

International Employee Stock Ownership Plan

BY THE NUMBERS

22 COUNTRIES

The number of countries currently included in the International ESOP rollout based on our assessment of the local labor laws, corporate laws, securities law and tax laws in each country where Chemonics has active projects: Afghanistan, Bangladesh, Bolivia, Bosnia and Herzegovina, Botswana, Côte d'Ivoire, Dominican Republic, Egypt, El Salvador, Ethiopia, Haiti, Honduras, Jordan, Mongolia, Nepal, Nigeria, Peru, Rwanda, South Africa, Uganda, West Bank and Gaza, and Zambia.

DECEMBER 31

Staff who are employed on this date will receive an allocation for that year.

A BRIEF HISTORY OF THE ESOP

2001 – Chemonics established a U.S.-based ESOP

2005 – Chemonics began funding the ESOP

2011 – Chemonics became 100-percent employee-owned

2012 – Chemonics began to explore how to create an ESOP plan for international employees and also began funding an International ESOP initially in 18 (and now 22) active countries

THE INTERNATIONAL ESOP HELPS CHEMONICS TO:

Maintain independent ownership and control and stay true to our mission of international development

Create incentives and rewards for employees who stay and help the company grow. The longer you are employed at Chemonics, the more you benefit from the International ESOP

Reinforce our core values of caring, excellence, innovation, integrity, and opportunity.

Fact Sheet

Since Chemonics became 100-percent ESOP-owned in 2011, the Board of Directors has been committed to including international employees as soon as administratively and legally feasible. In 2012, the ESOP was initially expanded to include local staff in 18 countries. As of 2017, participation has been expanded further to 22 countries where Chemonics has ongoing projects, and where our assessment of the local labor laws, corporate laws, securities laws, and tax laws indicated this benefit would be properly allocated. Local employees in these countries are automatically enrolled in the International ESOP and enjoy this additional benefit as part of their employment package. We work in nearly 70 countries, and the legal and tax regulations are different in each one. Each year we review our assessment of local laws in countries where Chemonics works, with the goal of expanding the plan as much as possible.

HOW DOES IT WORK?

Chemonics contributes money directly to the plan on your behalf – employees do not contribute their own money to the ESOP. Chemonics' contribution is used to purchase shares that are then allocated to your account. You are eligible to receive monetary payments after you leave Chemonics' employment and in accordance with the rules governing the plan.

OUR INTERNATIONAL ESOP IS UNIQUE

Most ESOPs are only for U.S. taxpayers. Chemonics was the first company to extend its ESOP on this scale to employees around the globe. Eligible local staff have been added to the existing ESOP plan, with the same trustee and administrator, but with a different stream of funding. When possible, conditions of the plan for local employees mirror the conditions for U.S. participants.

IMPORTANT TERMS:

ELIGIBLE EMPLOYEE: Any local national employee working in one of 22 pre-selected countries as of December 31 of each year. A local national who left service during the year after attaining age 59 ½ or due to death or disability is also an Eligible Employee for such year.

FOR FURTHER INFORMATION

- Please visit the International ESOP website at: www.chemonics.com/InternationalESOP and read through the detailed “Frequently Asked Questions” available on the site
- Contact ESOPquestions@chemonics.com for questions related to your account

This communication piece is a simplified summary of the ESOP plan provisions. In the event there is any conflict between this summary and the official plan document (as affected by applicable law and plan policies), or if there is any ambiguity or omission in this summary, the official plan document will always be followed in the actual determination of your benefits.

ELIGIBLE PARTICIPANT: An eligible employee who has decided not to opt out of the plan.

PARTICIPANT: Anyone having an account balance in the ESOP.

CONTRIBUTION: Cash or stock placed into the ESOP trust by the company for the benefit of the participants. The contribution is a percentage of all eligible participants’ eligible salaries.

ALLOCATION: Cash or stock assigned to an individual eligible participant’s account. In general, the allocation is a percentage of an individual’s eligible salary.

DISTRIBUTIONS: When you leave Chemonics, you must exchange your ESOP shares for cash, in a process called distribution.

DIVERSIFICATION: Participants who have reached age 55 and have been an eligible participant (eligible to participate in contribution allocations) for 10 plan years are eligible for “diversification.” This allows them to take a portion of their funds out of the ESOP.

BENEFICIARY: A person who will receive the money from a participant’s account if he or she dies before receiving a distribution. Each participant must name a beneficiary.

VALUATION: The process of determining the value of an asset or liability, specifically, the company’s stock owned by the ESOP. An independent appraiser determines the fair market value of the ESOP at least once a year. To determine the value, the appraiser looks at many aspects of the business, including the ratio of equity to debt and the potential for Chemonics to make money in the future.

VESTING: The amount of time it takes for an individual to have full entitlement to his or her ESOP account balance. The International ESOP vests at 50 percent after two years of service, 75 percent after three years of service and 100 percent after the fourth year. There is no vesting for staff who work less than two years. If you leave Chemonics and then return, your vesting credit may roll over.

FORFEITURE: The amount an individual who is not fully vested must forfeit when he or she leaves the company. That amount is reallocated by the administrator to eligible participant accounts.

DIVIDEND: Part of the net earnings of a corporation that is distributed to its stockholders. The Board of Directors determines the dividend amount, if any, each year. Dividends paid on shares held by the ESOP are normally used to pay down any ESOP debt. Shares released by such loan payment are allocated to participant accounts. Once the debt is repaid, dividends are allocated to your ESOP account.

HOW CAN I LEARN MORE?

Participants will receive a “Statement of Account” annually.

Additional background materials available at:

www.chemonics.com/internationalESOP.