

Short-Term Incentive and Retention Program

CHECKLIST FOR CO-OPS

I. Designing the Program	
<input type="checkbox"/>	A. Discuss the Co-op's needs with Homestead Advisers Relationship Management Team.
<input type="checkbox"/>	B. Identify employees to participate.
<input type="checkbox"/>	C. Adapt Homestead Advisers sample documents to meet your Co-op's specific needs. <ol style="list-style-type: none"> i. Short-Term Incentive and Retention Program for Employees <ol style="list-style-type: none"> 1. Appendix A — Eligibility and Incentive Metrics — complete the Option(s) that pertain to your program: <ol style="list-style-type: none"> a. Option 1: Incentive Goal Only b. Option 2: Retention Goal Only c. Option 3: Incentive and Retention Goal ii. Short-Term Incentive and Retention Program Board Resolution — if needed. iii. Short-Term Incentive and Retention Program Award Grant — enter information from the Program Document Appendix A that outlines the terms.
II. Adopting the Program	
<input type="checkbox"/>	A. Review the program design and all necessary documentation with the Co-op's board, corporate attorney and accountant.
<input type="checkbox"/>	B. Execute the Short-Term Incentive and Retention Program Board Resolution (if required).
<input type="checkbox"/>	C. Execute the Short-Term Incentive and Retention Program for Employees Program Document and Appendix A Options.
III. Offering the Program	
<input type="checkbox"/>	A. Notify eligible employees of the program.
<input type="checkbox"/>	B. Review the Short-Term Incentive and Retention Program Award Grant with each employee and obtain their signature (if desired).
<input type="checkbox"/>	C. Provide each participant with the Sample Beneficiary Form to designate beneficiaries. Retain these forms at the co-op.

(continued)

IV. Implementing and Administering the Program

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| <input type="checkbox"/> | <p>A. Open one account per Participant at Homestead Funds</p> <ul style="list-style-type: none">i. Complete one Short-Term Incentive and Retention Program for Employees Application per Participant signed by the Authorized Employer Representative.ii. If you have multiple Participants and would like to reduce data entry, you may complete one application total (complete the application but leave section 4 blank), signed by the Authorized Employer Representative, and accompanied by a completed <i>Incentive Retention Program Employee Information</i> spreadsheet that you may obtain from your Relationship Manager.iii. Complete one Authorized Cooperative/Employer Representative Form.iv. Mail the original documents together to the address on the application. |
| <input type="checkbox"/> | <p>B. Funding</p> <ul style="list-style-type: none">i. Once the accounts are open, we will provide the account numbers to you by secure email so you can fund them.ii. To fund the accounts, please review the Employer Instructions to Submit Funds Form.iii. If you are sending funding by Fedwire or check, please also submit a Group Purchase Form. |
| <input type="checkbox"/> | <p>C. Create an internal reminder of the vesting date(s) and amounts for each Participant. Reminders are needed to ensure that the Program’s timing rules are met with respect to tax withholdings obligations and payments.</p> |

V. Requesting Distributions

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| <input type="checkbox"/> | <p>A. Once a Participant’s vesting date is reached, discuss the distribution options below with the participant and submit a Distribution Form to Homestead Funds. Ensure you are paying the Participant in a timely manner in accordance with the Program’s timing rules.</p> |
| <input type="checkbox"/> | <p>B. If the Participant wishes to keep their assets invested in Homestead Funds, you can request a “Split Distribution” in Section 2 of the form. This will send a percentage you indicate to the Co-op for tax withholding with the remaining amount transferred to an account in the Participant’s name.</p> <ul style="list-style-type: none">i. If the Participant chooses this option ensure they open their account before you submit the form. This can be done online.ii. Assets may only be transferred to non-IRA accounts such as (Taxable) Individual or (Taxable) Joint Tenants. |
| <input type="checkbox"/> | <p>C. If the Participant chooses a cash distribution, Homestead Funds will send the requested amount to the Co-op. The Co-op is responsible for withholding applicable federal, state, and/or local income tax from the bonus award amount.</p> |