



RANCHO SAN MIGUEL
MARKETS..

April 1, 2022

Employee-owners,

I am writing this letter to announce to you a new temporary program your employee-owned company is doing for you.

The country has been experiencing unprecedented inflation costs. Gasoline prices have increased dramatically. As of the date of this letter the average price of regular gasoline in California is \$5.92. One year ago, the average price of regular gasoline was \$3.895, that is a 52% increase. The consumer price index for February reported a 7.9% increase for all items. Food alone was reported to have increased at 7.9% year over year.

We are all experiencing these cost increases to our personal budgets. For this reason, your company challenged itself to find a way to help our employee-owners during this difficult time.

We know that by supporting our business we support ourselves. We know that many of you do buy your groceries from Food 4 Less or Rancho San Miguel Markets. You know that our mission is to provide affordable foods to the communities we serve. For this reason, the Business Leadership group discussed implementing a program to help our employees during this difficult time and came up with the following program.

Effective immediately, PAQ, Inc. will give each employee-owner every pay period a \$10 off \$50 purchase coupon for any Food 4 Less or Rancho San Miguel Markets. That is a 20% savings on a \$50 purchase. We know this will cost our company money that will impact our bottom line, but we are doing this to help out our employee-owners during this difficult time.

We will continue to offer this program while costs remain so high. We will re-evaluate the program periodically, and we may terminate the program if prices return to normalized levels.

I trust you find this program beneficial and support it while it lasts. Your leadership team is looking out for you, especially during this difficult time. I want to thank you for all your hard work and service to our company. Let's make PAQ, Inc. a great employee-owned company.

Bill Cote

Bill Cote
President & CEO

PAQ INC. 100% EMPLOYEE OWNED

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