

Company Model Highlights



Employee-Owned Cooperative

- Every long-term employee has an equal opportunity to purchase stock in the company
 - Employees can petition to become a Co-Owner after 30 days, followed by a 12-month candidacy period
- We currently have approximately 120 Co-Owners and Candidates (as of December 2017)
- Our intention is to share the entire experience of small business ownership
 - Not just rewards and control, but also risks and responsibilities
 - Stock must be purchased and is never granted, gifted, or given as compensation
- We have one class of voting common stock
 - Only employees can own common stock
 - Each employee can only own one share of common stock (one person, one vote)
 - Common stock price is \$5,000 per share and does not appreciate/depreciate
 - When employees leave the company, their common stock must be redeemed at the original purchase price (via either cash or promissory note)
- We have two classes of non-voting preferred stock (for employees and external investors)
 - Preferred stock ownership is not tied to employment
 - There is no limit on how much employees and external investors may purchase
 - Preferred stock has an annual target dividend of 6.5% and does not appreciate/depreciate (i.e. preferred stock must be redeemed at the original purchase price via either cash or promissory)

Democratic Workplace

- All Co-Owners participate in democratic decision-making on a one-person, one-vote basis
- We hold semi-monthly, full-day “Big Picture Meetings” (BPMs) to make decisions, review financial statements, discuss high level matters, and facilitate team-building
- Committees, teams, and individuals can be democratically empowered by the BPM

Compensation Structure

- We maintain a 6-to-1 maximum ratio of highest to lowest total compensation per employee
- Co-Owners receive 6 weeks of paid-time-off each year (including holidays and sick time)
- All Co-Owners receive the same common stock dividend each year (prorated according to time worked as a Co-Owner in that year)
- We do not pay individual sales commissions and instead only pay whole-company bonuses

Continued On Next Page

100% Transparency

- All company information is available to Co-Owners, including salaries
- All books and meetings are completely open to Co-Owners
- We review financial statements together at each BPM to increase financial literacy

Holistic Profit Measurement

- We don't measure profit just in terms of dollars and cents, but also in terms of:
 - Customer satisfaction
 - Employee morale
 - Our involvement in the community
 - Our impact on the environment
 - How well we practice what we preach
- We strive to benefit all stakeholders equitably (customers, employees, investors, communities, and the environment), as opposed to inequitably benefiting certain stakeholders at the expense of any others
 - We have changed our articles of incorporation to reflect this

Corporate Giving Program

- Each year, we donate 10% of our annual profits to local nonprofit organizations in the form of solar grants, in-kind donations, sponsorships, and contributions to our Namasté Solar Foundation (totaling over \$920K from 2005-2016)

Environmental Stewardship

- Our headquarters office building is solar powered and LEED-certified
- We strive for zero-waste operations
- We provide free bus passes to all employees
- We drive a fleet of converted plug-in electric and hybrid company vehicles

Meritocracy With Non-hierarchy

- Employees who have earned others' trust and confidence are empowered with greater responsibilities
- The ideas, policies, and proposals with the most merit get implemented via our democratic decision making process

Frank, Open and Honest (FOH™) Communication

- We practice FOH™ communication in everything that we do
- FOH™ communication reduces time wasted on gossip and grudges

Flexible Work Environment

- Work days and hours are determined by each individual and work team
- Open office spaces – We seek to maximize interaction and no one has a private office
- Telecommuting – People may work from home or remotely with peer review by their team

Updated December 2017