

ESOP: Testimony

Interview with **Ky McLeod**

How long have you been with Griffith Company?
9 Years



What does working for an employee-owned company mean to you?

Working for an employee-owned company means that I am a true owner of a construction company. It means that my hard work and growth as an individual will also result in the growth of our company. It also means to me that we are a team. The ESOP drives our employees to be passionate about our entire team's work, not only their own, because the better the company does the more we all prosper. Through research, ESOP meetings and conversations with my managers, I have come to appreciate what a privilege it is to work for an employee-owned company.

How has our ESOP benefitted you?

The ESOP has benefitted my family and I by aiding with our retirement and has helped mold Griffith Company into a remarkable place to work. The ESOP is also a very motivating factor when it comes to committing to Griffith Company for the duration of my career. As the value of my portfolio increases, so does the incentive for me to work hard. To me, the most important aspect of the

ESOP is that it will help create generational wealth for my family.

How does being an ESOP company influence our culture and employee engagement?

Being an ESOP company gives Griffith Company an ownership culture. From the top down, employees care about the company as if it is their own, and not just a company that they work for. Employees make more inclined day-to-day decisions that drive our business forward. The ESOP also creates a more family-owned environment where communication and trust are at the forefront of our business. Company culture is something that we pride ourselves on. The Griffith Company ESOP program affects employee engagement on a day-to-day basis because employees think and act like owners of the company. The decisions that each employee make affects the bottom line, and the profit that the company makes goes back to that employee owner through the growth in the stock. This creates a positive environment where employees have a sense of transparency with the company's development. Shareholders are involved in decisions and there is an open book when it comes to financial information. Griffith Company holds an annual ESOP meeting where financial progress is discussed, and employees can ask questions about the company's direction and wellbeing.

How do you view our ESOP vs. a 401K?

The Griffith Company ESOP and 401K both have advantages when saving for retirement. The biggest pro for the ESOP is that the plan does not require any out-of-pocket cost to our employees, whereas the funds for a 401K come directly out of an employee's paycheck. Another significant advantage of the ESOP has been that the shareholder stock value is based on the value of the company. Griffith Company will continue to grow, and our stock value will continue to grow with it.

What advice would you give a younger or newer employee who might not understand the value of our ESOP?

A small piece of advice that I would give to a younger or newer employee would be that their commitment to Griffith Company will pay off tenfold. You are going to be an owner of Griffith Company and one day you will sell your portion of the company creating generational wealth for your family for years to come. Additional advice I have for younger employees is that just like any compounding retirement fund, the sooner you enter into the ESOP will result in a tremendous growth difference during your last years before retirement.

How does being an ESOP company separate us from our competitors?

Being an ESOP company separates us from our

competitors because we are able to retain long-term employees and we offer a better work environment. It is proven that ESOP companies have more productive and positive employees due to the ownership-type culture, and I have seen this firsthand working at Griffith Company. The ESOP also offers better financial advantages over our competitors.

How has your perspective on the ESOP changed, if at all, during your years with Griffith?

The ESOP means much more to me now than when I started at Griffith Company 9 years ago. As the years have gone by, the number of shares that I own in the company, along with the stock value, have increased drastically. I am now 100% vested and truly see the benefits as my ownership grows. I have also come to understand that Griffith Company is considered to have a healthy ESOP because the company has repurchased shareholders' stock by three times the value of the company. Along with this, the ESOP has had an annual contribution rate of 15%, followed by an average 10% growth in stock value. Griffith Company has been in business for 120 years and will continue to prosper for many years to come.

Griffith Grapevine

Birth Announcements

Congratulations to **Juan Estrada** and his wife, Ariana on the birth of their new baby boy, Theo Nathanael.

He was born August 24th at 9:17pm and weight 8lbs, 9oz.

He is the fifth boy to protect the one daughter; basketball line up is complete! Family of 8, will they have more?



Shahin Agahzadeh and his wife, Cynthia welcomed their second baby, Emelia Agahzadeh to the world on September 27th at 6:08 am. She was born a healthy 20" tall and nearly 9 pounds.

Congratulations to the Agahzadeh family on their latest addition!



Congratulations to **Kevin Baltazar** on the birth of his first baby. Sebastian was born on November 16th at approximately 2pm and weight 5.5lbs



Congratulations to **Eli Gaston** on the birth of her baby boy, Noah Parker

Enrique Gaston. He was born on November 22nd at 4:17am, 8.3lbs, 22 inches.



Wedding News

Congratulations to Julie Forsythe, formally Julie Binkley who wed Keith Forsythe at the Santa Ana Courthouse on August 8th, 2022. The couple got engaged July 9th and married August 8th!



SAFETY CORNER By Randy E. Franklin, CSP, Corporate Safety Director

What Really Drives Great Safety Performance?

Leading companies around the world with top performing safety cultures have a few very basic principles in common. Primarily the process is driven by company executives who live the company values and who hold people accountable for performing specific safety activities at the worker and supervisor level. Second is that company leaders regularly and clearly communicate the goals and objectives for improved safety performance while ensuring people are properly trained and developed to deliver outstanding results in very specific ways. Finally, they ensure that company safety management systems are best-in-class for their industry and that everyone in the organization has clearly defined expectations for daily engagement in the safety systems. All of this helps to ensure that safety performance is synonymous with company performance and that the two are inextricably entwined.



Safe work performance is a process that must be driven by company Managers and Supervisors including everyone in the hierarchy from the CEO to the Foremen. Such individuals must clearly and regularly demonstrate their competence and commitment to living the Griffith values. Values are those overarching principles that we hold in very high regard and generally live our life code by. Values are much different than priorities because they rarely, if ever, change. They include things like leading by example, strong work ethic, treating all people with dignity and respect, and being open, honest and transparent. Values combine with our beliefs to drive our behaviors.

Our beliefs can be tricky in that they are often assumed or unsubstantiated truths. One such example might be the belief that Construction work is hazardous and chaotic, and that people are bound to get hurt periodically simply due to the nature of the work. Such a belief is an assumed or unsubstantiated truth and may be based on past safety experience with few safety controls, poor operational leadership, or both. While we all know the work is hard and contains many hazards, nearly all hazards we encounter are predictable and can be clearly mitigated with the proper awareness, recognition, planning and execution of job tasks. Our beliefs can significantly impact the safety culture of our company, either good or bad.

Griffith Company plans to focus our energy for 2023 and beyond by adhering to those overall principles defined above that will drive safe work performance by every Griffith Employee. Please help to do your part in helping us on this journey by practicing those principles in your daily work activities.

Griffith Company News

The *Griffith Company News* is published four times per year in order to keep our employees better informed of Griffith Company events and accomplishments.



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Griffith Company News

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The Birth of Griffith Company

By Dan McGrew, Vice President of Business Development

Griffith Company's diverse history reaches back more than one hundred twenty years. Before the turn of the 20th century, and before Griffith Company was stamped on the letterhead, our Company was hard at work. In fact, Company accounting ledgers date back as far as the 1890's. But the organization we now know as Griffith Company really began taking shape between the years of 1902 and 1922.

Vice President. In 1908 Stephen Griffith, George's cousin left Spokane Washington to join the growing Company. More

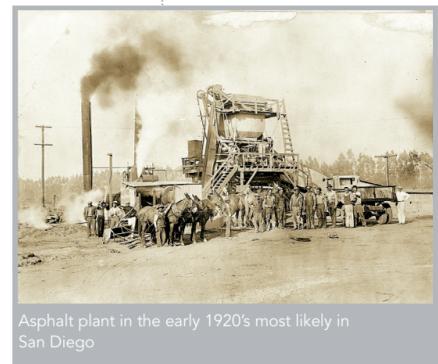
Griffith was unanimously elected to lead the Company.

During the years 1921 and 1922, the Griffiths were busy in the process of reorganizing the Company and turning Fairchild-Gilmore-Wilton into Griffith Company. On December 7, 1922 it became official when Griffith Company was incorporated in the State of California.



Steam Roller around 1910 in Pomona

changes came in 1911 as J.A. Fairchild resigned as President and Director, after transferring all his shares of the Company. George Wilton was elected President. In 1920, George Wilton resigned as President and George P.



Asphalt plant in the early 1920s most likely in San Diego

The first Board of Directors of the newly christened Company

continued



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Upcoming Events:

- Saturday, December 17**
SoCal Christmas Party
- Sunday, December 25**
Christmas Day
Offices closed Monday, 12/26/22
- Sunday, January 1**
New Year's Day
Offices closed Monday, 1/2/23

- Monday, March 20, 2023**
Annual Stockholders Meeting & Quarterly Board Meeting

Visit us on the Web at: www.griffithcompany.net



Our founding Company, Fairchild- Gilmore- Wilton originated as an engineering contractor focusing primarily on paving, grading, underground, site development and concrete work. In April of 1902 the Company was incorporated and J.A. Fairchild assumed the Presidency, serving in that role until 1911.

In 1906 George P. Griffith joined the Company, stepping in as a Director before he was elected

Griffith Company is an equal opportunity employer and an employee-owned company.

Executive VP'S View: How We Have Evolved But Never Lost Sight Of Who We Are

By Ryan Aukerman, Executive Vice President

As we quickly approach our 120-year anniversary, it is astounding to think about how many companies in our field have come and gone. Many of you are familiar with our extensive history. Our history molds us, not only as individuals, but as a company. We are so proud of who we have become, knowing that the steps, decisions, and projects have led us to where we are. Did you know that at one time we were a national contractor doing work across the country? Or that we once owned six asphalt plants and owned one of the largest earth moving fleets in the state? The Number 88 speaks for itself as we hold the third oldest contractors license

still doing business in California. For reference, licenses being issued today have expanded to 7 digits! Even with the transition from a multi-generation family-owned construction company to a 100% employee-owned company, we still refer to ourselves as the "Griffith Family". We say that proudly because it has not been easy to keep the feel of a small family-owned company that everyone knows and loves while continuing to push new levels of expansion and growth. That is something that we are



Ryan Aukerman

committed to never losing sight of as we continue to evolve into the future.

Let's not forget all of the lessons we have learned and the

accomplishments we have earned as we continue to grow our family and push to increase our value. We have truly become the most diverse contractor in our class of competitors. That diversity comes with the men and women who put the hard work in each and every day, as well as the combination of public/private work we perform,

our multiple delivery methods, a multitude of skillsets we bring to the table with self-perform capabilities and a diverse set of customers, subcontractors and vendors we have the opportunity of working with. To grow we must focus on our training efforts, and proactively adapt to challenging changes in regulations and compliance. I am confident that our past and history as a company to this point has equipped us to take each of these on without skipping a beat. Let's continue to acknowledge and honor our past as we set the tone for the upcoming year. The Griffith Family would be proud.

continued from Cover met at the Los Angeles Railway Building on December 15, 1922. Newly elected officers included President George P. Griffith, Vice President Stephen Griffith, and Treasurer George Griffith Jr.

Griffith Company took on and completed major projects for an ever-growing list of government agencies



Concrete stamp recovered in Bakersfield in 2011 showing our predecessor company

and owners among them the Department of Interior, Bureau of Reclamation, Metropolitan Water District, California Division of Highways, The Department of Army Corps of Engineers, and just about every department in the counties of Los Angeles, Orange, Kern and San Diego.

From this exciting beginning one hundred years ago, we have built on the capabilities and skills of these early years to achieve great things today. In the process we are standing on the



Turn of the century roadwork was very labor intensive



The original State of California Certificate of Incorporation for Griffith Company, dated December 7, 1922

Celebrating Another Milestone

By Ron Roberts, Recruitment & Public Relations Specialist



Griffith Company 2022 The 120/100 Year Milestones



A few Snapshots from Griffith's Illustrious 120 Year History



Conchas Dam (New Mexico) – 1937-39



San Gabriel River Freeway – 1963



Seaside/Navy Way (Port of Los Angeles) – 1998



Los Angeles Airport – 1955



Bridge at Penasquitos Creek (San Diego) – 1950

did you know?

- License 88 When California State Contractor licenses were originally issued back in 1929, the license number and cashing number were one and the same. The application fee was \$5.00, and the required information was very basic. Griffith Company was issued #88. In 1930 we renewed, and our license became #1492. In 1931 there were changes in the law that required licensees to complete an "Application for Contractor's License" that requested much more information such as business information, financial statement, worker's compensation information and references, along with a \$10.00 fee. A new number was issued, and this became permanent. Griffith Company was issued #32168. In 2000 as we prepared for our 2002 Centennial, we discovered the older license and requested to have it changed. Since September of 2000 we have used the original #88.
- Griffith Company reconstructed the same stretch of Pacific Coast Highway, between Corona del Mar and Laguna Beach, three times:

- the first in 1927, the second during the 60's, and the third during the 90's.
- Griffith Company helped build the original Universal Studios lot.
- To help stimulate the nation's economy during the Great Depression, Griffith established a gold recovery program while building Friant Dam. We split all gold findings 50/50 with the U.S. Government.
- Griffith built the library at the University of Southern California.
- Griffith Company graded, paved and resurfaced airfields across the San Joaquin Valley including Mojave Airport, China Lake Airforce Base, Bakersfield Airport and Edwards Airforce Base.
- Griffith built a piece of almost all the freeways in California.
- Griffith placed the first concrete runway at LAX in 1959.
- Griffith Company paved the original Dodger Stadium parking lot in 1962 and the lot for the San Diego Chargers and Padres at what would later be known as Jack Murphy Stadium in 1967.

KUDOS KORNERS

2021 Grand Prize Safety Raffle Winner, **David Frasso** finally got to enjoy his trip to Waikiki, Hawaii. Him and his wife stayed at the Hilton Hawaiian Village this past October. Congratulations to him for being a safety role model. Vacation well deserved!



Griffith Quarterly Photo Competition

Kudos to our winners of the quarterly photo competition for Q2, **Scott Trotter**, and for Q3, **Baktash Karimi**, and to **Jason Mora** and **Ricky Chairez** on being runners-up for Q2 and Q3 respectively.



Scott Trotter: Port of Long Beach Boat Dock2



Ricky Chairez: Drilling and Pouring Signal foundations on PCH at Hawthorn



Jason Mora: LAX Alaska Airlines T6 Concrete Pour in the Middle of the Airfield



Baktash Karimi: POLB Pier G Wharf Improvements Project, Griffith Structures Division Placing and Finishing Concrete for the Pier G Berth G236 Extension

Promotions

- Kudos to the following employees on their promotions May to Present:
- Laura Malagon** – Accounts Payable Specialist, Southern Region
 - Jose Correa** – General Superintendent, Landscape Division
 - Brian Diaz** – Estimator, Southern Region
 - Carol Lee** – Senior Project Engineer, Southern Region
 - Awad Issa** – Senior Project Engineer, Southern Region
 - Scott Sherman** – Senior Project Engineer, Southern Region
 - Justin Whitted** – Assistant Project Manager, Southern Region
 - Ky McLeod** – Chief Estimator, Southern Region
 - Harjot Chahal** – Senior Project Engineer, San Diego

Fundraising Team

Kudos to our fundraising team for all their hard work in raising money for Movember and City of Hope. The focus this year was to raise awareness of Men's Health, suicide prevention, prostate cancer, and testicular cancer. Our team did an amazing job putting together many wonderful ways to get Griffith employees engaged and participate in raising funds to support the mentioned organizations and their initiatives.

37 participants joined the No Shave November, 17 Raffle Baskets were donated, BBQ fundraiser was a success, spirit week focused on raising awareness by wearing sports gear, Taurean Cox ran 60 miles in November for the 60 men lost to suicide every hour. To finish it off, a survivor testimonial and Toolbox talk were hosted.

Special thanks to Mercy Canul, Megan Stone, Stephanie Jauregui, Taurean Cox, Stephanie Goad and Julie Forsythe for making this a successful fundraiser.

