in their jobs to grow our business profitably.



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20) How many ESOPs are there in America?

There are about 6,700 ESOPs in America. What that means is our ESOP provides us with a unique opportunity, one most people don't receive at the companies where they work.

21) Does the ESOP affect our other benefits?

No, the ESOP does not affect your other benefits.



22) Now that we are 100% ESOP, do I need to stay in the 401(k)?

The opportunity to participate in the 401(k) is an important part of your retirement planning. Our ESOP is an additional long-term wealth-building opportunity for you. It is not a replacement for your 401(k). We recommend you take advantage of the 401(k) as long as it is offered.

23) How does the ESOP compare to the 401(k)?

Below are several ways the plans compare/contrast.

	ESOP	401(k)
Government-regulated retirement plan	Yes	Yes
Designed as long-term, wealth-building strategy	Yes	Yes
Account growth guaranteed	No	No
Funded entirely by Turn-Key Tunneling	Yes	No
Employee salary deferrals allowed	No	Yes
Company match based on employee deferrals	No	Yes
Contributions based on company performance	Yes	No
Diversified into multiple funds/accounts	No	Yes
Invested primarily in Turn-Key Tunneling stock	Yes	No
Participant-directed investment choices	No	Yes